



*Restructuring, Inc.*, 532 F.3d 355, 360 (5th Cir. 2008). Equitable subordination is not penal; it is meant to offset harm resulting from the claimant’s conduct. *Id.* at 361.

The Court finds that the Receiver has not met this burden. First, Magness has not engaged in recognized inequitable conduct, such as fraud or undercapitalization. Rather, perhaps negligently, Magness accepted fraudulent transfers and had inquiry notice of Stanford International Bank’s (“SIB”) fraud. *See Janvey v. GMAG, LLC*, 977 F.3d 422, 425–26 (5th Cir. 2020). Second, there is no injury. Magness paid the entire amount of any “winnings” Magness invested with SIB, including the Receiver’s fees and cost at the close of litigation. *See Orders releasing funds from Janvey v. GMAG LLC*, 2017 WL 8780882 (N.D. Tex. 2017), Dkts. 390, 394, 397. Thus, any further subordination would be penal and not remedial. Finally, Magness does not have unclean hands because Magness’s notice of possible financial improprieties is not sufficient to constitute fraud. *See Browning v. Navarro*, 887 F.2d 553, 563 (5th Cir. 1989). Moreover, the doctrine of unclean hands is an equitable defense and is inapplicable here, where Magness has only legal claims. Thus, the Court denies the Receiver’s request to subordinate Magness’s claims.

## II. FINAL DISTRIBUTION PLAN

Accordingly, the Court ORDERS the Receiver to pay the professional firms their portion of the amounts contained in Section III of the order and make distributions to eligible Investor CD Claimants according to the following Final Distribution Plan (“Final Plan”):

**A. Definitions.**

Unless otherwise defined in this Final Plan, all capitalized terms shall have the same definitions as those set forth in the Court’s May 30, 2013, Order Approving Receiver’s First Interim Plan. *See* Dkt. 1877.

1. “Final Distribution Plan” means the instant Court Order setting forth and approving the Receiver’s Final Distribution Plan.

2. “JLs” means Mark McDonald and Kevin Hellard, in their capacities as the Eastern Caribbean Supreme Court–appointed Antiguan Joint Liquidators of Stanford International Bank, Ltd., and of Stanford Trust Company, Ltd.

3. “Investor CD Claimants” means all holders of Stanford International Bank, Ltd. CD Claims or Other Stanford International Bank, Ltd. Claims (a) who have not been sued by the Receiver or the Official Stanford Investors Committee (the “Investors Committee”) to recover funds they received from the Stanford Ponzi scheme, (b) who have never been a Stanford employee, independent contractor, or insider, provided that the Receiver retains the right to compensate former Stanford employees for CD losses on the same terms as other investors if the former employees have, in the Receiver’s discretion, materially assisted the Receiver and were not involved in sales or marketing of SIB CDs.<sup>1</sup>

4. “JL Investor CD Claimants” means the subset of Investor CD Claimants who submitted claims in the JLs’ claims process, but only where such claims were not

---

<sup>1</sup> This is the same definition as in the First through Eleventh Interim Plans. *See* Dkt. 1877 at 4, ¶ A(10).

duplicative of claims already submitted in the Receiver's claims process and where such claims were submitted prior to the Receiver's Bar Date of September 1, 2012.

5. "Receivership Investor CD Claimants" means all Investor CD Claimants other than the JL Investor CD Claimants.

6. "SocGen Settlement" means the \$114,411,117.32 in funds remaining from the original \$157,000,000.00 received in settlement with Société Générale Private Banking (Suisse) S.A ("SocGen"), after deducting \$4,451,843.57 in allowed expense disbursements and \$38,137,039.11 in Court-awarded attorneys' fees. *See* Dkts. 3228, 3229 (motion for approval of SocGen Settlement); Dkt. 3230 (SocGen Scheduling Order); Dkt. 3301 (minute entry concerning June 7, 2023 hearing on SocGen Settlement); Dkt. 3304 (Order approving SocGen Settlement); Dkt. 3305 (Order approving expenses and attorneys' fees relating to SocGen Settlement); Dkts. 3350, 3351 (Fifth Circuit's dismissal of R. Allen Stanford's attempt to appeal SocGen Settlement); Dkt. 3421 (Fifth Circuit's Remand of JL's appeal of SocGen Bar Order); Dkt. 3456 (motion for order closing proceedings related to approval of SocGen Bar Order and settlement); Dkt. 3462 (Order closing proceedings related to approval of SocGen Bar Order and settlement).

