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3342962 Nova Scotia Limited and  
4043434 Nova Scotia Limited

**DISTRICT COURT**  
**CLARK COUNTY, NEVADA**

3342962 NOVA SCOTIA LIMITED, a body  
corporate existing under the laws of the Province  
of Nova Scotia, Canada; and 4043434 NOVA  
SCOTIA LIMITED, a body corporate existing  
under the laws of the Province of Nova Scotia,  
Canada, individually and derivatively on behalf  
of ZIPPY CASH LLC, a Nevada limited liability  
company

Case No.: A-22-851637-B

Dept. No.: ~~XXXI~~ XIII

**ORDER GRANTING PLAINTIFFS’  
MOTION FOR APPOINTMENT OF  
RECEIVER**

Plaintiffs,

vs.

ZIPPY CASH LLC, a Nevada limited liability  
company; TOUGH MONEY LLC, a Delaware  
limited liability company; DUANE TOUGH;  
BRENT RUTTMAN; LIO LLC, a Delaware  
limited liability company; ROBERT L.  
STEWART; JOHN F. STEWART; GENE  
WILLIAMS; SALES CONSULTANTS  
INT’L, INC., a New York Corporation; and Z  
Cash LLC, a Nevada limited liability company

Defendants.

This matter comes before the Court pursuant to plaintiffs 3342962 NOVA SCOTIA LIMITED and 4043434 NOVA SCOTIA LIMITED (collectively “Plaintiffs”) Motion for Appointment of Receiver. The Court, after reading all pleadings and other papers on file, examining the evidence and hearing the arguments of all counsel present during the hearings held on June 30, 2022 and July 18, 2022, finds that good cause exists for the Court to appoint a receiver under NRS § 86.5415 and § 86.5411, as Plaintiffs have demonstrated a likelihood of success that certain defendants have engaged

1 in fraud, collusion or gross mismanagement in their conduct and control of the Zippy Cash LLC  
2 (“Zippy Cash” or “Company”) and further that Zippy Cash is insolvent or has otherwise been  
3 operating in a manner that is greatly prejudicial to the interests of the member Plaintiffs and Zippy  
4 Cash's creditor Woopla, Inc. (“Woopla”). Moreover, the Court finds the entity Z Cash LLC was  
5 formed by managers and directors of Zippy Cash LLC to potentially usurp the assets and business of  
6 Zippy Cash LLC, such that this order and the appointment of receiver shall apply to both Zippy Cash  
7 and Z Cash. The Court is further satisfied that Plaintiffs have demonstrated a reasonable likelihood  
8 of success on the merits and have otherwise made a reasonable showing of irreparable harm and  
9 irretrievable loss which is being suffered or is threatened, absent the relief requested and granted, to  
10 both the assets and business of Zippy Cash, including those funds acquired by Zippy Cash in  
11 connection with its business relationship with customers. In addition, the Court finds that the balance  
12 of equities are aligned with the interests and rights which the Plaintiffs seek to protect and the  
13 defendants, bear no hardship in having to preserve and give possession of funds or business assets  
14 belonging to Zippy Cash to the appointed Receiver.

15 Accordingly, **IT IS HEREBY ORDERED** that THOMAS W. MCNAMARA, ESQ., of  
16 MCNAMARA SMITH LLP, be, and hereby is, appointed receiver (“Receiver”) of defendants Zippy  
17 Cash LLC and Z Cash LLC (each individually a “Receivership Entity,” and collectively the  
18 “Receivership Entities”), and pursuant to NRS §86.5415, shall be authorized, subject to the control  
19 of this Court, to do ANY AND ALL ACTS necessary to the proper and lawful conduct of  
20 said receivership, and, among the usual powers, have all the functions, powers, tenure and duties to  
21 be exercised under the direction of the Court as are conferred on receivers and as provided pursuant  
22 to NRS §§ 86.5412, 86.5413 and 86.5414 and any other applicable law.

