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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 FINAL REPORT AND
APPLICATION FOR: (1) APPROVAL
OF FINAL FEE APPLICATION; (2)
APPROVAL TO MAKE FINAL
DISTRIBUTION TO CLAIMANTS;
AND (3) DISCHARGE OF RECEIVER**

HEARING REQUESTED

1 Thomas W. McNamara, as Receiver, by and through his undersigned counsel, hereby
2 submits his Final Report and files this Application for: (1) Approval of a Final Fee Application
3 for the 12-month period of June 1, 2023 through May 15, 2024; (2) Approval to Make a Final
4 Distribution to Claimants; and (3) Discharge of Receiver.

5 Dated this 3rd day of June, 2024.

6 CLARK HILL PLLC

7 /s/ Crane M. Pomerantz

8 Crane M. Pomerantz
9 Nevada Bar No. 14103
10 1700 S. Pavilion Center Dr., Suite 500
11 Las Vegas, Nevada 89135

12 *Attorneys for Receiver, Thomas W. McNamara*

1 **INTRODUCTION**

2 On July 20, 2022, the Court entered a Minute Order granting Plaintiffs’ Motion for
3 Appointment of Receiver and on July 27, 2022 entered its Order (Doc. No. 113, “Receivership
4 Order”), appointing Thomas W. McNamara as receiver (“Receiver”) over Zippy Cash LLC and
5 Z Cash LLC (collectively, “Zippy Cash”).

6 The Receivership Order directed and authorized the Receiver, among other things, to:

- 7 (1) Take custody and control of the Receivership Entities’ Assets¹ and documents
8 (Receivership Order, ¶ B at 3);
- 9 (2) Take custody and control of all documents or Assets (including reserve funds)
10 held by payment processors, merchant banks, acquiring banks, independent sales
11 organizations, third party processors, payment gateways, or other entities
12 (Receivership Order, ¶ C at 3);
- 13 (3) Preserve the value of the Receivership Entities’ Assets (Receivership Order, ¶ D
14 at 3);
- 15 (4) Choose, engage, and employ attorneys, accountants, appraisers, and other
16 independent contractors and technical specialists or investigators, as necessary in
17 the performance of the Receiver’s duties and responsibilities (Receivership Order,
18 ¶ F at 4);
- 19 (5) Make payments and disbursements from the receivership estate (Receivership
20 Order, ¶ G at 4);
- 21 (6) Protect the interests of consumers who have transacted business with the
22 Receivership Entities (Receivership Order, ¶ K at 5);
- 23 (7) Make an accounting of the Assets and financial condition of the receivership
24 (Receivership Order, ¶ L at 5);

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28 ¹ The Receivership Order defines “Asset” or “Assets” to mean any legal or equitable interest in, right to, or claim to, any property, wherever located and by whomever held.

- 1 (8) Institute any legal action to preserve or recover the Receivership Entities' Assets,
2 including actions challenging fraudulent or voidable transfers (Receivership
3 Order, ¶ M at 5);
- 4 (9) Issue subpoenas to obtain documents and records pertaining to the receivership,
5 and conduct discovery in this action on behalf of the receivership estate
6 (Receivership Order, ¶ N at 5);
- 7 (10) Open a bank account for funds of the Receivership Entities and serve copies of
8 monthly account statements on all parties (Receivership Order, ¶ O at 5);
- 9 (11) Maintain accurate records of all receipts and expenditures incurred as Receiver
10 (Receivership Order, ¶ P at 5); and
- 11 (12) Identify additional Receivership Entities, (Receivership Order, ¶ T at 6).

12 Over the past two years, the Receiver has filed periodic status reports to keep the Court
13 abreast of receivership activities.² In addition, the Receiver has filed a number of motions
14 seeking Orders to assist in carrying out his duties.³ As the Court is aware, the largest remaining
15

16 ² Receiver's Interim Status Report filed January 19, 2023 (Doc. No. 238); Receiver's Second
17 Interim Status Report filed April 14, 2023 (Doc. No. 256); Receiver's Third Interim Status
18 Report filed July 19, 2023 (Doc. No. 276); Receiver's Fourth Interim Status Report filed October
19 19, 2023 (Doc. No. 292); and Receiver's Fifth Interim Status Report filed February 6, 2024
20 (Doc. No. 301).