7. "Approval Date" means the date that the instant Court Order is entered.

**B. The Court hereby approves a pro rata distribution of eight percent of eligible Investor CD Claimants' allowed claim amounts, or approximately \$375 million, in cash to eligible Investor CD Claimants.**

1. The Order Approving the First Interim Plan expressly states that "[a]ny future distributions to Investor CD Claimants shall likewise be pro rata based on Investor CD Claimants' Allowed Claim Amounts." *See* Dkt. 1877 at 6, ¶ B(1). Consistent with

that Order, the Court hereby orders that a final distribution shall be made to eligible Investor CD Claimants included in Exhibit 2 to the Declaration and Report of Receiver Ralph S. Janvey (“Receiver’s Report”) on a pro rata basis pursuant to the Final Distribution Plan. *See* Dkt. 3521-2. Eligible Investor CD Claimants shall receive payments equal to eight percent of each eligible Investor CD Claimant’s Allowed Claim Amount as reflected in their Notice of Determination or Conditional Notice of Determination from the Receiver, corresponding to their pro rata share of approximately \$375 million. The Allowed Claim Amounts shall be based on the Investor CD Claimants’ Net Losses.

2. If an Investor CD Claimant serves and files a timely objection to a Notice of Determination or Conditional Notice of Determination, the Investor CD Claimant is not disqualified from receiving a distribution under the Final Distribution Plan. However, such Investor CD Claimant shall receive a payment under the Final Distribution Plan based on the Allowed Claim Amount contained in the Notice of Determination or Conditional Notice of Determination. If the Investor CD Claimant ultimately succeeds in increasing the Allowed Claim Amount (either by stipulation with the Receiver or by Court order sustaining the Investor CD Claimant’s objection), the Investor CD Claimant shall receive a supplemental payment representing the pro rata difference between the Allowed Claim Amount in the Notice of Determination or Conditional Notice of Determination and the Allowed Claim Amount after final resolution of the Investor CD Claimant’s objection.

3. JL Investor CD Claimants who have not completed and timely returned to the Receiver their “Consent to United States Jurisdiction” forms are ineligible for distributions, including distributions under the Final Distribution Plan.

4. Each Investor CD Claimant's distribution under the Final Distribution Plan shall be based solely on Investor CD Claims and not on other types of Claims, if any.

5. Nothing in this Order restricts the Receiver's authority to compromise and settle any Investor CD Claim, or resolve any objection to a Notice of Determination, or to make additional determinations with respect to an Investor CD Claimant's eligibility to participate in the Court's distribution plans, including this Final Distribution Plan, at any time, as appropriate, without further order of this Court. *See* Dkt. 1584 at 21, ¶ 7(u).

**C. Execution of the Final Distribution Plan.**

1. Distributions under the First through Eleventh Interim Distribution Plans are now closed. The claims of every claimant eligible for distributions under those plans has appeared on a schedule on file with the Court. No other Investor CD Claimants will receive payments under those plans. Consistent with this Court's prior orders approving the First through Eleventh Distribution Plans, some of the scheduled payments under those plans have reverted to the Receivership Estate. *See* Receiver's Report at Ex. 3, Dkt. 3521-3. The Investor CD Claimants whose funds have reverted, or revert following entry of this Order, under those plans are no longer entitled to receive payments under the First through Eleventh Interim Distribution Plans. All distributions to Investor CD Claimants under this Final Distribution Plan shall begin after the Approval Date. Subject to the Receiver's authority in Section B(5) above, only Investor CD Claimants who are identified on the Receiver's list of claimants eligible for this Final Distribution Plan, *see* Receiver's Report at Ex. 2, Dkt. 3521-2, are entitled to receive distributions under this Final Distribution Plan.

