

**IN THE UNITED STATES DISTRICT COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
DALLAS DIVISION**

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

v.

STANFORD INTERNATIONAL BANK, LTD.,  
ET AL.,

Defendants.

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Case No. 3:09-CV-00298-N

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**RECEIVER’S MOTION FOR APPROVAL OF FINAL DISTRIBUTION PLAN AND  
REQUEST FOR HEARING**

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Through this Motion, the Receiver respectfully requests that the Court approve a final distribution (the “Final Distribution Plan”) which will result in an 8.0% pro rata distribution totaling approximately \$375 million to eligible Investor CD Claimants,<sup>1</sup> and payment of outstanding professional fees and expenses related to the holdback and preparation of fee applications, in an amount totaling approximately \$43 million (“Receiver’s Request for Supplemental Award of Professional Fees and Expenses”). Upon approval of this Final Distribution Plan, the Receiver and his professionals will commence the work necessary to carry out the Final Distribution Plan and to terminate all remaining Receivership functions. The Receiver will thereafter file with the Court a certification that the Final Distribution Plan has been

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<sup>1</sup> Unless otherwise defined herein, all capitalized terms shall have the same definitions as those set forth in the First Interim Distribution Plan. *See* Dkt. 1877. This Final Distribution Plan would provide funds only to eligible Investor CD Claimants, comprising both Receivership Investor CD Claimants and JL Investor CD Claimants, as more particularly defined in the attached proposed Order.

completed and all Receivership operations have ceased, and request that the Receivership be terminated, and the Receiver be discharged from his duties.

The Receivership's work to marshal assets for the benefit of the Stanford victims, whether through litigation or asset liquidation, is complete. With respect to the claims process, more than 100,000 individual claims were submitted, all of which have been reviewed and processed, and have been addressed appropriately by Notices of Determination or otherwise. All previously authorized distributions, totaling more than \$1.8 billion, have been sent or are in the process of being sent based on schedules filed with Court. Therefore, it is now appropriate for the Court to determine the disposition of the Receivership's funds.

#### **I. Position of the SEC and Examiner**

Prior to filing this motion and the related pleadings, the Receiver conferred with the SEC and Examiner and provided them draft copies of the relevant pleadings on August 15, 2025. The Receiver understands that the position of these parties in summary are as follows:

SEC: Opposed to the Receiver's Request for Supplemental Award of Professional Fees and Expenses, but otherwise unopposed to this Motion.

Examiner: Opposed to the Receiver's Request for Supplemental Award of Professional Fees and Expenses, but otherwise unopposed to this Motion.

Given the importance of the issues presented, and the likelihood of appeals following the Court's decision on this Motion, the Receiver requests that the Court set a hearing on this Motion as soon as briefing is closed.

#### **ARGUMENT & AUTHORITIES**

#### **II. Final Pro Rata Distribution to Eligible Investor CD Claimants.**

The Receiver requests approval of a pro rata distribution of 8.0%, corresponding to approximately \$375 million, to the more than 17,000 eligible Investor CD Claimants (comprising

both Receivership Investor CD Claimants and JL Investor CD Claimants, as more particularly defined in the attached proposed Order) listed in Exhibit 2 of the Receiver's Report based upon their CD net losses. *See* Declaration & Report of Receiver Ralph S. Janvey ("Receiver's Report") at Ex. 2, Dkt. 3521-2. Funds for this final distribution come from recent litigation recoveries or settlements (*e.g.*, Magness and SocGen<sup>2</sup>), other recoveries, interest income on the Receivership's bank balances, and funds from uncashed checks issued to Investor CD Claimants that have reverted to the Receivership under the terms of the Orders approving the First through Eleventh Interim Distribution Plans.<sup>3</sup>

For the reasons set forth more fully in the Receiver's motion to approve the First Interim Distribution Plan and in his reply in support thereof, *see* Dkts. 1766, 1777, this Final Distribution Plan is appropriate and equitable.<sup>4</sup> The Order Approving Receiver's First Interim Distribution

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<sup>2</sup> As required by the terms of the settlement with Société Générale Private Banking (Suisse) S.A. ("SocGen"), *see* Final Bar Order approving SocGen settlement at 1–2, Dkt. 3304, the Receiver will utilize the following "Endorsement Language" on the reverse side of the 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, Dkt. 3229 at 30. Similar language has been used in prior distribution plans comprised of settlement payouts where the settlements required the use of such language. *See, e.g.*, Order Approving Receiver's Eleventh Interim Distribution Plan at 8, Dkt. 3418. The Receiver requests that the Court order that, for claimants who accept distributions through wire payments, the foregoing release is similarly effective upon acceptance and refusing/failing to return a wire payment.

<sup>3</sup> A schedule of the funds determined to be reverted by claim number and distribution plan is attached to the Receiver's Report as Exhibit 3. *See* Dkt. 3521-3. Consistent with this Court's Orders approving the First through Eleventh Distribution Plans, these funds reverted to the Receivership Estate after the issued payments were not cashed within 180 days of issuance and the claimants either did not submit a timely request for reissuance or did not provide information necessary to process a reissuance request within the 180-day reissuance deadline. As part of this Motion, the Receiver requests that the Court formally approve the inclusion of these reverted funds in the Final Distribution Plan, and confirm that the claimants associated with the specific claims identified on the reverted schedule have no right to the reverted funds.

