

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF WEST VIRGINIA
BECKLEY DIVISION**

**WHITE SULPHUR SPRINGS
HOLDINGS, LLC,**

Plaintiff,

v.

**Case No. 5:26-cv-00257
Chief Judge Volk**

**JAMES C. JUSTICE, II;
CATHY L. JUSTICE;
JAMES C. JUSTICE, III;
GREENBRIER HOTEL CORPORATION;
GREENBRIER MEDICAL INSTITUTE,
LLC; OAKHURST CLUB, LLC;
GREENBRIER GOLF AND
TENNIS CLUB CORPORATION;
GREENBRIER LEGACY COTTAGE
DEVELOPMENT COMPANY I, INC.; and
GREENBRIER LEGACY COTTAGE
DEVELOPMENT II, INC.,**

Defendants.

DEFENDANTS' MOTION TO STAY

A co-conspirator of TRT Holdings, Inc. ("TRT"), Plaintiff's parent company, has admitted that TRT violated a nondisclosure and standstill agreement (the "NDA/Standstill Agreement") that barred it from acquiring or *proposing to* acquire Defendants' loans (the "Loans"). The co-conspirator has admitted that, in fact, TRT was negotiating a deal to acquire the loans in late January 2026. This violation of the NDA/Standstill Agreement invalidates Plaintiff's purported purchase of the Loans and negates its standing to seek the appointment of a receiver.

The threshold issue of whether Plaintiff is the lawful owner of the Loans is the subject of a pending action in the Circuit Court of Greenbrier County, West Virginia. *See Greenbrier Hotel*

Corp. v. TRT Holdings, Inc., Case No. CC-13-2026-C-51 (Cir. Ct. Greenbrier Cnty., W. Va.) (the “State Case”). The case before this Court, meanwhile, is nothing more than a sham brought by a competing hotel operator trying to snatch away ownership of The Greenbrier. Plaintiff has no genuine concern for the value of its collateral. On the contrary, it rejected an offer by Defendants to pay the full amount that it paid for the Loans *plus a \$50 million profit for holding the Loans for less than three weeks*. The value of The Greenbrier and the other collateral for the Loans, moreover, exceeds a billion dollars, an amount far greater than the amount Plaintiff claims it is owed.

In short, Plaintiff is not interested in having the Loans paid back. It is interested in stealing The Greenbrier. Nor it is interested in protecting the value of the collateral for the Loans. On the contrary, TRT’s abusive and improper filing of this case is eroding the value of The Greenbrier and the other Loan collateral.

For these reasons and others discussed herein, this disingenuous action should be stayed until the threshold issue of the proper ownership of the Loans is resolved in the State Case.

I. Background

Plaintiff is a wholly owned subsidiary of TRT, a Texas company best known as the owner of the Omni hotel chain. Defendants are (i) entities that own or operate various portions of The Greenbrier hotel and resort and (ii) individuals with ownership interests in those entities (and, in the case of Cathy Justice, the wife of such an individual). In or around September 2024, the president and other officials of TRT visited The Greenbrier, purporting to be hotel consultants representing a private equity firm (the “Private Equity Firm”) that was evaluating a possible financing transaction with The Greenbrier. *See State Court Compl.* para. 39 (attached as Exhibit 1). The Private Equity Firm had entered into the NDA/Standstill Agreement, so that it

and its representatives could receive confidential information regarding The Greenbrier. *See* Exhibit 2 at 1 (NDA/Standstill Agreement). The NDA/Standstill Agreement applied both to the Private Equity Firm and its representatives. *Id.* s. 1(a). The definition of “representatives” specifically included “consultants” such as TRT. *Id.* TRT agreed to be bound by the NDA/Standstill Agreement.

As pertinent, the NDA/Standstill Agreement provided that information received thereunder could be used only for the purpose of the financing transaction being considered, and not for any other purpose—at any time. *Id.* s. 1(a). It further provided that no one subject to its provisions could, “directly or indirectly, without the prior written consent of the Company, acquire or propose or agree to acquire in any manner beneficial ownership . . . or any indebtedness of the Company.” *Id.* s. 6. The “Company” was defined to mean Greenbrier Hotel Corporation, which is the owner of The Greenbrier, as well as its affiliates. *Id.* at 1.

Plaintiff purports to have acquired the Loans from Carter Bank & Trust (“Carter Bank”) on or about March 26, 2026. Carter Bank, however, promised Defendants that it would not sell the Loans while Defendants carried out a sale process to sell a partial interest in The Greenbrier—a process that Carter Bank knew and agreed would take at least nine to twelve months to complete. *See* Ex. 1 para. 36. Carter Bank’s purported sale of the Loans suffers from other fatal defects detailed in the Complaint in the State Case. *See* Ex. 1 para. 54-74.

