

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF TEXAS

	§	
In re:	§	Chapter 7
	§	
ALEXANDER E. JONES,	§	Case No. 22-33553 (CML)
	§	
Debtor.	§	
	§	
In re:	§	
	§	
ROBERT WYN YOUNG	§	Civil Action No. 4:25-cv-02057
	§	
Appellant.	§	
	§	

**TRUSTEE’S OBJECTION TO
MOTION FOR STAY PENDING APPEAL**

Christopher R. Murray, Chapter 7 Trustee (the “*Trustee*”) for the Bankruptcy Estate of Alexander E. Jones (the “*Debtor*” or “*Jones*”), by and through his undersigned counsel, files this objection (the “*Objection*”) to the Appellant’s *Motion for Stay Pending Appeal* [Docket No. 6] (the “*Stay Motion*”), and in support thereof, respectfully states as follows:

PRELIMINARY STATEMENT

1. This appeal arises from the Bankruptcy Court’s denial (Case No. 33553, Docket No. 1129) of Robert Wyn Young’s (“*Young*” or the “*Appellant*”) *Motion for Leave to Intervene to Present Evidence of Fraudulent Judgment* (Case No. 22-33553, Docket No. 1120) (the “*Motion to Intervene*”) in the above-captioned bankruptcy case. As the Trustee noted in the *Statement of Trustee in Connection with Appeal of Robert Wyn Young* (Docket No. 2) filed on May 28, 2025, neither the Trustee nor Jones Murray LLP (one of the law firms that represents the Trustee in the above-captioned bankruptcy case) are properly parties in the appeal filed by Young, despite being incorrectly identified as parties in Appellant’s Designation. Case No. 33553, Docket No. 1144.

Nevertheless, the Trustee is forced to respond to the Appellant's Stay Motion seeking to stay the *entire bankruptcy case* while this appeal is pending. Young filed a motion for stay pending appeal first in the Bankruptcy Court. Case No. 22-33553, Docket No. 1153. The Bankruptcy Court denied the motion on June 5, 2025. Case No. 22-33553, Docket No. 1164. The Appellant then filed the Stay Motion in this Court pursuant to Bankruptcy Rule 8007.

2. The Appellant has failed to articulate a colorable basis for a stay of the bankruptcy case. The Appellant does not have any likelihood of success on the merits of the appeal, and the Appellant will suffer no injury if a stay is not granted. The judgment won by the Connecticut Plaintiffs,¹ which Appellant seeks to challenge, cannot be collaterally attacked in the Bankruptcy Court, which has already determined that the judgment is non-dischargeable.² This appears to be the remedy the Appellant seeks, so any intervention or stay is effectively moot. There is no further remedy available to the Appellant, nor would any remedy be lost if the bankruptcy case is not stayed pending appeal. In contrast, parties in interest will suffer substantial harm by having the bankruptcy case paused—which has already been pending since December 2022—particularly when there is no real connection between Young's appeal and parties' interests in the bankruptcy case. Lastly, a stay would not serve the public's interest because the Court is already familiar with the Connecticut judgment, has analyzed it, and has already denied dischargeability of that judgment, which is apparently what the Appellant sought to achieve by intervening in the

¹ “*Connecticut Plaintiffs*” means Mark Barden, Jacqueline Barden, Francine Wheeler, David Wheeler, Ian Hockley, Nicole Hockley, Jennifer Hensel, William Aldenberg, William Sherlach, Carlos M. Soto, Donna Soto, Jillian Soto-Marino, Carlee Soto Parisi, Robert Parker, and Erica Ash.

² The Connecticut Plaintiffs obtained judgments against the Debtor and Free Speech Systems, LLC of approximately \$1.5 billion in the consolidated litigation captioned *Lafferty v. Jones*, No. UWY-CV18-6046436-S, Docket No. 1044 (Conn. Super. Ct. Dec. 22, 2022). The judgments were later reduced on appeal to the Connecticut Appellate Court in *Lafferty v. Jones*, AC 46131 (Con. App. Ct. 2024). The Connecticut Supreme Court denied the Debtor's petition for certification on April 8, 2025.

bankruptcy case.³ Other parties, namely the U.S. Trustee, are better positioned to address any concerns of the abuse of the bankruptcy process, than the Appellant. Therefore, the Stay Motion should be denied.

OBJECTION

3. A stay under Bankruptcy Rule 8007 is not obtainable as of right. *See In re Wellington*, 631 B.R. 833 (Bankr. M.D.N.C. 2021). There are four factors a court considers when determining whether to grant a stay of a bankruptcy proceeding pending appeal:

- The movant must show a likelihood of success on the merits of the appeal;
- The movant must not show they will suffer any irreparable injury if the stay is not granted;
- The stay must not substantially harm other parties in the case; and
- The stay must serve the public interest.

See In re First South Savings Assoc., 820 F.2d 700, 709 (5th Cir. 1987); *Revel AC, Inc. v. IDEA Boardwalk, LLC*, 802 F.3d 558, 565 (3d Cir. 2015). The Appellant has failed to show that any of these factors weighs in favor of the extraordinary relief of a stay of the entirety of the Debtor's bankruptcy case while the appeal is pending.