<sup>4</sup> *See SEC v. Credit Bancorp, Ltd.*, 290 F.3d 80, 91 (2d Cir. 2002); *SEC v. Basic Energy & Affiliated Res., Inc.*, 273 F.3d 657, 668 (6th Cir. 2001); *SEC v. Forex Asset Mgmt. LLC*, 242 F.3d 325, 328, 331–32 (5th Cir. 2001); *SEC v. Elliott*, 953 F.2d 1560, 1566–67, 1570 (11th Cir. 1992); *SEC v. Hardy*, 803 F.2d 1034, 1037–39 (9th Cir. 1986); *SEC v. Wealth Mgmt.*, 628 F.3d 323, 333 (7th Cir. 2010); *U.S. SEC v. Infinity Grp. Co.*, 226 F. App'x 217, 218 (3d Cir. 2007) (*per curiam*); *SEC v. Capital Consultants, LLC*, 397 F.3d 733, 737, 739, 746–47 (9th Cir. 2005); *SEC v. Byers*, 637 F. Supp. 2d 166, 176 (S.D.N.Y. 2009), *aff'd sub nom.*, *SEC v. Malek*, 397 F. App'x 711 (2d Cir. 2010), and *aff'd sub nom.*, *SEC v. Orgel*, 407 F. App'x 504 (2d Cir. 2010).

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). The Investor CD Claimants were the overwhelming source of the funds that fueled the Stanford Ponzi scheme.<sup>5</sup> In receiverships involving victims of investment fraud, courts routinely approve distribution plans that maximize the recovery for defrauded investors, even when doing so results in nonpayment to other claimant types.<sup>6</sup> All of the Receiver’s distribution plans have been based on pro rata payments to Investor CD Claimants, and there is no reason to vary from that approach for this Final Distribution Plan.

If the Court approves the Final Distribution Plan, which corresponds to a distribution of 8.0% of the total allowed claim amounts, the total authorized distributions under all plans will be 48.3% of total allowed claim amounts, and the total amount distributed will be more than \$2.1 billion.<sup>7</sup>

After completing the administration of the Final Distribution Plan, and after ceasing all other Receivership operations, the Receiver will file with the Court a combined Certification, Final

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<sup>5</sup> *In re Stanford Int’l Bank, Ltd.*, No. 3:09-CV-0721-N, 2012 WL 13093940, at \*13 (N.D. Tex. July 30, 2012).

<sup>6</sup> *See U.S. Commodity Futures Trading Comm’n v. PrivateFX Glob. One*, 778 F. Supp. 2d 775, 786 (S.D. Tex. 2011) (writing that “as an equitable matter in receivership proceedings arising out of a securities fraud, the class of fraud victims takes priority over the class of general creditors” and finding that a plan which made distributions to Ponzi-scheme victim investors but none to creditors was “the most equitable distribution.” (citation modified)); *U.S. Commodity Futures Trading Comm’n v. RFF GP, LLC*, Nos. 4:13-cv-382, 4:13-cv-383, 2014 WL 491639, at \*1–2 (E.D. Tex. Feb. 4, 2014) (approving distribution plan that paid “investors on a pro-rata basis before paying any amounts to non-investor creditors” because “courts regularly grant defrauded investors a higher priority than [even] defrauded creditors.”), *report and recommendation adopted*, Nos. 4:13-cv-382, 4:13-cv-383, 2014 WL 994928 (E.D. Tex. Mar. 10, 2014); *SEC v. Complete Bus. Sols. Grp., Inc.*, No. 20-CV-81205-RAR, 2024 WL 5348580, at \*9 (S.D. Fla. Dec. 16, 2024) (approving distribution plan that required “allowed claims of a claimant who invested money with one or more receivership entities” to be “paid in full” before any distribution will be made to former employees of receivership entities and “businesses owed for goods, services, or credit provided to a receivership entity prior to the receiver’s appointment.” (citation modified)).

<sup>7</sup> As part of this Final Distribution Plan, the Receiver requests that the Court order that any checks issued after the date of this Order by the Receivership under any plan, including the Final Distribution Plan, revert to the Receivership Estate if they are not cashed or subject to a timely request for reissuance within ninety days from the date issued.

Accounting, and Request to Terminate the Receivership and Discharge the Receiver. *See* Receiver's Report at 10, Dkt. 3521.

### **III. Payment of Professional Fees and Expenses Associated with the Holdback and Preparation of Fee Applications**

At this point, the financial “results obtained” by the Receiver and his professionals are clear and not in dispute. *See* Receiver's Report at 2–4, Dkt. 3521. Furthermore, the work of the Receivership is complete but for the final distribution of funds and termination of Receivership functions. However, the amount of the final distribution to claimants cannot be determined until this Court rules on the Receiver's request for supplemental award of professional fees and expenses.

