

Case No. 87943

IN THE SUPREME COURT OF THE STATE OF NEVADA

BLACKSTAR ENTERPRISES GROUP, INC.

Appellant,

v.

GS CAPITAL PARTNERS LLC,

Respondent,

Appeal from the Eighth Judicial District Court, Clark County
The Honorable Mark R. Denton, District Judge
District Court Case No. A-23-881099-B

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Elizabeth A. Brown
Clerk of Supreme Court

EMERGENCY MOTION FOR RULING ON PENDING MOTION FOR
STAY

Emergency Motion Under NRAP 27(e)

Unless emergency relief is granted on or before **February 14, 2024**, Respondent GS Capital Partners, LLC (“GS Capital”) will cause irreparable harm to Appellant Blackstar Enterprises Group, Inc. (“Blackstar”) by selling 20% of Blackstar’s stock on the open market.¹

At the very beginning of the case, without the benefit of an evidentiary hearing, the district court took the extraordinary step of granting **mandatory**

¹ The NRAP 27(e) Certificate is set forth below.

injunctive relief requiring Blackstar to convert nearly 20% of its stock for GS Capital to sell on the open market. The district court then stayed that order for 30 days to allow Blackstar to file this appeal and to seek a stay from this Court. The district court's stay expires on **February 15, 2024**.

On January 23, 2024, Blackstar filed its motion for stay pending appeal with this Court ("Motion for Stay Pending Appeal").² The Motion for Stay Pending Appeal is fully briefed and awaiting decision.³ Because the district court's stay would not expire within 14 day, the Motion for Stay Pending Appeal was not originally filed on an emergency basis. NRAP 27(e). Given the district court stay, and the pending motion for stay before this Court, Blackstar was hopeful that GS Capital would refrain from selling the disputed stock until this Court made a ruling. Unfortunately, however, during a February 8, 2024 district court hearing, GS Capital's counsel made it clear that if this Court has not yet ruled on the Motion for Stay Pending Appeal, GS Capital intends to sell all of the disputed stock as soon as the district court stay expires.

Allowing GS Capital to sell 20% of Blackstar's stock—based on a

² The Motion for Stay Pending Appeal includes a typographical error stating that the district court stay expires on February 18, 2024. The district court stay actually expires on February 15, 2024.

³ The Motion for Stay Pending Appeal details why each of the stay elements in NRAP 8(c) are satisfied and attaches the relevant filings as exhibits.

mandatory injunction that was issued at the very beginning of the case without an evidentiary hearing—will cause Blackstar irreparable harm. As an initial matter, the object of the appeal will be defeated if the disputed stock is sold on the open market, because the disputed stock will be lost in the event Blackstar prevails on appeal. More importantly, dumping roughly 20% of a company’s stock into the open market will destroy the company’s value. GS Capital does not care about such a catastrophic decline in value, as it will no longer own any of the shares. But Blackstar will be irreparably harmed by such a sudden decline in value and may not be able to recover even if it succeeds on appeal. *See Dep’t of Bus. & Indus., Fin. Inst. Div. v. Nevada Ass’n Servs., Inc.*, 294 P.3d 1223, 1228 (2012) (acts “which unreasonably interfere with a business or destroy its credit or profits, may do an irreparable injury”); *Sobol v. Capital Mgmt. Consultants, Inc.*, 726 P.2d 335, 337 (1986) (damage to a business’ reputation and goodwill constitutes irreparable harm).

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Because the sale of roughly 20% of Blackstar's stock will occur in less than 14 days, Blackstar respectfully requests that the pending Motion for Stay Pending Appeal be decided on an emergency basis on or before **February 14, 2024**. NRAP 27(e).

DATED this 8th day of February 2024.

/s/ Eric D. Walther

MAXIMILIEN D. FETAZ

Nevada Bar No. 12737

mfetaz@bhfs.com

ERIC D. WALTHER

Nevada Bar No. 13611

ewalther@bhfs.com

BROWNSTEIN HYATT FARBER

SCHRECK, LLP

100 North City Parkway, Suite 1600

Las Vegas, Nevada 89106

Telephone: 702.382.2101

Facsimile: 702.382.8135

HAYNES AND BOONE, LLP

IAN RAINEY, ESQ. (*pro hac vice*
forthcoming)

Ian.rainey@haynesboone.com

BRENT R. OWEN, ESQ. (*pro hac vice*)

Brent.owen@haynesboone.com

675 15th Street, Suite 2200

Denver, Colorado 80202

Telephone: 303.382.6200

Facsimile: 303.382.6210

*Attorneys for Appellant Blackstar
Enterprises Group*

NRAP 27(e) Certificate

A. The telephone numbers and office addresses of the attorneys for the parties.

Appellant Blackstar Enterprises Group, Inc. is represented by:

Maximilien D. Fetaz, Esq., NV Bar No. 12737
mfetaz@bhfs.com
Eric D. Walther, Esq., NV Bar No. 13611
ewalther@bhfs.com
BROWNSTEIN HYATT FARBER SCHRECK, LLP
100 North City Parkway, Suite 1600
Las Vegas, NV 89106-4614
Telephone: 702.382.2101
Facsimile: 702.382.8135

