

UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

ADMINISTRATIVE PROCEEDINGS RULINGS
Release No. 3904/June 8, 2016

ADMINISTRATIVE PROCEEDING
File No. 3-17157

In the Matter of

STEVEN ZOERNACK AND
EQUITYSTAR CAPITAL MANAGEMENT, LLC

ORDER

On March 8, 2016, the Securities and Exchange Commission issued an order instituting proceedings (OIP) against Respondents. Respondents were personally served with the OIP on April 7, 2016. *Steven Zoernack*, Admin. Proc. Rulings Release No. 3844, 2016 SEC LEXIS 1742 (ALJ May 16, 2016). Respondents requested and were granted an extension of time in which to file their answers, but did not file answers by the new May 11 deadline. *Id.*; *Steven Zoernack*, Admin. Proc. Rulings Release No. 3756, 2016 SEC LEXIS 1214 (ALJ Apr. 1, 2016). On May 16, I ordered Respondents to show cause by May 23, 2016, why this proceeding should not be determined against them due to their failures to file answers or otherwise defend the proceeding. *Steven Zoernack*, 2016 SEC LEXIS 1742.

On May 23, Respondents requested to stay this proceeding due to a pending indictment and requested an additional answer deadline extension of thirty days to retain an attorney. *Steven Zoernack*, Admin. Proc. Rulings Release No. 3875, 2016 SEC LEXIS 1881 (ALJ May 26, 2016). The Division of Enforcement responded that it was unaware of any pending indictment against Respondent Zoernack and that due to Respondents' past failures to meet court-imposed deadlines, Respondents should be deemed in default. *Id.* I denied Respondents' request to stay the proceeding and granted in part their request for an extension allowing them to file answers by June 8, 2016. *Id.*

On June 3, Respondent Zoernack emailed my office noting that he was working to retain attorney Thomas Sjoblom to represent him in this proceeding. Zoernack stated that once engaged, Mr. Sjoblom would need sixty days to review the Division's investigative file and meet his other obligations. At that time, Zoernack believes Sjoblom would be able to file an answer to the OIP or move for reconsideration of a stay, if necessary. On June 8, Respondent Zoernack emailed my office again stating that he was close to retaining Sjoblom and would like a forty-five day extension to answer the OIP.

Respondents are reminded that any requests for relief must be in writing and filed in hardcopy with the Office of the Secretary, pursuant to Rules of Practice 151 and 152.¹ *See* 17 C.F.R. §§ 201.151, .152. The mailing address for filings is: Office of the Secretary, U.S. Securities and Exchange Commission, 100 F Street N.E., Mail Stop 1090, Washington, D.C. 20549. Filings must include an original and three copies. 17 C.F.R. § 201.152(d). While electronic courtesy copies of filings may be sent to this office at alj@sec.gov, email does not substitute for the required hardcopy filing with the Office of the Secretary.

I ORDER that Respondents' deadline to file answers is now June 10, 2016. No further extension will be granted. Rule of Practice 220 simply requires that an answer "admit, deny, or state that the party does not have, and is unable to obtain, sufficient information to admit or deny each allegation" in the OIP. 17 C.F.R. § 201.220(c). If Respondents fail to file answers by the deadline, I will deem them in default. I FURTHER ORDER the parties to appear at an in-person prehearing conference on June 22, 2016, at 10:00 a.m. EDT, which will take place in Hearing Room 2 at the Commission's headquarters in Washington, D.C.

Jason S. Patil
Administrative Law Judge

¹ The Rules of Practice are located online at <http://www.sec.gov/about/rulesprac2006.pdf>. Pursuant to Rule 151(a), filings may be made by facsimile transmission if the party also contemporaneously transmits to the Commission a non-facsimile original with a manual signature. 17 C.F.R. § 201.151(a).