For the reasons previously briefed to the Court, *see* Dkt. 3423, and those set forth in the accompanying and contemporaneously filed brief in support, the case law standard of the “results obtained” by the Receiver and his professionals justifies payment of the held-back fees and expenses. The case law further supports an adjustment for the multi-year delay in payment of the Receiver's and other professionals' reasonable fees and expenses, and for the payment to Baker Botts for work performed in preparing numerous fee applications.<sup>8</sup>

The Receiver requests that the Court approve 1) payment of \$29,833,810.90 in professional fees and expenses previously held-back from the first through eighty-second fee applications, 2) a CPI-based upward adjustment of \$11,056,239.86 to those fees and expenses held back to compensate the professionals for the years delay in payment, and 3) payment to Baker Botts for the reasonable and necessary work to prepare the Receivership's fee applications, adjusted for the

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<sup>8</sup> Baker Botts specifically requests that the Court award compensation for Baker Botts's work preparing the Receivership's fifth through eighty-second fee applications as explained in the contemporaneously filed Receiver's Brief in Support of Supplemental Award of Professional Fees & Expenses. This corresponds to the fee applications filed beginning in 2010 to present, once the fee application process was settled and in place.

delay in payment, in the amount of \$2,123,520.20. The Receiver requests that the Court approve these requests now and authorize the immediate payment of these amounts.<sup>9</sup>

#### **CONCLUSION & PRAYER**

For all of the foregoing reasons, the Receiver respectfully requests that the Court enter the attached proposed Order authorizing the Receiver to distribute 8.0% of allowed claim amounts, or approximately \$375 million pro rata, to eligible Investor CD Claimants, including both Receivership Investor CD Claimants and JL Investor CD Claimants, pay held-back professional fees and expenses and fees incurred in preparing the Receivership's fifth through eighty-second fee applications, with an upward adjustment to compensate for delay in payment of these fees and expenses, and distribute any reverted funds pro rata to eligible Investor CD Claimants. The Receiver also requests such other and further relief to which he may be justly entitled.

Dated: August 20, 2025

Respectfully submitted,

**BAKER BOTTS L.L.P.**

By: /s/ Kevin M. Sadler

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<sup>9</sup> A final fee application will be contemporaneously filed with the Receiver's certification that the Final Distribution Plan has been administered and that all Receivership operations have ceased.

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**ATTORNEYS FOR RECEIVER RALPH S. JANVEY**

### CERTIFICATE OF CONFERENCE

Counsel for the Receiver has conferred with the parties to this lawsuit concerning this motion and the relief requested herein, as more particularly set forth below:

- Counsel for the Receiver conferred with Jason Rose, counsel for the SEC, who stated that the SEC is opposed to the Receiver's Request for Supplemental Award of Professional Fees and Expenses but is otherwise unopposed to this Motion.
- Counsel for the Receiver conferred with John Little, the Court-appointed Examiner, who stated that he is opposed to the Receiver's Request for Supplemental Award of Professional Fees and Expenses but is otherwise unopposed to this Motion.
- Counsel for the Receiver conferred with Michael W. May, counsel for the DOJ (Tax Division), who did not provide a response regarding the United States (IRS)'s position on this motion or the relief requested herein.
- Counsel for the Receiver conferred with Jeff Tillotson, counsel for Laura Pendergest-Holt, who did not provide a response regarding Ms. Pendergest-Holt's position on this motion or the relief requested herein.
- Counsel for the Receiver conferred with Cole B. Ramey, counsel for Gilberto Lopez, who did not provide a response regarding Mr. Lopez's position on this motion or the relief requested herein.
- Counsel for the Receiver conferred with the office of David Finn, who is listed on the docket sheet as the attorney to be noticed for James Davis, who did not provide a response regarding Mr. Davis's position on this motion or the relief requested herein.
- Counsel for the Receiver conferred with John Helms, Jr. and Gregg Anderson, counsel for Mark Kuhrt, who did not provide a response regarding Mr. Kuhrt's position on this motion or the relief requested herein.
- Counsel for the Receiver conferred with Michael Stanley, counsel for Leroy King, who did not provide a response regarding Mr. King's position on this motion or the relief requested herein.
- Defendant R. Allen Stanford, who represents himself pro se in this matter, is currently incarcerated. It is therefore impractical to confer with him regarding this motion. It is reasonable to assume, however, that Mr. Stanford is opposed to this motion and the relief requested herein.

The motion, therefore, is opposed.

/s/ Kevin M. Sadler

Kevin M. Sadler



### **CERTIFICATE OF SERVICE**

I certify that on August 20, 2025, I electronically filed the foregoing document with the Clerk of the Court for the Northern District of Texas, Dallas Division, using the CM/ECF system. The ECF system will send “Notice of Electronic Filing” to all counsel of record who have consented in writing to accept service of this document by electronic means.

I further certify that on August 20, 2025, I served a true and correct copy of the foregoing document and the notice of electronic filing by United States Postal Service Certified Mail, Return Receipt requested, to the persons noticed below who are non-CM/ECF participants:

R. Allen Stanford, Pro Se  
Inmate #35017183  
Coleman II USP  
Post Office Box 1034  
Coleman, FL 33521

/s/ Kevin M. Sadler

Kevin M. Sadler