21 ³ Receiver's Motion for an Order to Show Cause Why Defendants Duane Tough and Brent
22 Ruttman Should Not be Held in Civil Contempt on Order Shortening Time filed August 15, 2022
23 (Doc. No. 135); Receiver's Supplemental Brief in Support of Motion for an Order to Show
24 Cause Why Defendants Duane Tough and Brent Ruttman Should Not be Held in Civil Contempt
25 on Order Shortening Time filed August 22, 2022 (Doc. No. 144); Receiver's Motion for an
26 Order Directing Turnover and Transfer of Receivership Property Held by Defendant Duane
27 Tough filed October 25, 2022 (Doc. No. 202); Receiver's Motion for an Order Directing Notice
28 to Potential Creditors re: Claims Bar Date on Order Shortening Time filed November 21, 2022
(Doc. No. 220); Receiver's Affidavit of Non-Compliance with Contempt Order by Defendants
Duane Tough and Brent Ruttman filed December 8, 2022 (Doc. No. 233); Motion for Sanctions
Against Third Party Witness Krista Tedder, and to Compel Tedder's Deposition and Production
of Documents filed February 10, 2023 (Doc. No. 239); Receiver's Motion for an Order Directing
Turnover and Transfer of Receivership Property Held by Non-Party IPpay, LLC filed March 22,
2023 (Doc. No. 248); Receiver's Opposition to Cooper Levenson's Motion to Appeal the
Determination of the Receiver filed May 11, 2023 (Doc. No. 259); Receiver's Motion for Order
Approving Settlement Agreement with Non-Party Karen English filed June 12, 2023 (Doc. No.
265); Receiver's Opposition to Cooper Levenson's [2nd] Motion to Appeal of the Determination
of the Receiver filed September 21, 2023 (Doc. No. 283); Receiver's Motion for an Order to

1 asset of the receivership estate, a condominium located in Miami, was recently sold. With this
2 sale, Receiver has completed his duties under the Receivership Order. Therefore, he presents
3 this Final Report, seeks approval for final payment of receivership fees and expenses, seeks
4 approval to make a distribution of all remaining estate funds to claimants, and requests
5 discharge.

6 **FINAL REPORT**

7 **I. DEFENDANTS' COMPLIANCE WITH THE RECEIVERSHIP ORDER**

8 As reflected in the Receiver's reports to the Court, Defendants Duane Tough ("Tough")
9 and Brent Ruttman ("Ruttman") proved difficult throughout this case. From the outset, and
10 despite the Receiver's repeated demands, they failed and refused to cooperate with the Receiver
11 and provide the required Receivership Entities' information, documents, bank statements,
12 accounting and financial data, and administrative access to domain and website accounts, cloud
13 accounts, email accounts, and Skype conversations involving Plaintiffs and/or Zippy Cash issues.
14 This early lack of compliance with the Court's Orders was the hallmark of nearly every
15 interaction the Receiver had with Tough and Ruttman throughout the receivership.

16 **A. Motion for an Order to Show Cause Why Defendants Duane Tough and** 17 **Brent Ruttman Should Not be Held in Civil Contempt**

18 Only two weeks after being appointed the Receiver was forced to file a Motion for an
19 Order to Show Cause Why Defendants Duane Tough and Brent Ruttman Should Not be Held in
20 Civil Contempt (Doc. No. 135), which was granted by the Court on September 9, 2022 (Doc. No.
21 157). An Order Finding Contempt of Court and Issuing Penalties Against Defendants Duane
22 Tough and Brent Ruttman (Doc. No. 198, "Contempt Order"), was entered when neither Tough
23 nor Ruttman appeared at the Court-mandated hearing on October 11, 2022.

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28 Stay all Actions Against Receivership Assets on Order Shortening Time filed October 6, 2023
(Doc. No. 287); and Receiver's Motion to Approve Sale of Real Property Located at 201 Aqua
Avenue, PH3, Miami Beach, Florida 33141 on Order Shortening Time filed March 5, 2024 (Doc.
No. 303).

1 The Court found that, among other things: (1) Tough and Ruttman had failed to provide
2 the Receiver with required Receivership Entities' information, documents, and access; (2) they
3 had made repeated misrepresentations about Zippy Cash Assets, including falsehoods about a
4 non-existent "reserve" account at Bank of America, which Tough and his counsel repeatedly
5 claimed held approximately \$2.4 million in Zippy Cash funds; (3) Tough falsely represented to
6 the Court and to the Receiver that he personally "invested in excess of \$2 Million in Zippy Cash
7 to fund it's [sic] technological build out and market and meet with potential customers of Zippy
8 Cash," when in reality, Tough had withdrawn over \$4.2 million from Zippy Cash accounts and
9 which he deposited into his personal accounts located at the Bank of America; (4) Tough had
10 purchased the Miami Condo exclusively with Zippy Cash assets and, therefore, the Miami
11 Condo was an Asset of the receivership; and (5) even after the Receiver's unchallenged
12 determination that Z Cash Inc. and Zippy.Cash Inc. were additional Receivership Entities, Tough
13 and Ruttman continued to operate and control these companies, refusing to provide the Receiver
14 with access to the companies' documents, assets, platform, accounts, and communications
15 despite the Receiver's demands.

