Case No. 2:22-cv-00509-JCM-BNW

PLAINTIFF'S MOTION FOR ENTRY OF DEFAULT JUDGMENT AGAINST **DEFENDANT BIG SKY ENERGY** CORPORATION PURSUANT TO FED. R. CIV. P. 55(b)(1)

Plaintiff Republic of Kazakhstan filed this action to enforce an ICSID Convention arbitral award against Defendant Big Sky Energy Corporation. Because Kazakhstan's claim is for a sum that can be made certain by computation—as is apparent from the Complaint and supporting documentation—and Big Sky is a corporate defendant that was defaulted for failing to appear, Kazakhstan is entitled to default judgment under FRCP 55(b)(1). Kazakhstan therefore requests that the Clerk enter default judgment in its favor and against Big Sky in the amount of \$587,030.43.

DISTRICT OF NEVADA

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# Background

### A. Kazakhstan filed suit to enforce an ICSID Convention Arbitral Award.

Kazakhstan brought this action to recognize and enforce a ICSID Convention<sup>1</sup> arbitral award<sup>2</sup> it received against Big Sky.<sup>3</sup> On November 24, 2021, the arbitral tribunal ordered Big Sky to pay Kazakhstan "USD 575,821.71 for the expended portion of [Kazakhstan's] advances to ICSID plus interest at a rate of 12-month USD LIBOR + 2.0%, compounded annually, which shall accrue from 60 days after the date of the Award until the date upon which payment is made."<sup>4</sup>

Awards rendered in arbitrations pursuant to the ICSID Convention are binding on the parties,<sup>5</sup> not subject to collateral attack,<sup>6</sup> and must be enforced and given the same full faith and credit as if the award were a final judgment of a state court in the United States.<sup>7</sup> Accordingly, on March 22, 2022, Kazakhstan filed the instant Complaint seeking an order and judgment requiring Big Sky to pay Kazakhstan \$575,821.71, together with interest from 60 days after the date of the Award<sup>8</sup> to the date of payment in full, at a rate of 12-month USD LIBOR + 2.0%, compounded annually.<sup>9</sup>

# B. The Clerk entered default against Big Sky for failing to appear.

On April 25, 2022, Kazakhstan properly served Big Sky with the Summons, Complaint, and supporting declaration and exhibits.<sup>10</sup> When Big Sky failed to appear or otherwise respond to the complaint, Kazakhstan moved for entry of Clerk's Default.<sup>11</sup> The Clerk entered default against Big Sky on June 28, 2022.<sup>12</sup> To date, Big Sky has never appeared in this action. Neither Big Sky

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<sup>&</sup>lt;sup>1</sup> ECF No. 3-2 (Convention on the Settlement of Investment Disputes between States and Nationals of Other States, March 18, 1965, 17 U.S.T. 1270 (the "ICSID Convention")).

<sup>&</sup>lt;sup>2</sup> ECF No. 2 (Declaration of Steven Cooper), ECF No. 3-1 (Copy of November 24, 2021, award bearing the certification of the Secretary General of ICSID).

<sup>&</sup>lt;sup>3</sup> See generally ECF No. 1 (Complaint).

<sup>&</sup>lt;sup>4</sup> ECF No. 3-1 at 170.

<sup>24 | 5</sup> ICSID Convention Art. 53.

<sup>&</sup>lt;sup>6</sup> *Id*.

<sup>25 || &</sup>lt;sup>7</sup> See id. Art. 54; see also 22 U.S.C. § 1650a.

The Complaint incorrectly indicated that 60 days after November 24, 2021, was January 24, 2022. However, 60 days after the date of the award was January 23, 2022.

<sup>&</sup>lt;sup>9</sup> ECF No. 1 at 12 (Prayer for Relief).

<sup>&</sup>lt;sup>10</sup> ECF No. 17 (Proof of Service).

<sup>28 | 11</sup> ECF No. 18.