Ian Rainey, Esq. (*pro hac vice forthcoming*)
ian.rainey@haynesboone.com
Brent R. Owen, Esq. (*pro hac vice*)
Brent.owen@haynesboone.com
HAYNES AND BOONE, LLP
675 15th Street, Suite 2200
Denver, Colorado 80202
Telephone: 303.382.6200
Facsimile: 303.382.6210

Respondent GS Capital Partners LLC is represented by:

Ogonna M. Brown, Esq., NV Bar No. 7589
OBrown@lewisroca.com
Trent Earl, Esq., NV Bar No. 15214
TEarl@lewisroca.com
Christine R. Hotchkin, Esq., NV Bar No. 15568
CHotchkin@lewisroca.com
LEWIS ROCA ROTHGERBER CHRISTIE LLP
3993 Howard Hughes Parkway, Suite 600
Las Vegas, NV 89169
Tel: 702.949.8200
Fax: 702.949.8398

B. Facts showing the existence and nature of the claimed emergency.

The district court granted GS Capital a **mandatory** preliminary injunction—at the very beginning of the case and without an evidentiary hearing—requiring Blackstar to covert nearly 20% of its stock for GS Capital to sell on the open market. The district court then stayed that order for 30 days to allow Blackstar to file this appeal and seek a stay from this Court. The district court’s stay expires on **February 15, 2024**.

Blackstar’s Motion for Stay Pending Appeal was filed on January 23, 2024, and was not originally filed on an emergency basis because the district court’s stay would not expire within 14 days. NRAP 27(e). However, during a February 8, 2024 district court hearing, GS Capital’s counsel made it clear that if this Court has not yet ruled on the Motion for Stay Pending Appeal, GS Capital intends to sell all of the disputed stock as soon as the district court stay expires.

An emergency exists because without a ruling on Blackstar’s Motion for Stay Pending Appeal on or before **February 14, 2024**, GS Capital will sell all of the disputed stock on the open market. This will cause the object of the appeal to be defeated because the disputed stock will be lost before this Court can decide the merits of this appeal. It will also cause Blackstar catastrophic and irreparable harm because dumping 20% of its stock into the open market will destroy the company’s value. As such, Blackstar respectfully requests that this Court rule on the pending

Motion for Stay Pending Appeal on or before **February 14, 2024**.

C. When and how counsel for the other parties were notified and whether they have been served with the motion.

A copy of this emergency motion was emailed to GS Capital's counsel on February 8, 2024. **Exhibit 1.** The Clerk of this Court was also contacted by phone on February 8, 2024 to alert them that this emergency motion will be filed. NRAP 27(e)(1).

DATED this 8th day of February 2024.

/s/ Eric D. Walther

ERIC D. WALTHER

Nevada Bar No. 13611

ewalther@bhfs.com

BROWNSTEIN HYATT FARBER
SCHRECK, LLP

100 North City Parkway, Suite 1600

Las Vegas, Nevada 89106

Telephone: 702.382.2101

Facsimile: 702.382.8135

HAYNES AND BOONE, LLP

IAN RAINEY, ESQ. (*pro hac vice*
forthcoming)

Ian.rainey@haynesboone.com

BRENT R. OWEN, ESQ. (*pro hac vice*)

Brent.owen@haynesboone.com

675 15th Street, Suite 2200

Denver, Colorado 80202

Telephone: 303.382.6200

Facsimile: 303.382.6210

*Attorneys for Appellant Blackstar
Enterprises Group*

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I electronically filed and served the **EMERGENCY MOTION FOR RULING ON PENDING MOTION FOR STAY** with the Clerk of the Court of the Supreme Court of Nevada by using the Court's Electronic Filing System on February 8, 2024.

A copy of this filing has also been served on the Settlement Judge at jyoung@armadr.com.

/s/ Wendy Cosby
an employee of Brownstein Hyatt Farber
Schreck, LLP

EXHIBIT 1

Cosby, Wendy C.

To: Walther, Eric D.
Subject: RE: Blackstar Enterprises Group, Inc. v. GS Capital Partners LLC, NVSC Case No. 87943

From: Walther, Eric D.
Sent: Thursday, February 8, 2024 12:55 PM
To: Brown, Ogonna <OBrown@lewisroca.com>; Earl, Trent <TEarl@lewisroca.com>; Hotchkin, Christine <CHotchkin@lewisroca.com>
Cc: Cosby, Wendy C. <wcosby@bhfs.com>; Fetaz, Maximilien <MFetaz@BHFS.com>; Rainey, Ian <lan.Rainey@haynesboone.com>; Owen, Brent <Brent.Owen@haynesboone.com>; Wise, Kimberly <Kimberly.Wise@haynesboone.com>
Subject: Blackstar Enterprises Group, Inc. v. GS Capital Partners LLC, NVSC Case No. 87943

Ogonna,

Pursuant to NRAP 27(e)(1), I'm letting you know that Blackstar will be filing the attached emergency motion with the Nevada Supreme Court later today.

Thanks,
Eric

Eric D. Walther
Brownstein Hyatt Farber Schreck, LLP
100 North City Parkway, Suite 1600
Las Vegas, NV 89106
702.464.7062 tel
775.315.5979 cell
ewalther@bhfs.com

Brownstein - we're all in.