A. Young has no likelihood of success on the merits.

4. The appeal concerns the Bankruptcy Court's denial of the permissive intervention of the Appellant in the bankruptcy case pursuant to Bankruptcy Rule 2018(a) to present supposed evidence of prepetition fraud on the part of the Debtor and others in the issuance of the

³ *See* Case No. 33553, Docket No. 1120 at 14 (“The absolute and unequivocal holding of the Supreme Court in Bartenwerfer, concerning the non-dischargeability [sic] of fraudulently-incurred [sic] debts, weighs heavily in favor of this Court's acceptance and consideration of the credible allegation and evidence of fraud herein and herewith presented.”); Stay Motion at 8 (“under Section 523(a)(2)(A) of the Bankruptcy Code, debts incurred by fraud cannot be discharged in bankruptcy”).

approximately \$1.3 billion Connecticut judgment against the Debtor in Connecticut state court. Case No. 33553, Docket No. 1129. Permissive intervention under Bankruptcy Rule 2018(a) is discretionary. The Appellant does not have cause to intervene in the bankruptcy case because the Appellant lacks a direct interest in the proceedings. Permissive intervention was within the Bankruptcy Court's discretion to deny. Therefore, the Appellant does not have a likelihood of success on the merits.

5. Bankruptcy Rule 2018(a) provides that, “[a]fter hearing on such notice as the court orders and for cause, the court may permit an interested entity to intervene generally or in any specified matter.” FED. R. BANKR. P. 2018(a). “[P]ermissive intervention is committed to the discretion of the court before which intervention is sought. *Cameron v. EMW Women’s Surgical Ctr., P.S.C.*, 595 U.S. 267, 278–79 (2022) (citing *Automobile Workers v. Scofield*, 382 U.S. 205, 217 (1965)). Bankruptcy court orders denying motions for permissive intervention are reviewed for abuse of discretion. *See In re Acis Capital Mgmt., L.P.*, 604 B.R. 484, 513–14 (N.D. Tex. 2019) (citing *St. Bernard Parish v. Larfarge N. Am., Inc.*, 914 F.3d 969, 973 (5th Cir. 2019)). The denial of a motion for permissive intervention will only be disturbed in extraordinary circumstances. *St. Bernard Parish*, 914 F.3d at 973. Denial of permissive intervention is not an abuse of discretion where the movant has an insufficiently direct interest in the proceedings. *See Acis Capital Mgmt.*, 604 B.R. at 513.

6. Courts consider various factors when determining whether to allow permissive intervention in a bankruptcy case, including: (1) whether the moving party has an economic or similar interest in the matter; (2) whether the interest of the moving party is adequately represented by the existing parties; (3) whether the intervention will cause undue delay in the proceedings; and (4) whether the denial of the movant’s request will adversely affect their interest. *See In re Adilace*

Holdings, 548 B.R. 548, 462–63 (Bankr. W.D. Tex. 2016); *Pasternak & Fidis, P.C. v. Wilson*, Case No. GJH-14-01308, 2014 U.S. Dist. LEXIS 133140, at *15 (D. Md. Sept. 23, 2014). These factors overlap with the factors for request for a stay pending appeal.

7. Young’s Motion to Intervene did not directly concern or address the entirety of the Debtor’s bankruptcy case or claims held by others against the Debtor. Young merely sought to address alleged prepetition conduct of the Debtor and the Connecticut Plaintiffs and a request that the Court order the Trustee to conduct an investigation into Young’s allegations. Young is supposedly only concerned with “(a) the integrity of **federal judicial process** and (b) the viability of the **1st Amendment**”. Stay Motion at 13 (emphasis in original). As is clear from the pleadings, Young has no economic or similar interest in the Debtor’s bankruptcy case and has not asserted one. Young has not indicated how any direct interest is affected by the bankruptcy case. *See In re New Era*, 135 F.3d 1206, 1210 (7th Cir. 1998) (denying intervention where proposed intervenor had “no legally protectable interest in opposing” a settlement). If Young is going to raise First Amendment issues anywhere or challenge the Connecticut judgment, the place to do that is in Connecticut, not in the Bankruptcy Case, because the Connecticut judgment cannot be subject to collateral attack in the Bankruptcy Court. Additionally, general concerns about the integrity of a bankruptcy process do not constitute a direct interest in a bankruptcy case where the movant is not a party in interest.

8. As described more fully below, the Appellant’s interests are adequately represented by other parties in this case, who are positioned to investigate fraud or abuse in the bankruptcy system.