23 **IT IS FURTHER ORDERED** that the Receiver is directed and authorized to accomplish the  
24 following, along with any and all other acts necessary to the proper and lawful conduct of  
25 the receivership:

- 26 A. Assume full control of the Receivership Entities and act as sole manager or director,  
27 and remove as the Receiver deems necessary or advisable, any director, officer,  
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1 independent contractor, employee, attorney, or agent of any Receivership Entity from  
2 control of, management of, or participation in, the affairs of the Receivership Entity;

3 B. Take exclusive custody, control, and possession of all Assets<sup>1</sup> and documents of, or in  
4 the possession, custody, or under the control of, any Receivership Entity, wherever  
5 situated;

6 C. Take exclusive custody, control, and possession of all documents or Assets associated  
7 with credits, debits, or charges make on behalf of any Receivership Entity, wherever  
8 situated, including reserve funds held by payment processors, credit card processors,  
9 merchant banks, acquiring banks, independent sales organizations, third party  
10 processors, payment gateways, insurance companies, or other entities;

11 D. Conserve, hold, manage, and prevent the loss of all Assets of the Receivership Entities,  
12 and perform all acts necessary or advisable to preserve the value of those Assets. The  
13 Receiver shall assume control over the income and profits therefrom and all sums of  
14 money now or hereafter due or owing to the Receivership Entities. The Receiver shall  
15 have full power to sue for, collect, and receive, all Assets of the Receivership Entities  
16 and of other persons or entities whose interests are now under the direction,  
17 possession, custody, or control of, the Receivership Entities;

18 E. Obtain, conserve, hold, manage, and prevent the loss of all documents of the  
19 Receivership Entities, and perform all acts necessary or advisable to preserve such  
20 documents. The Receiver shall: divert mail; preserve all documents of the  
21 Receivership Entities that are accessible via electronic means such as online access to  
22 financial accounts and access to electronic documents held onsite or by electronic data  
23 hosts, by changing usernames, passwords or other log-in credentials; take possession  
24 of all electronic documents of the Receivership Entities stored onsite or remotely; take  
25 whatever steps necessary to preserve all such documents;

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27 <sup>1</sup> “Asset” or “Assets” means any legal or equitable interest in, right to, or claim to, any property,  
28 wherever located and by whomever held.

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- F. Choose, engage, and employ attorneys, accountants, appraisers, and other independent contractors and technical specialists or investigators, as the Receiver deems advisable or necessary in the performance of duties and responsibilities under the authority granted by this Order;
- G. Make payments and disbursements from the receivership estate that are necessary or advisable for carrying out the directions of, or exercising the authority granted by, this Order, and to incur, or authorize the making of, such agreements as may be necessary and advisable in discharging his or her duties as Receiver;
- H. If and to the extent the Receivership Entities have conducted business at a physical location, take all steps necessary to secure and take exclusive custody of each location from which the Receivership Entities operate their businesses. Such steps may include, but are not limited to, any of the following, as the Receiver deems necessary or advisable: (1) securing the location by changing the locks and alarm codes and disconnecting any internet access or other means of access to the computers, servers, internal networks, or other records maintained at that location; and (2) requiring any persons present at the location to leave the premises, to provide the Receiver with proof of identification, and/or to demonstrate to the satisfaction of the Receiver that such persons are not removing from the premises documents or Assets of the Receivership Entities. Law enforcement personnel, including, but not limited to, police or sheriffs, may assist the Receiver in implementing these provisions in order to keep the peace and maintain security. If requested by the Receiver, the law enforcement may provide appropriate and necessary assistance to the Receiver to implement this Order and is authorized to use any necessary and reasonable force to do so;
- I. Take all steps necessary to prevent the modification, destruction, or erasure of any web page or website registered to and operated, in whole or in part, by the Receivership Entities;
- J. Enter into and cancel contracts and purchase insurance as advisable or necessary;

