

February 16, 2026

Submitted via regulations.gov

The Honorable John D. Bates  
Chair, Committee on Rules of Practice and Procedure  
Administrative Office of the United States Courts  
One Columbus Circle, NE  
Washington, D.C. 20544

**Re: Proposed Amendments to Rule 7.1 of the Federal Rules of Civil Procedure**

Dear Judge Bates:

We write to express our support for the proposed amendments to Rule 7.1 of the Federal Rules of Civil Procedure, which would facilitate timely and informed judicial recusal decisions under 28 U.S.C. § 455 and the Code of Conduct for United States Judges. We thank the Committee for recommending these additional disclosures, which will assist judges in maintaining the high standards of conduct necessary to uphold the integrity of and public trust in the federal courts.

Among other requirements, in determining whether to recuse from a case a judge must consider not only their actual financial interests, but also whether there is a threat to the perception of their impartiality. Section 455 requires disqualification in either instance: That is, when a judge knows they or a family member have a financial interest in a party—“however small”<sup>1</sup>—and also when the judge’s impartiality “might reasonably be questioned.”<sup>2</sup> These requirements help ensure that judges, who serve an incredibly important and powerful role in our justice system, both appear to be and remain impartial.

While under section 455(c) judges have a responsibility to keep informed about their own financial interests, a judge’s ability to fully consider and comply with their statutory and ethical requirements also depends on adequate disclosures from the parties before them.<sup>3</sup> It is also important that judges have timely access to this information. If, for example, a judge discovers or a party reveals a potential financial conflict after the judge and the parties already have expended substantial time and effort on the proceedings, the late disclosure may lead to wasted resources<sup>4</sup> and attempted judge shopping by parties “seeking to avoid the consequences of [the judge’s] expected adverse decision.”<sup>5</sup> Even if a judge ultimately determines that they need not recuse

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<sup>1</sup> 28 U.S.C. §§ 455(b)(4), (d)(4); *Guide to Judiciary Policy, Vol. 2A, Ch. 2: Code of Conduct for United States Judges*, Canon 3.C(1)(c) (last revised Mar. 12, 2019), <https://www.uscourts.gov/file/25752/download> [hereinafter *Code of Conduct*].

<sup>2</sup> 28 U.S.C. § 455(a); *Code of Conduct*, Canon 3.C.

<sup>3</sup> 28 U.S.C. § 455(c); *Code of Conduct*, Canon 3.C(2).

<sup>4</sup> See *Shell Oil Co. v. United States*, 672 F.3d 1283, 1286, 1294 (Fed. Cir. 2012) (vacating judgment under § 455(b)(4) six years after the lawsuit was filed because of a financial conflict the district judge discovered when entering final judgment).

<sup>5</sup> *Perpich v. Cleveland Cliffs Iron Co.*, 927 F. Supp. 226, 233 (E.D. Mich. 1996) (citation omitted); see also *Donoff v. Delta Air Lines, Inc.*, No. 18-81258, 2020 WL 3268500, at \*5 (S.D. Fla. Feb. 4, 2020) (“[T]he timing of filing the expedited recusal motion just after the denial of class certification and during briefing on summary judgment, suggests forum shopping by a discontented litigant.”); *Union Carbide Corp. v. U.S. Cutting Serv., Inc.*, 782 F.2d 710,

from the case, late disclosure may lead to litigation delays<sup>6</sup> or financial costs to a judge who elects to divest.<sup>7</sup>

The proposed changes help prevent these disruptions by requiring additional information in Rule 7.1(a) disclosure statements, which are filed with a party's first appearance and promptly supplemented as needed after.<sup>8</sup> Specifically, the proposed amendments: (1) replace references to "a corporate party" with the broader term "business organizations"; and (2) require disclosure of "a parent business organization" and "any publicly held business organization that directly or indirectly owns 10% or more of" a party.<sup>9</sup>

The first change ensures that the rule covers commercial entities such as "limited liability companies" and "Master Partnerships," which have the potential to create financial conflicts for judges but may not be defined as "corporations" under state law.<sup>10</sup> The second change, which provides that both direct and indirect ownership of at least 10% of a party require disclosure, clarifies that the disclosure statement also applies to corporate "grandparents" or "great grandparents."<sup>11</sup> This change provides district judges with timely information that may affect their disqualification decisions and aligns district court disclosure rules with the longstanding practice of the courts of appeals.<sup>12</sup>

Overall, these amendments help judges determine at the outset of a case whether they or a family member have a "financial interest in the subject matter in controversy or in a party to the proceeding," "any other interest that could be substantially affected by the outcome of the proceeding," or otherwise must recuse.<sup>13</sup> We support these changes, which, in addition to facilitating judges' timely and informed recusal determinations, will benefit litigants by reducing the risk of later disruptions in ongoing litigation.

Thank you for your work on these important issues and for considering our views.

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716 (7th Cir. 1986) (explaining that the lawyer moved to recuse the judge when the client "evidently was distressed by some rulings made by" the judge).

<sup>6</sup> *Shell Oil Co. v. United States*, 108 Fed. Cl. 422, 425 (2013) (after judge did not recuse and court of appeals required disqualification on remand, reassigned judge ruled on summary judgment motions 10 months after remand and four years after the now-recused judge initially entered final judgment).

<sup>7</sup> 28 U.S.C. § 455(f); *Union Carbide Corp.*, 782 F.2d at 718 (Flaum, J., dissenting in part) (explaining that such costs may include brokerage fees, tax consequences, and the "relative costs, derived by comparing actual costs to the value of the asset and to the financial worth of the judge"); *Perpich*, 927 F. Supp. at 234 (terminating membership in family's limited partnership).

<sup>8</sup> Fed. R. Civ. P. 7.1(b).

<sup>9</sup> Comm. on Rules of Practice and Procedure of the Judicial Conf. of the U.S., *Preliminary Draft: Proposed Amendments to the Federal Rules of Appellate, Bankruptcy, Civil, and Criminal Procedure, and the Federal Rules of Evidence, Excerpt from the May 15, 2025 Report of the Advisory Committee on Civil Rules* 43 (Aug. 2025), [https://www.uscourts.gov/sites/default/files/document/preliminary-draft-of-proposed-amendments-to-federal-rules\\_august2025.pdf](https://www.uscourts.gov/sites/default/files/document/preliminary-draft-of-proposed-amendments-to-federal-rules_august2025.pdf).

<sup>10</sup> *Id.* at 43.

<sup>11</sup> *Id.* at 41.

<sup>12</sup> *Id.* at 41–43; see Fed. R. App. P. 26.1 advisory committee notes (explaining that the corporate disclosure statement rule "requires disclosure of all of a party's parent corporations meaning grandparent and great grandparent corporations as well").

<sup>13</sup> 28 U.S.C. §§ 455(a), (b)(4); *Code of Conduct* Canon 2, 3.C(1)(c).

Respectfully submitted,

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