<sup>&</sup>lt;sup>12</sup> ECF No. 19.

nor anyone claiming to represent it has contacted anyone at Snell & Wilmer LLP or Reed Smith LLP to request an extension to respond to Kazakhstan's Complaint. Because Kazakhstan's claim is for a sum certain and Big Sky was defaulted for not appearing and is neither a minor nor an incompetent person, Kazakhstan now moves for default judgment under FRCP 55(b)(1).

#### Argument

#### A. Kazakhstan is entitled to default judgment under FRCP 55(b)(1).

"If the plaintiff's claim is for a sum certain or a sum that can be made certain by computation, the clerk—on the plaintiff's request, with an affidavit showing the amount due—must enter judgment for that amount and costs against a defendant who has been defaulted for not appearing and who is neither a minor nor an incompetent person."13 Local Rule 77-1(c) provides that a "sum certain or a sum that can be made certain by computation" means an amount that appears in, or can be simply calculated from, the complaint and supporting affidavits."<sup>14</sup>

The sum-certain requirement is met because Kazakhstan's claim is for an amount that can be made certain by a simple computation: \$575,821.71, together with interest from January 23, 2022, to the date of payment in full at a rate of 12-month USD LIBOR + 2.0%, compounded annually. Attached as Exhibit A is the declaration of Belinda Paisley of Reed Smith LLP showing that this computation results in a judgment of \$587,030.43 as of the date of this filing (\$575,821.71 + \$11,208.72 in interest). 15 In addition, Big Sky is a Nevada corporation and is neither a minor nor an incompetent person. And, on June 28, 2022, it was defaulted for failing to appear. <sup>16</sup> Thus, all the criteria for Clerk's Entry of Default Judgment are met, and the Clerk must enter default judgment in Kazakhstan's favor and against Big Sky.

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<sup>&</sup>lt;sup>14</sup> LR 77-1(c); See also Franchise Holding II, LLC v. Huntington Rest. Grp., Inc., 375 F.3d 922, 928–29 (9th Cir. 2004) (sum-certain requirement was met where the plaintiff provided "loan documents that set forth the specific formulas for determining the amount owed" and "documents setting forth the various amounts necessary for calculating the total amount due").

<sup>&</sup>lt;sup>15</sup> Upon Entry of Judgment, Kazakhstan will submit a bill of costs and supporting affidavit as permitted under FRCP 55(b)(1).

<sup>&</sup>lt;sup>16</sup> ECF No. 19.

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Conclusion

Because Kazakhstan meets the criteria for default judgment under FRCP 55(b)(1), the Clerk should enter default judgment in its favor and against Big Sky in the amount of \$575,821.71, together with interest from January 23, 2022, to the date of payment in full at a rate of 12-month USD LIBOR + 2.0%, compounded annually. The total interest accrued to date is \$11,208.72. The Clerk should therefore enter judgment in the amount of \$587,030.43, which is the total amount due under the Award as of the date of this filing.

Dated: July 8, 2022

SNELL & WILMER L.L.P.

By: /s/ Alex L. Fugazzi

Alex L. Fugazzi, Esq. Erin M. Gettel, Esq. 3883 Howard Hughes Parkway, Suite 1100 Las Vegas, Nevada 89169

Steven Cooper, Esq. (*Pro Hac Vice*) Samuel Kadosh, Esq. (*Pro Hac Vice*) Jonathan Gordon, Esq. (*Pro Hac Vice*) REED SMITH LLP 599 Lexington Avenue, Floor 22 New York, New York 10022

Attorneys for Plaintiff Republic of Kazakhstan

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**CERTIFICATE OF SERVICE** 

I hereby certify that on the date below, I electronically transmitted the foregoing PLAINTIFF'S MOTION FOR ENTRY OF DEFAULT JUDGMENT AGAINST DEFENDANT BIG SKY ENERGY CORPORATION PURSUANT TO FED. R. CIV. P. 55(b)(1) to the Clerk's Office using the CM/ECF System for filing and transmittal of a Notice of Electronic Filing to all counsel in this matter; all counsel being registered to receive Electronic Filing.

DATED this 8<sup>th</sup> day of July, 2022

/s/ D'Andrea Dunn
An employee of SNELL & WILMER L.L.P.

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