

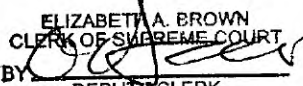
IN THE SUPREME COURT OF THE STATE OF NEVADA

BLACKSTAR ENTERPRISE GROUP,
INC., A DELAWARE LIMITED
LIABILITY COMPANY,
Appellant,
vs.
GS CAPITAL PARTNERS LLC, A
NEVADA LIMITED LIABILITY
COMPANY,
Respondent.

No. 87943

FILED

SEP 10 2025

ELIZABETH A. BROWN
CLERK OF SUPREME COURT
BY 
DEPUTY CLERK

ORDER OF AFFIRMANCE

This is an appeal from an order granting injunctive relief and specific performance. Eighth Judicial District Court, Clark County; Mark R. Denton, Judge.

Appellant Blackstar Enterprise Group borrowed \$60,000 from respondent GS Capital Partners pursuant to a Securities Purchase Agreement (the SPA) and a convertible redeemable promissory note (the Note). The Note gave GS Capital the option to convert portions of the outstanding loan balance into Blackstar common stock at any time. Accordingly, the Note required Blackstar to maintain a share reserve for possible conversions and allowed GS Capital to request increases to ensure Blackstar maintained adequate share reserves. The SPA included a provision stating that if there was a breach of the agreement, irreparable injury was presumed, and a court could issue an injunction to compel specific performance. Both the SPA and the Note originally contained a New York forum selection clause, but the parties subsequently amended only the Note to provide for exclusive jurisdiction in the State of Nevada.

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With approximately \$50,000 in remaining balance on the Note, GS Capital intended to convert the entire remaining balance into shares of Blackstar stock. Because an equity blocker provision in the Note limited the percentage of Blackstar shares GS Capital could own at one time, GS Capital could not fully convert the balance to shares at once. Therefore, GS Capital planned to convert a smaller amount of the balance to shares, sell those shares, and then continue to convert and sell shares until the entire balance had been converted to shares and sold. Accordingly, on November 2, 2023, GS Capital (1) submitted a conversion note demanding immediate conversion of \$3,725.06 of the balance into 64,084,333 shares of Blackstar stock (the conversion request), and (2) requested that Blackstar increase its shares in reserve to 700,000,000, representing the number of shares needed to fully convert the remaining balance. When Blackstar refused to honor these requests, GS Capital sued, seeking a temporary restraining order and preliminary injunction. The district court issued the temporary restraining order, prohibiting Blackstar from transferring, selling, or encumbering any of its stock until a hearing on GS Capital's motion for a preliminary injunction.

On November 17, 2023, Blackstar remitted a payment to GS Capital purporting to pay off the Note in full, including outstanding principal and interest. Despite the payment, the district court ultimately granted GS Capital's application for a preliminary injunction and ordered specific performance of the initial conversion request, as well as three additional conversions GS Capital claimed would have occurred during the 15-day period prior to Blackstar's November 17 payment if Blackstar had honored the terms of the Note.

Blackstar now appeals the injunction order, arguing the district court erred in granting injunctive relief because (1) there was no requisite showing of irreparable harm under the higher standard required for mandatory injunctions, (2) the November 17 payment cured any remaining harm stemming from the alleged breach and dissolved all obligations between the parties, and (3) the court improperly ruled on the merits of the underlying dispute without holding an evidentiary hearing.¹

Legal standards

It is within the district court's sound discretion to grant or deny preliminary injunctive relief, and this court reviews the underlying factual determinations for clear error and substantial evidence. *Univ. & Cmty. Coll. Sys. of Nev. v. Nevadans for Sound Gov't*, 120 Nev. 712, 721, 100 P.3d 179, 187 (2004). Questions of law are reviewed de novo. *Id.*

A party seeking a preliminary injunction must show: "(1) that the party enjoys a reasonable likelihood of success on the merits; and (2) the party will be subjected to irreparable harm." *Pickett v. Comanche Constr., Inc.*, 108 Nev. 422, 426, 836 P.2d 42, 44 (1992) (internal quotation marks omitted). And "[c]ourts require a higher burden to be met in order to issue

¹Blackstar also argues the district court had no jurisdiction to issue the injunction because the SPA contained an exclusive New York forum selection clause. However, the Note as amended provides for exclusive jurisdiction in the State of Nevada. As the litigation cannot be cleanly categorized as falling under either the SPA or the Note exclusively, the competing forum selection clauses cannot both be enforced. Because Blackstar has failed to provide adequate argument or relevant authority for why the SPA's forum selection clause should supersede the later-amended Note's forum selection clause, we decline to address the argument and assume jurisdiction. *See Edwards v. Emperor's Garden Rest.*, 122 Nev. 317, 330 n.38, 130 P.3d 1280, 1288 n.38 (2006) (noting issues lacking relevant authority and cogent argument need not be addressed by this court).

mandatory injunctions because the requested action would force the non-moving party to go beyond simply maintaining the status quo.” *Chudacoff v. Univ. Med. Ctr. of S. Nev.*, 609 F. Supp. 2d 1163, 1178 (D. Nev. 2009). The injunction issued here was a mandatory injunction and would thus be subject to that higher burden.

