

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

REPLY IN SUPPORT OF EMERGENCY MOTION FOR RULING ON
PENDING MOTION FOR STAY

Because the district court's stay expires on **February 15, 2024**, there is good cause to decide the pending Motion for Stay Pending Appeal on an emergency basis under NRAP 27(e).

In opposing this request for an expedited ruling, GS Capital does **not** dispute that: (1) the district court's stay expires on February 15, 2024, (2) it intends to start selling Blackstar's stock the second that the district court stay expires; (3) the disputed stock is the subject of this appeal and will be lost before this Court can decide this appeal on the merits; or (4) its sale of Blackstar's stock will continue to

destroy the company's value. Indeed, if GS Capital did not intend to sell the disputed stock the second that the district court stay expires, it would simply stipulate that no sale will occur until this Court rules on the pending Motion for Stay Pending Appeal. GS Capital will not make such a stipulation, however, because it fully intends to dispose of the disputed shares as quickly as possible.

GS Capital's arguments against an expedited ruling have no impact on the emergency nature of the requested stay. First, GS Capital claims that it will only sell 9.98% of Blackstar's stock, not 20%. That is, of course, because it has already sold more than 10% of Blackstar's stock already. At the time of the transfer of 257,701,499 shares of Blackstar's stock to GS Capital, Blackstar had 1,244,572,435 shares outstanding, which equaled 20.6% of Blackstar's total stock. Regardless, GS Capital's sale of the remaining 10% of the company does not negate the need for the requested emergency stay. The sale of the disputed stock will still defeat the object of this appeal, as that stock will be lost before this Court can decide if the district court's mandatory injunction order was appropriate. And suddenly dumping a significant amount of Blackstar's shares on the open market will have a catastrophic impact on Blackstar's value. Indeed, after GS Capital's prior sale of 10% of Blackstar's stock, the stock price decreased by more than 63%.

Next, GS Capital claims that it will not sell all of the disputed stock on the first day the district court stay expires because the contract only allows it to sell

4.99% of all total outstanding shares in a single transaction. This ignores, of course, that GS Capital can make multiple transactions for the sale of 4.99% of outstanding shares in rapid succession, thereby selling all of the disputed stock almost immediately. And even if GS Capital only sells 4.99% of Blackstar's total outstanding shares on the first day the district court stay expires (it will almost certainly sell more) that will still be millions of disputed shares that will be lost to the open market before this Court can decide the merits of this appeal.

Because GS Capital has confirmed that it fully intends to sell the disputed shares as soon as the district court stay expires on February 15, 2023, there is good cause for this Court to rule on the pending Motion for Stay Pending Appeal on or before **February 14, 2024**.

DATED this 12th day of February 2024.

/s/ Eric D. Walther

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I electronically filed and served the **REPLY IN SUPPORT OF 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