2. The payments pursuant to the Final Distribution Plan shall be made by check or wire transfer. If payment pursuant to the Final Distribution Plan is being made to compensate for losses that derive from accounts jointly owned by or otherwise associated with two or more Investor CD Claimants, the checks shall be jointly payable to all such Investor CD Claimants and, if made by check, require the full endorsement of all such Investor CD Claimants.

3. If payment pursuant to the Final Distribution Plan is made by check, each check shall be void if not cashed within ninety days from the date of issue and a statement to this effect shall appear on the face of each check. The Investor CD Claimant(s) to whom the payment was originally issued may make a request for reissuance by submitting a written request to the Receiver within ninety days of the original date of issuance of the check or wire transfer. An Investor CD Claimant may only request a reissuance one time. An Investor CD Claimant who does not cash the check, ensure the wire transfer successfully processes, or request a check reissuance and provide all information necessary for reissuance within ninety days from the date of issue or transfer shall not be eligible to receive any other payment under this Final Distribution Plan. All funds represented by void checks not subject to a timely request for check reissuance shall revert to the Receivership Estate. Similarly, all funds represented by wire transfers that are not successfully processed within ninety days of the date of issue due to the Investor CD Claimant's failure to provide adequate wire instructions or other information shall revert to the Receivership Estate. Such reverted funds, as well as funds reverted under the terms of Orders approving the First through Eleventh Interim Distribution Plans, may be used by

ORDER APPROVING RECEIVER'S FINAL DISTRIBUTION PLAN – PAGE 7

the Receiver to fund an additional pro rata distribution to eligible Investor CD Claimants and the cost of such a distribution, so long as such a distribution, in the Receiver's judgment, is warranted by considerations of the cost of distribution versus the amount to be distributed.

4. Following the date of entry of this Order, if payment pursuant to the First through Eleventh Interim Distribution Plans is made by check, each check shall be void if not cashed within ninety days from the date of issue, and a statement to this effect shall appear on the face of each check. The Investor CD Claimant(s) to whom the payment was originally issued may make a request for reissuance by submitting a written request to the Receiver within ninety days of the original date of issuance of the check or wire transfer. An Investor CD Claimant may only request a reissuance one time. All funds represented by void checks not subject to a timely request for check reissuance shall revert to the Receivership Estate. Similarly, all funds represented by wire transfers that are not successfully processed within ninety days of the date of issue due to the Investor CD Claimant's failure to provide adequate wire instructions or other information, shall revert to the Receivership Estate.

5. With respect to check payments representing an Investor CD Claimant's pro rata share of the SocGen Settlement under this Final Distribution Plan, the following endorsement language shall be included on the reverse of all checks, above where the endorser will sign:

BY ENDORSING THIS CHECK, I RELEASE ALL CLAIMS, KNOWN OR NOT, AGAINST BLAISE FRIEDLI AND SOCIÉTÉ GÉNÉRALE PRIVATE BANKING (SUISSE) S.A., THEIR AGENTS, HEIRS,

ASSIGNS, AND EMPLOYEES (WHETHER CURRENT OR PAST), ARISING FROM OR RELATING TO STANFORD INTERNATIONAL BANK, LTD. OR ANY OF ITS RELATED ENTITIES AND ACCEPT THIS PAYMENT IN FULL SATISFACTION THEREOF.

*See* Dkt. 3229 at 30, ¶ 39 (“Distribution by Check”). Claimants who accept Final Distribution payments by wire and do not return such payment within seven days will be deemed to have released any claims against SocGen and Blaise Friedli, their agents, heirs, assigns, and employees (whether current or past), arising from or relating to Stanford International Bank, Ltd. or any of its related entities and accept the wire payment in full satisfaction thereof.

