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*Attorneys for Receiver,  
Thomas W. McNamara*

**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,

Plaintiffs,

v.

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.

Case No. A-22-851637-B

Dept. No. XIII

**RECEIVER’S THIRD INTERIM  
STATUS REPORT**

1 Thomas W. McNamara, as Court-appointed receiver (“Receiver”), hereby submits this  
2 Third Interim Status Report of receivership activities for the period of April 15, 2023 through  
3 July 14, 2023, pursuant to NRS § 86.5419.

4 **I.**

5 **INTRODUCTION**

6 This report supplements and incorporates by reference the Receiver’s previously filed  
7 Financial Report and Accounting filed October 19, 2022, the Interim Status Report filed January  
8 19, 2023, and the Second Interim Status Report filed April 14, 2023.<sup>1</sup> This Third Interim Status  
9 Report updates the Court on receivership activities since the last status report.

10 During this period, the Receiver continued the investigation, pursuit and, ultimately, the  
11 settlement of claims in Canada against Defendant Duane Tough’s wife, Karen English and filed  
12 a motion seeking approval with this Court; oversaw efforts to repair and market the Miami  
13 Condominium held by the receivership; and opposed and attended a hearing on Cooper  
14 Levinson’s appeal of the denial of their creditor claim.

15 **II.**

16 **SUMMARY OF THE RECEIVER’S ACTIVITIES**

17 **A. Efforts to Claw Back Receivership Property**

18 **1. Canadian Action to Recover Zippy Cash Funds**

19 During this period, the Receiver continued prosecution of a Canadian action against  
20 Tough and his wife, Karen English (“English”), relating to approximately \$570,000 of Zippy  
21 Cash funds transferred to Tough’s and English’s accounts at Canadian Imperial Bank of  
22 Commerce (“CIBC”).<sup>2</sup>

23  
24 <sup>1</sup> The Receiver also filed a First Interim Fee Application on October 19, 2022 and a Second  
25 Interim Fee Application on June 30, 2023 which discuss receivership activities. Additionally,  
26 the Receiver filed a Motion for Order Approving Settlement with Non-Party Karen English on  
June 12, 2023, which provides additional detail on activities.

27 <sup>2</sup> More specifically, Tough transferred \$284,327.62 of converted Zippy Cash’s funds to English’s  
28 CIBC account and sent \$285,868.29 to his own CIBC accounts. However, following the filing  
of the Canadian lawsuit, the Receiver was only able freeze approximately \$80,000 of the  
converted funds. As explained more fully in the Receiver’s motion to approve the English

1 In the Second Interim Status Report the Receiver reported that he was close to a  
2 settlement in principle with English. We can now report that following extensive negotiations,  
3 the Receiver reached a settlement with English that requires her to return all but \$4,500 of the  
4 \$80,000 frozen in her CIBC account. English also agreed to surrender certain luxury items and  
5 jewelry in her possession, and a Porsche Boxster which Tough purchased in English's name.  
6 The Receiver submitted the settlement to this Court for consideration and approval; that approval  
7 was granted on July 13, 2013. While English has turned over possession of the Porsche and the  
8 Receiver's Canadian counsel has possession of the settlement funds, the transfer of the jewelry  
9 and luxury items from Canada to the United States has proved challenging, but is currently  
10 projected to occur on very shortly. The Receiver intends to liquidate the vehicle, jewelry, and  
11 luxury items.

12 Consistent with his conduct in this case, Tough failed to participate in the Canadian  
13 proceedings and has acted in contempt of the Canadian Court's orders. The Receiver is seeking  
14 a default judgment in Canada against Tough.

## 15 2. Liquidation of the Miami Condo

16 As previously reported, following Tough's refusal to comply with the Turnover Order  
17 issued by this Court, the Receiver filed a quiet title action in Miami-Dade County, Florida, and  
18 ultimately acquired title to the Miami penthouse condominium Tough purchased with \$2.1  
19 million of Zippy Cash funds. During this reporting period, the Receiver oversaw a number of  
20 necessary repairs on the condominium, interviewed and selected a real estate broker, and then  
21 supervised the active marketing of the condominium by the broker. The condominium was  
22 originally listed for \$2,795,000. After roughly three months, based on a lack of market interest  
23 and a reported downturn in the Miami real estate market, the Receiver authorized a reduction in  
24 the asking price to \$2,495,000. Marketing efforts are ongoing and, combined with the price

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28 settlement, the location of the remainder of the converted funds is not clear although it seems  
unlikely that Tough has hidden assets.

1 reduction, will hopefully result in an acceptable offer, which will be brought to the Court for  
2 review and approval.

3 **B. Creditor Claims**

4 As previously reported, the Receiver reviewed and approved a total of \$6,740,655.67 in  
5 claims by creditors and denied one claim in its entirety. That creditor, Defendants Tough's and  
6 Ruttman's former counsel, Cooper Levenson P.A., filed an appeal of the Receiver's decision  
7 which the Court ultimately granted in part and denied in part. See Amended Order dated June  
8 30, 2023. The Receiver is currently awaiting Cooper Levenson's additional supportive  
9 briefing/argument in support of its claim. The Receiver will review and consider this  
10 information before accepting or rejecting the claim, in whole or in part.

11 **II.**

12 **RECEIVERSHIP ACCOUNTING**

13 Attached as Exhibit 1 is a Receipts and Disbursements Summary for the Receivership for  
14 the period April 14, 2023 through July 14, 2023. During this time period, receipts were  
15 \$1,879.32, primarily comprised of funds transferred from a merchant processor (\$1,782.00).  
16 Disbursements were \$16,303.26, the largest component of which related to repairs necessary for  
17 the sale of the Miami condo (\$11,615.00). In aggregate, the Receivership bank accounts have a  
18 current balance of \$333,675.00.

19 Dated this 19th day of July, 2023.

20 CLARK HILL PLLC

21 /s/ Crane M. Pomerantz

22 Crane M. Pomerantz  
23 Nevada Bar No. 14103  
24 1700 S. Pavilion Center Dr., Suite 500  
25 Las Vegas, NV 89135

26 McNAMARA SMITH LLP

27 /s/ Andrew M. Greene

28 Andrew M. Greene (*Pro Hac Vice*)  
655 West Broadway, Suite 900  
San Diego, California 92101  
*Attorneys for Receiver, Thomas W. McNamara*

1 **CERTIFICATE OF SERVICE**

2 I hereby certify that I am an employee of CLARK HILL PLLC and that on July 19, 2023,  
3 I served a copy of the foregoing by electronic service to all parties listed in the Court's Odyssey  
4 E-File & Serve system.

5 A copy was also sent via U.S. Mail and email to:

6 Duane Tough  
7 [purallife5@gmail.com](mailto:purallife5@gmail.com)

8 Tough Money, LLC  
9 c/o Duane Tough  
[purallife5@gmail.com](mailto:purallife5@gmail.com)

10 Brent Ruttman  
11 10483 Manderson Plaza  
12 Omaha, NE 68134  
[brentruttman@gmail.com](mailto:brentruttman@gmail.com)

13  
14 */s/ Judy Estrada* \_\_\_\_\_  
15 An Employee of Clark Hill PLLC  
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