

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF
TEXAS, SHERMAN DIVISION

Melissa Halstead v. Commissioner, SSA

Halstead · No. 4:20-CV-674-SDJ · Decided January 21, 2026

SUMMARY

The United States District Court for the Eastern District of Texas grants Plaintiff’s counsel’s motion for attorney’s fees under 42 U.S.C. § 406(b) following a remand that resulted in an award of Social Security benefits. The court awards \$31,351.50, representing 25% of the claimant’s past-due benefits, and directs counsel to refund the previously awarded EAJA fee of \$6,547.05 to the claimant.

CASE DETAILS

COURT	United States District Court for the Eastern District of Texas, Sherman Division
JURISDICTION	United States District Court for the Eastern District of Texas, Sherman Division
DECIDED	January 21, 2026
DOCKET	4:20-CV-674-SDJ
DISPOSITION	other
PROCEDURAL POSTURE	Plaintiff's counsel moved for an award of attorney's fees under section 406(b) of the Social Security Act after the court reversed the Commissioner's decision and remanded for further administrative proceedings, resulting in an award of past-due benefits.
STANDARD OF REVIEW	The court independently assessed whether the requested contingent fee was reasonable and whether it would result in a windfall to counsel, considering the statutory cap, the fee agreement, the circumstances of the case, counsel's performance, and other factors identified by the Fifth Circuit.
PRECEDENTIAL VALUE	Unknown
PARTIES	Melissa Halstead v. Commissioner, SSA

TOPICS

- attorney fees
- judicial review of agency action
- administrative law
- remedies
- civil procedure

PRACTICE AREAS

Social Security

administrative law

attorney fees

civil procedure

QUESTIONS PRESENTED

1. Whether plaintiff's counsel was entitled to an award of attorney's fees under 42 U.S.C. § 406(b).
2. Whether the requested fee of \$31,351.50 was reasonable and did not constitute a windfall under section 406(b).
3. Whether counsel was required to refund the lesser EAJA fee to the plaintiff after receiving the section 406(b) award.

HOLDINGS

1. A remand that ultimately results in an award of benefits is a judgment favorable to the claimant for purposes of 42 U.S.C. § 406(b).
2. The requested \$31,351.50 section 406(b) fee was reasonable and did not constitute a windfall to counsel.
3. After receiving the section 406(b) award, counsel must refund the lesser EAJA fee of \$6,547.05 directly to Halstead.

KEY QUOTATIONS

“A remand that ultimately results in an award of benefits is a judgment that is favorable to a claimant.” (at 2)

“A contingency fee agreement may set the amount of Section 406(b) fees so long as (1) the amount complies with Section 406(b)’s 25% cap and (2) the amount is reasonable under the facts of the case—i.e., it does not result in a windfall for the attorney.” (at 2)

“A prevailing claimant may collect fees under both Section 406(b) and the EAJA, “but the claimant’s attorney must refund to the claimant the amount of the smaller fee.”” (at 2)

FACTUAL BACKGROUND

Halstead's benefits claim was initially denied by the Commissioner. After judicial review and remand, the Social Security Administration found Halstead entitled to \$125,406.00 in past-due benefits and withheld \$31,351.50 for attorney's fees. Her counsel requested that amount under section 406(b), representing 25 percent of the past-due benefits, for 32.60 hours of work before the district court. The court found the requested fee reasonable in light of counsel's experience, the contingency agreement, the favorable result, the risks undertaken, and the absence of significant delay caused by counsel.

PROCEDURAL HISTORY

Halstead sought judicial review of the Commissioner's denial of Title II Social Security benefits. On the Commissioner's motion, the court reversed the final decision and remanded under 42 U.S.C. § 405(g). The court then awarded \$6,547.05 in EAJA attorney's fees and \$400.00 in costs. After remand, the Social Security Administration awarded \$125,406.00 in past-due benefits and withheld \$31,351.50 for attorney's fees. The court

granted counsel's section 406(b) fee motion, authorized payment of \$31,351.50 from the withheld benefits, ordered counsel to refund the \$6,547.05 EAJA award to Halstead, and closed the case.

DISPOSITION

other

CASES CITED

- Jackson v. Astrue, 705 F.3d 527, 531 (5th Cir. 2013)
- Siebe v. Comm'r of Soc. Sec. Admin., No. 5:19-CV-30, 2021 WL 3493167, at *1 (E.D. Tex. Apr. 16, 2021)
- Gisbrecht v. Barnhart, 535 U.S. 789, 796, 807-08 (2002)
- McGuire v. Sullivan, 873 F.2d 974, 983 (7th Cir. 1989)
- Jeter v. Astrue, 622 F.3d 371, 380-82 (5th Cir. 2010)
- Rife v. Comm'r of Soc. Sec. Admin., No. 4:21-CV-197 (E.D. Tex. Apr. 26, 2024)
- Silves H. v. Kijakazi, No. 3:22-CV-286, 2023 WL 9102228, at *3 (N.D. Tex. Dec. 18, 2023)
- Seznik v. Comm'r of Soc. Sec. Admin., No. 3:20-CV-2574, 2023 WL 6066466, at *2-3 (N.D. Tex. July 17, 2023)
- Sabourin v. Colvin, No. 3:11-CV-2109, 2014 WL 3949506, at *1-2 (N.D. Tex. Aug. 12, 2014)