

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

CRYSTALLEX INTERNATIONAL
CORPORATION,

Plaintiff,

v.

BOLIVARIAN REPUBLIC
OF VENEZUELA,

Defendant.

C.A. No. 17-mc-151-LPS

**CRYSTALLEX INTERNATIONAL CORPORATION'S REPLY
TO THE VENEZUELA PARTIES' RESPONSE TO CRYSTALLEX'S OBJECTIONS TO
REVISED SECTION 5.11 OF THE DRAFT LONG-FORM
STOCK PURCHASE AGREEMENT**

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Pursuant to the Court's Order, D.I. 1571, Crystallex respectfully submits this reply to the Venezuela Parties' response, D.I. 1578, to the Court's proposed revision to Section 5.11 of the Draft Long-Form Stock Purchase Agreement ("Draft SPA"), D.I. 1557-1.

Like their opening submission, the Venezuela Parties' response to Crystallex's and Red Tree's submissions regarding Section 5.11 fails to account for Crystallex and the additional Attached Judgment Creditors' rights to have their *money* judgment satisfied in cash. In addition, the Venezuela Parties continue to wrongly assume, because all creditors' liens on the PDVH Shares are discharged after the sale closes, that the proceeds can be distributed without regard to the Court's Priority Order and long-settled Delaware law requiring the sheriff (or, here, the U.S. Marshal) to pay senior creditors before junior creditors. *See* D.I. 1578 at 2-3.

Crystallex explained in its response why the Venezuela Parties' position is directly contrary to Delaware law. *See* D.I. 1577 at 3 ("[T]he fact that all judgment liens on the PDVH Shares terminate at closing does not change the entitlement of each creditor under Delaware law to be paid in legal tender—cash—unless he consents to some other form of consideration."); *id.* at 2 ("Delaware law requires the proceeds of an execution sale to be paid into the court and then distributed to creditors in the order of their entry and priority.") (quotations and citations omitted). So did Red Tree. *See* D.I. 1576 at 2. Nothing in the Venezuela Parties' response changes that conclusion.

Crystallex reiterates the positions expressed in its opening and response briefs, D.I. 1574, 1577, and confirms its support for the arguments submitted by Red Tree, D.I. 1572, 1576, and the Special Master, D.I. 1579, which further demonstrate that the Venezuela Parties' proposal is contrary to Delaware law and the purpose of the sale process, and should therefore be rejected.

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