- 1 K. Prevent the inequitable distribution of Assets and determine, adjust, and protect the  
2 interests of consumers who have transacted business with the Receivership Entities;
- 3 L. Make an accounting, as soon as practicable, of the Assets and financial condition of  
4 the receivership and file the accounting with the Court and deliver copies thereof to  
5 all parties;
- 6 M. Institute, compromise, adjust, appear in, intervene in, defend, dispose of, or otherwise  
7 become party to any legal action in state, federal or foreign courts or arbitration  
8 proceedings as the Receiver deems necessary and advisable to preserve or recover the  
9 Assets of the Receivership Entities, or to carry out the Receiver's mandate under this  
10 Order, including but not limited to, actions challenging fraudulent or voidable  
11 transfers;
- 12 N. Secure the issuance of subpoenas to obtain documents and records pertaining to the  
13 Receivership, and conduct discovery in this action on behalf of the receivership estate;
- 14 O. Open one or more bank accounts at designated depositories for funds of the  
15 Receivership Entities. The Receiver shall deposit all funds of the Receivership Entities  
16 in such designated accounts and shall make all payments and disbursements from the  
17 receivership estate from such accounts. The Receiver shall serve copies of monthly  
18 account statements on all parties;
- 19 P. Maintain accurate records of all receipts and expenditures incurred as Receiver;
- 20 Q. Allow the parties and their agents reasonable access to the premises of the  
21 Receivership Entities, or any other premises where the Receivership Entities conduct  
22 business. The purpose of this access shall be to inspect and copy any and all books,  
23 records, documents, accounts, and other property owned by, or in the possession of,  
24 the Receivership Entities or their agents. The Receiver shall have the discretion to  
25 determine the time, manner, and reasonable conditions of such access or otherwise  
26 produce documents electronically by agreement;
- 27 R. Cooperate with reasonable requests for information or assistance from any state or  
28 federal civil or criminal law enforcement agency;

- 1 S. Suspend business operations of the Receivership Entities if in the reasonable judgment  
2 of the Receiver such operations cannot be continued legally and profitably;
- 3 T. If the Receiver identifies a nonparty entity as a Receivership Entity, promptly notify  
4 the entity as well as the parties, and inform the entity that it can challenge the  
5 Receiver's determination by filing a motion with the Court. Provided, however, that  
6 the Receiver may delay providing such notice until the Receiver has established  
7 control of the nonparty entity and its Assets and records, if the Receiver determines  
8 that notice to the entity may result in the destruction of records, dissipation of Assets,  
9 or any other obstruction of the Receiver's control of the entity; and
- 10 U. If in the Receiver's judgment the business operations cannot be continued legally and  
11 profitably, take all steps necessary to ensure that any of the Receivership Entities' web  
12 pages or websites relating to the activities alleged in the Complaint cannot be accessed  
13 by the public, or are modified for consumer education and/or informational purposes,  
14 and take all steps necessary to ensure that any telephone numbers associated with the  
15 Receivership Entities cannot be accessed by the public, or are answered solely to  
16 provide consumer education of information regarding the status of operations.

17 **IT IS FURTHER ORDERED** that all parties and any other person with possession, custody,  
18 or control of property of, or records relating to, the Receivership Entities shall, upon notice of this  
19 Order by personal service or otherwise, fully cooperate with and assist the Receiver in taking and  
20 maintaining possession, custody, or control of the Assets and documents of the Receivership Entities  
21 and immediately transfer or deliver to the Receiver possession, custody, and control of the following:

- 22 A. All Assets held by or for the benefit of the Receivership Entities;
- 23 B. All documents or Assets associated with credits, debits, or charges made on behalf of  
24 any Receivership Entity, wherever situated, including reserve funds held by payment  
25 processors, credit card processors, merchant banks, acquiring banks, independent sales  
26 organizations, third party processors, payment gateways, insurance companies, or  
27 other entities;
- 28 C. All financial and bookkeeping documents of or pertaining to the Receivership Entities;

- 1 D. All computers, electronic devices, mobile devices and machines used to conduct the
- 2 business of the Receivership Entities;
- 3 E. All Assets and documents belonging to other persons or entities under the direction,
- 4 possession, custody, or control of the Receivership Entities; and
- 5 F. All keys, codes, user names and passwords necessary to gain access or to secure access
- 6 to any Assets or documents of or pertaining to the Receivership Entities, including
- 7 access to their business premises, means of communication, accounts, computer
- 8 systems (onsite and remote), Electronic Data Hosts, or other property.