**D. No Effect on Third-Party Claims.**

1. An Investor CD Claimant’s receipt of a payment under this Final Distribution Plan shall not constitute a waiver of the following:

- a. any defenses an Investor CD Claimant has or may have against litigation claims asserted or that may be asserted by the Receiver, including but not limited to any rights the Investor CD Claimant has or may have to appeal rulings of the trial court in such cases;
- b. any right that an Investor CD Claimant has or may have to pursue claims against former individual Stanford Financial Group financial advisors who were licensed by FINRA, subject to any limitations contained in this Court’s prior Orders, including but not limited to this Court’s Second Amended Receivership Order dated July 19, 2010 *see* Dkt. 1130;

- c. any right that an Investor CD Claimant has or may have to pursue claims against persons or entities that are not Receivership Entities, except as otherwise specified in paragraph C(4) above and further subject to any limitations contained in this Court's prior Orders, including but not limited to this Court's Second Amended Receivership Order dated July 19, 2010, *see id.*, and this Court's Final Bar Order dated June 8, 2023 that bar certain claims against certain individuals and entities in connection with the SocGen Settlement, *see* Dkt. 3304; or
- d. any claims, rights, or defenses which the Receiver, or his counsel, agree in a stipulation filed with this Court are not waived by filing of a Proof of Claim.

**E. Release.**

1. Any Investor CD Claimant who receives a payment pursuant to this Final Distribution Plan shall be deemed to have released the Investor CD Claim(s) for which payment was made to the extent of the payment. Each Investor CD Claimant's Allowed Claim Amount shall be reduced, dollar for dollar, by the total amount received pursuant to the Final Distribution Plan.

**III. AWARD OF SUPPLEMENTAL PROFESSIONAL FEES AND EXPENSES**

1. The SEC and the Examiner separately object to the Receiver's request for \$40,890,050.76 of holdback fees and a total of \$2,123,520.20 for fee applications. Dkts. 3535, 3534. The Court finds that the Receiver is entitled to its equitable share in the amount of fifty percent of the holdback fees based on its reasoning below and denies the request

for an award for fee applications. *See SEC v. Fifth Ave. Coach Lines, Inc.*, 364 F. Supp. 1220, 1222 (S.D.N.Y. 1973) (giving great weight to the opposition or agreement of the SEC to the fee application).

2. The Fifth Circuit uses the lodestar method to determine the reasonableness of fee awards. *Smith & Fuller, P.A. v. Cooper Tire & Rubber Co.*, 685 F.3d 486, 490 (5th Cir. 2012). The lodestar is calculated by multiplying the number of hours that an attorney reasonably spent on the case by a reasonable hourly rate. *Id.* The party seeking the fees bears the burden of establishing both. *See Watkins v. Fordice*, 7 F.3d 453, 457 (5th Cir. 1993). The reasonable hours an attorney spends is a benchmark the Court uses to then exclude any time that is excessive, duplicative, unnecessary, or inadequately documented. *Id.* The hours remaining are those reasonably expended. The lodestar is presumed to be a reasonable fee. *Smith & Fuller, P.A.*, 685 F.3d at 490. However, courts may adjust the amount based on twelve factors. *Johnson v. Georgia Highway Express, Inc.*, 488 F.2d 714, 717–19 (5th Cir. 1974).

3. Here, the Court finds that after fifteen years of work, the ultimate financial condition of the Receivership has been ascertained, making this the appropriate time to approve payment of the professional fees and expenses held back since 2009. The holdback was initially justified because the eventual size of the Receivership Estate would be smaller than expected and, at the time, unknown. February 3, 2010, Order, Dkt. 994. In 2010, under the eighth *Johnson* factor, the results obtained justified the fee reduction. *Id.* (citing *Johnson*, 488 F.2d at 718). Now, the Court finds that the “results obtained” under *Johnson* is a total payment of \$2.18 billion to Investor CD Claimants and that a

ORDER APPROVING RECEIVER’S FINAL DISTRIBUTION PLAN – PAGE 11

reduced award is equitable based on the evidence. The 18,000 victims of a large and complex scheme have waited fifteen years to recover their losses. In the meantime, the Receiver and his professionals have collected on a significant percentage of the total amount recovered in the form of interim fees. This adjustment of the Receiver's fees, therefore, will mitigate the harm the victims suffered.