TRT’s Omni hotel chain owns and operates the Homestead resort in Hot Springs, Virginia, which is The Greenbrier’s primary competitor. TRT’s attempt to purchase The Greenbrier’s loans and thereby take control of The Greenbrier violates the West Virginia Antitrust Act, W. Va. Code § 47-18-1, *et seq.* The same TRT co-conspirator who revealed TRT’s violation of the NDA/Standstill Agreement has also revealed that TRT intends to operate the

Homestead and The Greenbrier, current competitors, effectively as a single enterprise, using employees from the Homestead in place of West Virginia employees to operate The Greenbrier wherever possible. *See* Decl. of James C. Justice III para. 5 (attached as Ex. 3) (hereinafter Justice Decl.).

II. Argument

A. Plaintiff's Ownership of the Loans is a Threshold Issue That Must First Be Decided in the State Case.

Plaintiff seeks the appointment of a receiver over Defendants' business interests, but that request cannot even properly be entertained until the resolution of a threshold issue raised in the State Case: Does Plaintiff legally own the Loans in the first place? Plaintiff purports to have acquired the Loans from Carter Bank & Trust on or about March 26, 2026. But there are numerous reasons that this purported sale is invalid, each of which will be litigated and resolved in the State Case.

First, Plaintiff violated the standstill portion of the NDA/Standstill Agreement. In telephone conversations with Defendant Jay Justice between April 13 and 15, 2026, a source disclosed crucial admissions against interest by an officer of a co-conspirator of TRT's (the "Co-Conspirator"). The Co-Conspirator is an investment firm in Dallas, Texas—also home to TRT, Omni, and Plaintiff—that helped orchestrate the purported sale of the Loans from Carter Bank to Plaintiff. *See* Justice Decl. para. 4. The Co-Conspirator's officer has admitted that TRT, the Co-Conspirator, a representative of Carter Bank, and others met in late January 2026 to negotiate TRT's purchase of the Loans. This constituted a flagrant violation of the standstill provision of the NDA/Standstill Agreement, one that renders the purported sale invalid. This information is new and has not yet been incorporated into the Complaint in the State Case, but that Complaint will be amended promptly to reflect it.

Second, separate and apart from the standstill portion of the NDA/Standstill Agreement, TRT impermissibly used Defendants' confidential information in furtherance of their purported purchase of the Loans.

Third, Carter Bank's false and fraudulent promise that it would not sell the Loans while the partial equity sale process was pending is an independent reason that the purported sale of the Loans is invalid. *See* Ex. 1 para. 54-68.

Fourth, as will be further explained in the forthcoming amended complaint in the State Case, the sale is invalid because TRT's above-referenced anticompetitive conduct violates state antitrust law.

One precondition to a receivership is the existence of a "legally recognized right," a "valid claim," or "interests in the relevant property" by the party seeking the appointment. *Manuel v. Gembala*, No. 7:10-cv-4, 2010 WL 3860407, at *6 (E.D.N.C. Sept. 30, 2010); *Maloney v. Disciples Ltd., LLC*, No. 1:06-cv-124, 2006 WL 8448244, at *2 (M.D.N.C. Apr. 12, 2006). Here, because of the conduct of both TRT and Carter Bank, no valid right, claim, or interest exists. At minimum, the existence of a qualifying right is a threshold question to be determined in the State Case.

A receivership is a drastic remedy to be imposed only in the most exceptional circumstances. *See, e.g., Solis v. Matheson*, 563 F.3d 425, 437 (9th Cir. 2009) ("appointment of a receiver is considered to be an extraordinary remedy that should be employed with the utmost caution and granted only in cases of clear necessity"); *Goldberg v. Kaczmarek*, No.: 1:25-cv-2477, 2025 WL 3227346, at *1-2 (D. Md. Nov. 19, 2025) ("receivership is extreme and to be avoided in all but the most acute cases of harm or loss to a demonstrated interest"). It deprives the rightful owner of a business of any control over their property and assets—assets that in

many cases, such as this one, they have worked for years to build. Imposing a receivership where the very existence of a valid claim by the moving party is in doubt and subject to litigation is unwarranted.

B. A Stay Will Not Unduly Prejudice Plaintiff

1. Plaintiff's Complaint Is So Facially Inadequate That a Stay Will Create No Prejudice.

Even if Plaintiff did own the Loans, the allegations in its slapdash, Google-search Complaint fall far short of the standard required for a receivership. The truth is that Defendants were current on their loan obligations right up to the moment Plaintiff declared a made-up default in an attempt to take The Greenbrier and make it an Omni. And The Greenbrier's financial performance is strong and profitable. *See* Justice Decl. para. 7. Plaintiffs' suggestions to the contrary consist largely of newspaper stories, allegations in other litigation against other companies—not against Defendants—and other unsupported claims. Remarkably, moreover, Plaintiff appears to be ignorant of the very loan terms it purportedly seeks to enforce.

