

NO. 02-19-00403-CV

**IN THE COURT OF APPEALS FOR THE SECOND DISTRICT OF
TEXAS, FORT WORTH, TEXAS**

**IN RE: KEITH HALLS, JOHN “JT” THATCH, AND KIP A. ALLISON,
Relators.**

**RESPONSE OF REAL PARTY IN INTEREST TO CORRECTED
EMERGENCY MOTION TO STAY PROCEEDINGS IN TRIAL COURT**

TO THE HONORABLE COURT OF APPEALS:

Real Party in Interest Robert Oblon files this Response to the Corrected Emergency Motion to Stay Proceedings in Trial Court, and would respectfully show the Court as follows:

1. The underlying dispute does not simply concern a company named Alchemist Holdings, LLC (“Alchemist”). It also concerns certain actions and conduct that Defendant Jordan Brock engaged in that include, but are not limited to, falsely and wrongfully holding himself out to others as being the sole owner of/in Alchemist and of having actual and voting control over the business and operations of Alchemist when he did not have such ownership interest/control. Appendix to Relators’ Petition for Writ of Mandamus (“Appendix”), R000001-R000012.

2. Alchemist is largest stockholder of/in Sharing Services Global Corporation.

3. On August 22, 2019 the trial court entered an Amended Temporary Restraining Order (“TRO”) stating, in part, that “no individual or entity shall exercise or attempt to exercise the right to vote any interest and class of shares that Alchemist owns in Sharing Services Global Corporation at the August 29, 2019 Annual Meeting of Shareholders of Sharing Services Global Corporation.” Appendix, R000065.

4. Sharing Services Global Corporation and Relators were made aware of this TRO no later than August 28, 2019.

5. Notwithstanding all of the above, on August 28, 2019 the Directors of/in Sharing Services Global Corporation executed a document titled “Action by Unanimous Written Consent of the Board of Directors of Sharing Services Global Corporation” that states that the Board unilaterally determined that it had a “duty” to amend the Certificate of Designation for Series B preferred stock (dated April 24, 2017) to remove Sections 8 and 10 from Article IV of that Certificate. Sharing Services Global Corporation then (also on August 28) filed a “Certificate, Amendment, or Withdrawal of Designation” regarding its Series B preferred stock with the State of Nevada. On August 29, 2019 Sharing Services Global Corporation held its Annual Meeting of Shareholders and, according to a Form 8-K

filed with the SEC, acknowledged Relator Kip H. Allison as an individual who had been elected by the holders of the Company's Class B common stock to serve as a Director until the Annual Meeting of Shareholders in 2021. According to this Form 8-K, 7,500,000 shares were voted "for" the election of Allison. Alchemist is the owner of these 7,500,000 shares. Public filings demonstrate that Allison, acting as "Trustee", voted these shares online on August 22, 2019 and that Sharing Services Global Corporation counted voting of these shares at the October 29, 2019 Meeting. Appendix, R000100-R000108.

6. Relators are contending that the TRO is void because it does not state why it was granted without notice. Each case in which injunctive relief is sought presents a unique set of facts. Accordingly, "the nature and extent of a trial court's description" in the Order "can vary from case to case." *In re Nat'l Lloyds Ins. Co.*, 2015 Tex. App. – LEXIS 11299 (Tex. App. – Corpus Christi Nov. 3, 2015, orig proceeding) (attached), citing *El Tacaso, Inc. v. Jireh Star, Inc.*, 356 S.W.3d 740,747-48 (Tex. App. – Dallas 2011, no pet.). As the courts in these cases note, what is to be taken into account when assessing the adequacy of an injunction order is whether or not the order (1) enables a party against whom it has been issued to understand the basis for the ruling and evaluate the propriety of a challenge to it, and (2) provides an adequate basis for appellate review. *Id.*

7. The TRO that the trial court entered, just 10 days after the lawsuit was filed, clearly enables the parties against whom it has been issued to understand the basis for the court's ruling and evaluate the propriety of a challenge to it. It also provides an adequate basis for appellate review. While the TRO (admittedly) does not include the words "ex parte" in it, **the reasons why it was necessary for the Court to grant the TRO without notice and a hearing are clearly set forth in the Order:**

"These acts demonstrate (among other things) that unless this Court takes action the Trustee purporting to have the right to exercise voting interest/control of Alchemist will attend the August 29, 2019 annual meeting of shareholders of Sharing Services and vote to elect himself to the Board of Directors when (a) he does not, in truth, have proper legal authority to act as Trustee and vote the membership interests that Alchemist holds in Sharing Services (since he received an assignment to do so from Defendant Brock, who is not a member of/in Alchemist, had no actual or voting control of/over Alchemist, and had no authority to make such assignment), (b) a genuine dispute exists in this case about who has ownership of – and voting control over – the shares of stock held by Alchemist in Sharing Services, and (c) the Trustee appears to be disqualified from servicing as a member of the Board of Directors of and for Sharing Services pursuant to the Bylaws of Sharing Services." Appendix, R000063-R000064.

8. The TRO also states that **harm** that Plaintiff Oblon will suffer **if it is not issued** is “probable, **imminent**, and irreparable unless this Court issues an order preventing the voting of any stock that Alchemist owns and claims to own in Sharing Services at the **August 29, 2019** Annual Meeting of Shareholders”. Appendix, R000064. This TRO was entered on August 22, just 7 days before the Annual Meeting of Shareholders was to take place. Defendant Brock was not required to answer the lawsuit – and had not answered the lawsuit – as of August 22. His Answer was not due until after August 29, 2019 (when the Meeting was scheduled to take place).

9. The TRO was **never found to be void or declared void before it expired by operation of law and was dissolved** by Order of the trial court dated September 9, 2019. Additionally, the trial court has **not** concluded the hearing on the Motion to Show Cause (that was filed by the Real Party in Interest on September 11, 2019). The trial court has **not**, as of this date, found the Relators to be in contempt of court (and has not fined or confined the Relators). Moreover, the trial court has the inherent power to enforce its orders even if it does not elect to hold the Relators in contempt. Accordingly, the Relators’ Emergency Motion and Petition for Writ of Mandamus are premature – at best – and not ripe for mandamus.

10. Given all of the above, Real Party in Interest Robert Oblon respectfully requests that this Court issue an Order denying the Corrected Emergency Motion to Stay Proceedings in Trial Court and for such further relief to which he may be entitled.

Respectfully submitted,

FEE, SMITH, SHARP & VITULLO, L.L.P

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CERTIFICATE OF SERVICE

I CERTIFY that a true and correct copy of the foregoing documents was sent by email or e-service to all counsel of record in the underlying proceeding on the 1st day of November, 2019.

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