Additionally, a partial release of the holdback would recognize the equitable role Baker Botts played in achieving the various Stanford settlements that contributed to recovery. The Court acknowledges that Baker Botts served in various positions, such as coordinating law firms, in *Daubert* challenges, in pre-trial and trial preparation, and in settlement efforts. However, several other parties also must be given due credit, including OSIC itself for its prosecution efforts, and where Baker Botts was only a nominal party. Thus, based on the equities of the case, the Court finds and reduces the holdback amounts approved for immediate payment as set forth below. The adjustment accounts for the time spent, services performed, hourly rates charged, and expenses incurred by the Receiver and his professionals during the period covered by the Request for Supplemental Award of Professional Fees and Expenses, that were reasonable and necessary for the Receiver to perform his Court-ordered duties and justified under the *Johnson* factors.

4. The Court finds against an adjustment to the holdback fees and expenses based on the Consumer Price Index ("CPI"). The Receiver sought a unilateral upwards CPI adjustment for itself, but does not account for any adjustment to the CD Claimants. To support this adjustment, the Receiver cited various fee-shifting cases paid to *prevailing* counsel. This law is inapplicable in the current context where the recovery is shifted from  
ORDER APPROVING RECEIVER'S FINAL DISTRIBUTION PLAN – PAGE 12

the *victims*. To date, the Receiver and retained professionals received between eighty to ninety percent of their billings, whereas the CD Claimants have recovered less than half of their losses. This further distinguishes the remaining case law Receiver bases his argument on. *See, e.g., In re Lawler*, 807 F.2d 1207 (5th Cir. 1987) (permitting compensation because of a delay when counsel was owed *considerably* more); *see also SEC v. W.L. Moody & Co.*, 374 F. Supp. 465 (S.D. Tex. 1974) (paying commercially acceptable rates only when creditors had been paid *in full*). Therefore, the Court denies adjusting the holdback fees based on CPI calculations.

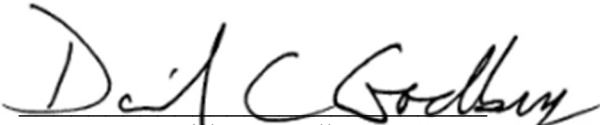
5. Finally, Baker Botts is not entitled to compensation for the preparation of the Receivership's fifth through eighty-second fee applications. The SEC Billing Instructions provide that receivers cannot bill for time spent preparing and submitting fee applications. These instructions were effective as of October 1, 2008, and remained in effect at the time the Receiver was appointed in 2009. *See* Examiner's Resp. to Receiver's Appl. For Suppl. Fees App. 21, Dkt. 3434-1. The SEC's instructions have remained the same through its latest revision in 2022. SEC, 2022 BILLING INSTRUCTIONS 8. Thus, the Court denies the Receiver's request for fees for the fifth through eighty-second fee applications, and for the final fee application.

It is therefore ORDERED that:

The Receiver's Request for Supplemental Award of Professional Fees and Expenses is granted in part. The cumulative holdback related to fees and expenses incurred in connection with Receivership Estate matters from February 2009 to December 2024 is

\$29,833,810.90. The Court awards fifty percent of the cumulative holdback. The amount authorized for immediate payment is \$14,916,905.45.

Signed October 8, 2025.



David C. Godbey  
Senior United States District Judge




Anne's Claims (claims XXXX445-5 and XXXX465-4) utilizing the allowed claim amounts determined by the Receiver contained in the Receiver's Notices of Determination. These pro rata distributions will total \$36,154,257.50.

2. The Final Distribution Plan is amended such that the Receiver is authorized to include the Magness Claims in the forthcoming final distribution.

3. The Final Distribution Plan is amended to authorize the Receiver to distribute approximately \$339 million, or 7.10%, pro rata to the eligible Investor CD Claimants on Exhibit 2 to the Receiver's Report and on the Magness Claims. Any references to "\$375 million," "eight percent," and "8.0%" in the Final Distribution Plan, Dkt. 3555, are altered and amended to instead state "\$339 million," "seven-point-one-zero percent," and "7.10%," respectively.

Signed November 25, 2025.

  
David C. Godbey  
Senior United States District Judge