9. As the Appellant quotes in the Stay Motion, the Bankruptcy Court has already ruled that the Connecticut judgment against the Debtor is non-dischargeable. Stay Motion at 8–9; *see*

Adv. Pro. No. 23-03037, Docket No. 76. The Appellant then asserts that because of the alleged fraudulent judgment, “**no other proceedings toward relief are or will ever become relevant**, because **no relief** may be afforded in bankruptcy based upon a fraudulent judgment.” Stay Motion at 8 (emphasis in original). The Appellant misunderstands; the Debtor has other creditors besides the Connecticut Plaintiffs. Thus, even if his allegations were true, there are creditors unrelated to the Appellants’ allegations—including, but not limited to, Texas plaintiffs with claims and judgments against the Debtor—who are parties in interest in the bankruptcy case. The dischargeability of *those debts* is not affected by Young’s allegations. Recoveries for actual creditors of the Debtor will be hindered and delayed by the Appellant’s requested stay of the bankruptcy proceeding.

10. Because the Appellant’s alleged interest in the bankruptcy case is so tenuous, remote, and non-economic, that denial of intervention could not have affected the Appellant’s interests. No remedy could possibly be granted by the Bankruptcy Court that would address Appellant’s concerns about the First Amendment or potential abuse of the bankruptcy courts. Therefore, the Appellant has no likelihood of succeeding on the merits of the Motion to Intervene.

B. Young will not suffer irreparable injury if a stay is not granted.

11. Young has suffered no injury and will suffer no injury if the bankruptcy proceeding is not stayed. Young has no financial interest in the bankruptcy proceeding. There is no risk of injury if the bankruptcy case and related adversary proceedings are allowed to continue while the appeal is pending. Even if all of Young’s allegations were true, the Connecticut judgment is unaffected by the proceedings in the Bankruptcy Court, and the non-dischargeability of that judgment has already been determined by the Bankruptcy Court (while some issues remain outstanding in that adversary proceeding). Adv. Pro. No. 23-03037, Docket No. 76. Further, any

alleged abuse of the bankruptcy process has no effect on Young's interests, and others are far better positioned to address such alleged abuse than Young, including the Bankruptcy Court and the U.S. Trustee.

C. There will be substantial harm to parties in interest if a stay is granted.

12. Creditors of the Debtor would suffer substantial harm from a stay of the entire bankruptcy proceeding, especially where a stay is neither necessary nor justified. There are several pending adversary proceedings unrelated to the Connecticut judgment. There is no reason to stay those proceedings where there is simply no connection to the Connecticut judgment. In addition, the Debtor's bankruptcy case has been pending since December 2022 and should not be further delayed by the Appellant's appeal of the denial of permissive intervention. There is no reason why the Appellant, a non-creditor, should be able to hold up recoveries for creditors of the Debtor's estate. The creditors have an interest in the bankruptcy case proceeding to conclusion. Lastly, the Trustee's ability to administer the Debtor's bankruptcy estate would be entirely hampered if the Appellant's Stay Motion were granted. It would be impossible for the Trustee to fulfill his duties under the Bankruptcy Code if the Stay Motion were granted. This factor therefore weighs in favor of denying the Appellants request for a stay pending appeal.

D. A stay will not serve public interest.

13. A stay will not serve the public interest. The Bankruptcy Court and the U.S. Trustee are fully capable of addressing the claims asserted by Young regarding the integrity of the bankruptcy process. Any public interest in the First Amendment will go unaffected by the bankruptcy court proceedings. The documents the Appellant proposed to submit have been reviewed by the Court, have been sent to the U.S. Trustee's office, and have been reviewed by the Trustee. *See* Bankruptcy Court Hr'g Tr. 12 (June 5, 2025); *see generally* Motion to Intervene.

The dischargeability of the Connecticut judgment has been the subject to an adversary proceeding before the Bankruptcy Court and what the Appellant seeks to submit is duplicative of documents and information already presented to the Bankruptcy Court. This factor weighs against granting a stay pending appeal.

CONCLUSION

14. It is ultimately unclear what the Appellant hopes to achieve in Alex Jones' bankruptcy case by seeking to stay the bankruptcy case until the appeal of the denial of the Motion to Intervene has run its course. The Appellant's concerns about the First Amendment of the U.S. Constitution cannot be addressed by the Bankruptcy Court of the Trustee. The Connecticut judgment has been subject to appellate review in the Connecticut state appellate courts and may be appealed to the U.S. Supreme Court. The Connecticut judgment cannot be challenged in the Bankruptcy Court, nor should the Debtor's bankruptcy case be put on complete hold for the Appellant's appeal when there is no direct interest in any aspect of the Debtor's bankruptcy case. In essence, the Appellant has asked this Court harm the interests of all other parties in the bankruptcy case to serve the Appellant, who has no stake in the bankruptcy case at all. All of this is simply to establish the non-dischargeability of the Connecticut judgment—which has already been granted by the Bankruptcy Court. Such an outcome is absurd and unjust. The Appellant's Stay Motion should be denied.

15. The Trustee reserves all rights to seek relief under applicable law related any matter raised in this appeal or the bankruptcy case related to the Stay Motion or any other pleading filed by the Appellant.

Dated: July 10, 2025
Houston, Texas

Respectfully submitted,

By: /s/ Joshua W. Wolfshohl

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7 Trustee*

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that a copy of the foregoing document was served on July 10, 2025 on all parties receiving ECF service in the above-captioned case.

/s/ Joshua W. Wolfshohl

Joshua W. Wolfshohl