For example, the Complaint cites a *Forbes* magazine article that concerns the net worth of an individual, not the financial condition of any of the entity Defendants' businesses. Compl. para. 41. It cites a court case against a different individual, again with no bearing on the financial condition of any of the entity Defendants' businesses. *Id.* para. 42. It cites a tax settlement against an individual, again with no bearing on the financial condition of any of the entity Defendants' businesses. *Id.* para. 43. It cites a news article regarding an unresolved lawsuit against Defendant Greenbrier Hotel Corporation that is still months away from trial. *Id.* para. 44. It cites other pieces of litigation against three other companies that are also not Defendants in this case. *Id.* para. 45-46. It claims that the individual Defendants divert funds from the entity Defendants to other businesses, apparently (astoundingly) ignorant that the Loan documents

expressly permit transfers to other companies associated with the Loans. *Id.* para. 48; *see* Compl. Ex. A at 57 (s. 3.07) (Fourteenth Amended and Restated Forbearance Agreement between Defendants and Carter Bank). And it asserts, with zero evidence, that Defendants have failed to meet a variety of financial obligations. *Id.* para. 49-52. (If negative media reports are the critical factor in a receivership determination, TRT and Omni may not occupy the high ground that they believe they do. In 2020, NPR reported that “Omni Hotels Accepted Millions in PPP Funds But Didn’t Pay Workers,” in a story describing abuse in Omni’s \$76 million PPP haul. *See* <https://www.npr.org/2020/12/29/950902403/omni-hotels-accepted-millions-in-ppp-funds-but-didnt-pay-workers>.)

None of Plaintiff’s misplaced allegations remotely approaches the sort of exceptional proof required to justify a receivership. Staying a case in which the Complaint is so fundamentally weak will not prejudice Plaintiff.

2. Plaintiff Has Demonstrated That It Is Not Genuinely Interested in Being Repaid.

Plaintiff’s purported desire to protect its financial interests is disingenuous. Plaintiff paid approximately \$289.5 million to purportedly acquire the Loans. Just last week, Defendants offered to pay Plaintiff that amount plus a profit of more than \$50 million for holding the loans for less than three weeks. *See* Ex. 4 (Email from Ruby to Jorge, Apr. 7, 2026) (offering to pay amount specified in Forbearance Agreement), Compl. Ex. A (listing loan amounts). Plaintiff responded by sending wiring instructions for the payoff, *see* Ex. 5--and then reneged the next day, increasing its demand to \$370 million, *see* Ex. 7, which would represent a three-week profit of more than \$80 million.

The truth, which Plaintiff barely bothers to disguise, is that its interest is not in being paid back but instead in taking The Greenbrier from its rightful owners. Plaintiff will not be prejudiced

by a stay in a receivership case where it has plainly demonstrated that it has no actual desire to protect its financial interests. On the contrary, appointing a receiver would be grossly inequitable.

**3. Plaintiff's Collateral Far Exceeds the Value of Its Claims;
No Receivership Is Needed to Protect Plaintiff.**

There is a further reason that a stay will not prejudice Plaintiff: The value of the collateral securing the Loans vastly exceeds the amount of Plaintiff's claims. The maximum amount of those claims is approximately \$370 million. *See* Ex. 6. The value of the collateral, by contrast, exceeds a billion dollars. Attached as exhibits are appraisals of The Greenbrier resort for \$597 million (Ex. 7), the Greenbrier Sporting Club for \$110 million (Ex. 8), the Greenbrier's Oakhurst real estate development for \$52.5 million (Ex. 9), a group of timber and farming properties for \$59 million (Ex. 10), and a mining complex for \$289 million (Ex. 11-12). Those appraisals total \$1,107,000,000—approximately three times Plaintiff's highest claim against Defendants. Even if Plaintiff were the rightful owner of the Loans—and it is not—the Loans are so enormously oversecured that a stay for the Loans' true ownership to be properly adjudicated will not prejudice Plaintiff one iota. This case should be stayed until the resolution of the threshold issues in the State Case.

Respectfully submitted,

**JAMES C. JUSTICE, II;
CATHY L. JUSTICE;
JAMES C. JUSTICE, III;
GREENBRIER HOTEL CORPORATION;
GREENBRIER MEDICAL INSTITUTE,
LLC; OAKHURST CLUB, LLC;
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GREENBRIER LEGACY COTTAGE**

**DEVELOPMENT COMPANY I, INC.; and
GREENBRIER LEGACY COTTAGE
DEVELOPMENT II, INC.,**

/s/ Steven R. Ruby

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CERTIFICATE OF SERVICE

The foregoing document was served upon counsel of record by means of the Court's CM/ECF filing system on April 16, 2026.

/s/ Steven R. Ruby
Steven R. Ruby