

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION**

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

TIMOTHY BARTON,
CARNEGIE DEVELOPMENT, LLC,
WALL007, LLC,
WALL009, LLC,
WALL010, LLC,
WALL011, LLC,
WALL012, LLC,
WALL016, LLC,
WALL017, LLC,
WALL018, LLC,
WALL019, LLC,
HAOQIANG FU (A/K/A MICHAEL FU),
STEPHEN T. WALL,

Defendants,

DJD LAND PARTNERS, LLC, and
LDG001, LLC,

Relief Defendants.

C.A. No.: 3:22-cv-2118-X

Jury Trial Demanded

**PLAINTIFF SECURITIES AND EXCHANGE COMMISSION'S RESPONSE
TO MOTION OF SOUTHERN STAR CAPITAL, LLC
TO MODIFY STAY PROVISION SET FORTH IN RECEIVER ORDER**

The Securities and Exchange Commission (“SEC”) submits this response to Motion of Southern Star Capital, LLC (“Southern Star”) to Modify Stay Provision Set Forth in Receiver Order, and respectfully shows the court as follows:

On November 29, 2023, the Court entered a second Order Appointing Receiver that includes a stay of foreclosures involving Receivership Property or Receivership Entities (as those terms are defined therein). Dkt. No. 417 at ¶¶ 34-36. Southern Star is a secured lender the made loans secured by real property held by Receivership Entities DJD Land Partners, LLC and Lynco Ventures, LLC. The Receiver is engaged in ongoing work to determine the fair market value of these properties and states that it has commissioned appraisals that demonstrate the properties still have equity and provide value to the Receivership Estate. Receiver’s Response at pp. 1, 6-7. (Dkt. No. 508). Thus, the foreclosure actions Southern Star proposes may reduce the value of the receivership assets and impede the Receiver’s ability to effectively administer the receivership. The SEC therefore takes the position that the Receiver should be provided a reasonable amount of additional time to complete its ongoing efforts to value and address these properties, without prejudice to Southern Star re-urging its request for relief.

Dated: June 14, 2024

Respectfully submitted,

/s/ Keefe M. Bernstein

Keefe M. Bernstein

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Securities and Exchange Commission

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Counsel for Plaintiff

Securities and Exchange Commission

CERTIFICATE OF SERVICE

I affirm that on June 14, 2024, I caused the foregoing to be electronically filed with the Clerk of the Court for the Northern District of Texas, Dallas Division, by using the CM/ECF system which will send a notice of electronic filing to all CM/ECF participants.

/s/ Keefe M. Bernstein
Keefe M. Bernstein

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**ORDER DENYING MOTION OF SOUTHERN STAR CAPITAL, LLC
TO MODIFY STAY PROVISION SET FORTH IN RECEIVER ORDER**

This matter comes before the Court on the Motion of Southern Star Capital, LLC to
Modify Stay Provision Set Forth in Receiver Order. After considering the Motion and all

responses thereto, the Court has determined that the Motion should be denied. IT IS HEREBY ORDERED that the Motion is DENIED.

SIGNED this ____ day of _____, 2024.

BRANTLEY STARR
UNITED STATES DISTRICT JUDGE