9 In the event that any party or related person or entity fails to deliver or transfer any Asset or  
10 document, or otherwise fails to comply with any provision herein, the Receiver may file an Affidavit  
11 of Non-Compliance regarding the failure and a motion seeking compliance or a contempt order.

12 **IT IS FURTHER ORDERED** that all parties shall cooperate with the Receiver and promptly  
13 provide the Receiver full and unrestricted access to all persons, documents, records, evidence,  
14 physical assets, information, electronic files and data, writings, data compilations, reports, records  
15 books, accounting records or work-papers, bank records financial records, corporate records, ESI,  
16 and any other information the Receiver may deem necessary or appropriate to conduct Receiver’s  
17 work.

18 **IT IS FURTHER ORDERED** that defendants Duane Tough and Brent Ruttman, along with  
19 the Receivership Entities, and their officers, agents, employees, and attorneys, and all other persons  
20 in active concert or participation with any of them or who receive actual notice of this Order, whether  
21 acting directly or indirectly, are, until further order of court, hereby restrained and enjoined from:

- 22 A. exercising any powers or doing business whatsoever, except by and through the
- 23 Receiver as provided for in NRS §86.5415(1);
- 24 B. exercising any of their privileges or franchises and from collecting or receiving any
- 25 debts or paying out, selling, assigning or transferring any of their estate, money, lands,
- 26 tenements or effects, including, but not limited to, the Zippy Cash LLC related or
- 27 derived funds on account with IPpay, Bank of America, and Metabank;
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1 C. As per this Court's July 1, 2022 Order For Entry of Preliminary Injunction, all  
2 defendants in this action ("Defendants") are enjoined from any destruction or failure  
3 to preserve any records of the Receivership Entities or Defendants' personal records  
4 of any kind relating to the formation and operation of the Receivership Entities, any  
5 accounts or funds related to the operation of the Receivership Entities, or relating to  
6 Woopla or Funzpoints transactions;

7 D. Transferring, liquidating, converting, encumbering, pledging, loaning, selling,  
8 concealing, dissipating, disbursing, assigning, relinquishing, spending, withdrawing,  
9 granting a lien or security interest or other interest in, or otherwise disposing of any  
10 Assets, wherever located, including outside the United States, that are:

- 11 1. owned or controlled, directly or indirectly, by a Receivership Entity or its  
12 officer(s), including, but not limited to those for which a Receivership Entity  
13 or its officer(s) are a signatory on the account;
- 14 2. held, in part or in whole, for the benefit of any Receivership Entity or its  
15 officer(s);
- 16 3. in the actual or constructive possession of any Defendant or any Receivership  
17 Entity or its officer(s); or
- 18 4. owned or controlled by, in the actual or constructive possession of, or  
19 otherwise held for the benefit of, any corporation, partnership, asset protection  
20 trust, or other entity that is directly or indirectly owned, managed or controlled  
21 by any Receivership Entity or its officer(s), including any Assets that are held  
22 by or for any Receivership Entity or its officer(s) in any account at any  
23 financial institution, whether within or without the territorial United States, or  
24 with any credit card processing agent, automated clearing house processor,  
25 network transaction processor, bank debit processing agent, customer service  
26 agent, commercial mail receiving agency, mail holding or forwarding  
27 company, credit union, retirement fund custodian, money market or mutual  
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1 fund, or storage company, including BUT NOT LIMITED TO the following  
2 accounts:

3 Bank of America, account number: xxxx xxxx 0365

- 4 E. Opening or causing to be opened any safe deposit boxes, commercial mail boxes, or  
5 storage facilities titled in the name of any Receivership Entity or its officer(s) or  
6 subject to access by any Receivership Entity or its officer(s);
- 7 F. Incurring charges or cash advances on any credit, debit, or ATM card issued in the  
8 name, individually or jointly, of any Receivership Entity or its officer(s) or any  
9 corporation, partnership, or other entity directly or indirectly owned, managed, or  
10 controlled by any Receivership Entity or its officer(s) or of which any Receivership  
11 Entity or its officer(s) is an officer, director, member, or manager. This includes any  
12 corporate bankcard or corporate credit card account for which any Receivership Entity  
13 or its officer(s) is, or was on the date that this Order was signed, an authorized signor;  
14 or
- 15 G. Cashing any checks or depositing or processing any payments received from  
16 consumers, clients, or customers of any Receivership Entity or its officer(s).
- 17 H. Incurring liens or encumbrances on real property, personal property, or other Assets  
18 in the name, singly or jointly, of a Receivership Entity or its officer(s) or of any  
19 corporation, partnership, or other entity directly or indirectly owned, managed, or  
20 controlled by any Receivership Entity or its officer(s).

21 **IT IS FURTHER ORDERED** that all parties shall immediately provide to the Receiver:

- 22 A. A list of all Assets and accounts of the Receivership Entities that are held in any name  
23 other than the name of a Receivership Entity, or by any person other than a  
24 Receivership Entity;
- 25 B. A list of all agents, employees, officers, attorneys, servants, and those persons in active  
26 concert and participation with the Receivership Entities, or who have been associated  
27 with or done business with the Receivership Entities;
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- 1 C. A description of any documents covered by attorney-client privilege or attorney work  
2 product, including files where such documents are likely to be located, authors or  
3 recipients of such documents, and search terms likely to identify such electronic  
4 documents;
- 5 D. An accounting for all amounts transferred or deposited by Woopla or other Zippy Cash  
6 Customers in 2021 and 2022 or to accounts held by or controlled by the Receivership  
7 Entities or Defendants;
- 8 E. An accounting for all income or other amounts transferred to or obtained by any party  
9 in relation to the operation of the Receivership Entities;
- 10 F. An accounting for all loans or indebtedness or investments claimed, together with all  
11 loan instruments and indicia of payment by any party in relation to the Receivership  
12 Entities;

13 **IT IS FURTHER ORDERED** that each of the Receivership Entities shall assemble and  
14 produce their books and business records for review and copying by Plaintiffs in accordance with  
15 rights granted in the Article 5.1 and 5.2 of the Zippy Cash Operating Agreement and NRS § 86.241(2)  
16 and (3), **within 10 days** of appointment of the Receiver. To the extent protection is desired and  
17 appropriate for such records, records may be marked or designated as “CONFIDENTIAL –  
18 SUBJECT TO PROTECTIVE ORDER” as provided in the Confidentiality Agreement and Protective  
19 Order entered by the Court on June 27, 2022 (“Protective Order”) the Receiver and all persons  
20 appointed or employed by the Receiver shall be bound by the terms of the Protective Order as if it or  
21 they were a party thereto.

22 **IT IS FURTHER ORDERED** that before entering upon the duties of this trust, the said  
23 Receiver shall file with the Clerk of this court, a surety company bond for the faithful discharge of  
24 its duties as Receiver, in the sum of \$50,000.00 together with an oath executed by it that it will  
25 faithfully and fairly discharge the trust committed to it by this Order

26 **IT IS FURTHER ORDERED** that the Receiver’s compensation shall be paid from the  
27 receivership estate, or otherwise from Assets held by the Receivership Entities. In the event it is  
28 determined by the Receiver that Receivership Entities have no Assets, or until such Assets are

1 identified, retrieved and/or controlled by the Receiver, the Receiver's compensation shall be paid *pro*  
2 *rata* by members of Zippy Cash (45% by Tough Money, 5% by LIO LLC, 50% by Plaintiffs).

3 **IT IS FURTHER ORDERED** that this receivership shall continue in effect until any further  
4 order of this Court.

Dated this 27th day of July, 2022

5  
6 SIGNED \_\_\_\_\_, 2022.

  
\_\_\_\_\_  
DISTRICT COURT JUDGE

7  
8 Respectfully Submitted by:  
9 DUANE MORRIS LLP

**3BA EEF FE2F 9CD7**  
**Mark R. Denton**  
**District Court Judge**

10 /s/ Tyson E. Hafen  
11 Tyson E. Hafen (SBN 13139)  
12 *Attorneys for Plaintiffs*