The district court did not err in finding irreparable injury

Blackstar argues that the district court committed clear error in finding the irreparable harm necessary to issue mandatory injunctive relief. But Blackstar fails to meaningfully address a provision in the parties’ contract that waived the ability of Blackstar to litigate this issue. Specifically, Blackstar stipulated under the contract that it

acknowledges that a breach by it of its obligations hereunder *will cause irreparable harm* to [GS Capital] by vitiating the intent and purpose of the transaction contemplated hereby. Accordingly, [Blackstar] acknowledges that the remedy at law for a breach of its obligations under this Agreement *will be inadequate* and agrees, . . . that [GS Capital] *shall be entitled . . . to an injunction* or injunctions restraining, preventing or curing any breach of this Agreement and *to enforce specifically* the terms and provisions hereof, without the necessity of showing economic loss

(Emphases added.) The clause states that irreparable injury is presumed and that GS Capital is entitled to specific performance under the contract without a special showing of injury. Therefore, the district court determined that the parties’ agreement to the contractual presumption of irreparable injury in the event of a breach provided the basis for satisfying the requirements of injunctive relief. Because the contract Blackstar signed already provided for a presumption of irreparable injury, the district court merely enforced the parties’ own agreement. *Canfora v. Coast Hotels &*

Casinos, Inc., 121 Nev. 771, 776, 121 P.3d 599, 603 (2005) (“The court has no authority to alter the terms of an unambiguous contract.”). Therefore, the district court relied on substantial evidence and did not plainly err in finding that there was an irreparable injury for which injunctive relief was appropriate, even under the more onerous standard required for mandatory injunctions.

Blackstar’s payment did not automatically cure the breach

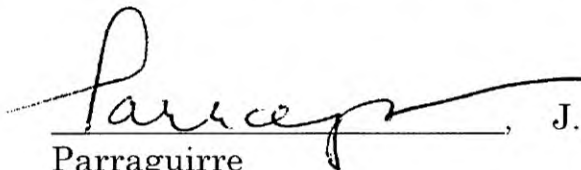
Blackstar also argues the district court erred in ordering specific performance because all obligations between the parties were dissolved once Blackstar paid off the loan in full through its November 17 payment. Blackstar is correct that the Note provides that payment “shall satisfy and discharge the liability for principal on this Note.” But the district court determined that Blackstar’s payment did not retroactively cure its breach during the 15-day period that it failed to honor GS Capital’s conversion request and impeded further conversion requests. GS Capital may have made more money from converting the balance into shares and selling those shares than it would have made from Blackstar simply paying off the loan. The district court, therefore, did not err in finding that the payment did not automatically cure any harm to GS Capital stemming from Blackstar’s probable 15-day breach.

The district court did not reach the merits of the underlying dispute without holding trial

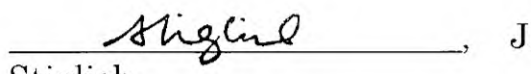
Blackstar argues the district court improperly reached the merits of the underlying dispute by fully granting the requested relief at the preliminary injunction stage instead of waiting for a full trial on the merits—essentially arguing that the issued relief was a preliminary injunction in name only. But the district court did not make a final determination that Blackstar breached the contract; the district court

merely determined that GS Capital had a reasonable likelihood of success on the merits, and then issued the specific relief contemplated by the parties' agreement. Many issues in the litigation remain open pending trial—including a final determination on whether Blackstar actually breached the agreement, the duration and extent of the breach, the full appropriate damages for such breach, and whether any of Blackstar's payment must be returned. The district court did not improperly determine the merits of the underlying dispute prior to trial; instead, it simply enforced the parties' agreement as written, which explicitly provided for injunctive relief and specific performance prior to a final determination. Because the district court did not plainly err in its findings or abuse its discretion in issuing injunctive relief and specific performance, we

ORDER the judgment of the district court AFFIRMED.


Parraguirre, J.


Bell, J.


Stiglich, J.

cc: Hon. Mark R. Denton, District Judge
Jay Young, Settlement Judge
Haynes and Boone, LLP / Denver
Brownstein Hyatt Farber Schreck, LLP/Las Vegas
Womble Bond Dickinson (US) LLP/Reno
Womble Bond Dickinson (US) LLP/Las Vegas
Eighth District Court Clerk