16 Even in the face of the Court's Contempt Order, Tough and Ruttman failed to provide
17 additional information or documents or otherwise comply with any of the terms of the Contempt
18 Order.

19 **B. Motion for an Order Directing Turnover and Transfer of Receivership**
20 **Property Held by Defendant Duane Tough**

21 Tough's continued disregard for the requirements of the Receivership Order and
22 Contempt Order necessitated the Receiver's filing of a Motion for an Order Directing Turnover
23 and Transfer of Receivership Property Held by Tough ("Turnover Motion"), in particular a
24 condominium in Miami (the "Miami Condo"). Filed on October 25, 2022, the Turnover Motion
25 detailed the transfers from Zippy Cash's Bank of America accounts into Tough's accounts and
26 subsequent transfers from Tough's accounts into escrow accounts used to purchase the Miami
27 Condo. On December 2, 2022, the Court entered an Order requiring Tough to execute a

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1 warranty deed transferring title to the Miami Condo to the Receiver. (Doc. No. 229, the
2 “Turnover Order.”)

3 The Court declared that the “Receiver has again established by clear and convincing
4 evidence that all of the funds Defendant Tough used to purchase the Miami Condo derived from
5 Zippy Cash’s bank accounts.” The Turnover Order confirmed that the Miami Condo was an
6 Asset of the receivership. Despite assurances to the Receiver that he was now willing to
7 cooperate, Tough ultimately failed to execute the warranty deed.

8 The Receiver engaged counsel in Miami and initiated an action in the Miami-Dade
9 County Circuit Court for the 11th Judicial District to quiet title for the Miami Condo (“Quiet
10 Title Action”). Tough was served with the papers on January 13, 2023 and failed to make an
11 appearance in the case, resulting in a Default being entered by the Court on February 24, 2023.
12 The Receiver proceeded to file a Motion for Final Judgment Quieting Title, permanently
13 preventing Tough from asserting any right, title, claim, or interest in the Miami Condo and to
14 allow the property to be sold for the benefit of the receivership estate. On March 14, 2023, the
15 Court entered a Final Judgment Quieting Title in the Quiet Title Action. As discussed further
16 below, after the judgment was entered, the Miami condo was listed for sale.

17 **II. EFFORTS TO CLAW BACK RECEIVERSHIP PROPERTY**

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

19 Pursuant to ¶ N of the Receivership Order, the Receiver served a records subpoena on
20 Bank of America for the accounts held by Duane Tough and his wife, Karen English (“English”).
21 The Receiver’s forensic accountant performed an exhaustive and detailed review of the records,
22 which revealed that between January 2021 and May 2022, Tough had transferred \$583,587.92 in
23 Zippy Cash funds from his personal Bank of America accounts to his and his wife’s Canadian
24 accounts at the Canadian Imperial Bank of Commerce (“CIBC”) in Toronto.

25 The Receiver retained Canadian counsel to seek the return of these funds. Accordingly,
26 on December 30, 2022, the Receiver filed a Statement of Claim against Tough and English (the
27 “Canadian Action”) and an *ex parte* hearing before the Canadian Court was held on January 11,
28 2023 without notice to Tough or English as allowed under Canadian law. The same day, the

1 Court ordered CIBC to freeze Tough's and English's accounts and required the bank to deliver to
2 the Receiver records and account balances for these accounts. The CIBC freeze revealed
3 \$80,000 in frozen funds remained in English's CIBC account, but Tough's CIBC accounts had
4 negligible balances.

5 English retained counsel and contested the Receiver's allegations concerning the source
6 of her funds to which the Receiver filed responsive evidence supporting the claims. The parties
7 ultimately reached a settlement. The Court entered an Order Granting Receiver's Motion to
8 Approve Settlement Agreement with Non-Party Karen English on July 13, 2023 (Doc. No. 273).
9 The terms of the Settlement Agreement required English to return \$76,500 of the \$80,000 in
10 frozen funds, turn over certain luxury items and jewelry in her possession, and a 2003 Porsche
11 Boxster which Tough purchased in English's name and kept in Miami.

12 Tough chose not to retain counsel and initially appeared on his own behalf, although he
13 did not file any papers, or file and serve his affidavit of assets as required by Canadian law.
14 Tough was generally as unresponsive in the Canadian Action as he had been in the instant action.
15 In the end, the Receiver obtained a default judgment against Tough in the total sum of
16 USD\$595,198.03 in the Canadian Action.

17 **III. RECEIVERSHIP ESTATE ASSETS**

18 **A. Miami Condo**

19 The single largest asset of the receivership estate was the Miami condo, a penthouse
20 condominium located in Miami Beach, Florida, which Tough had purchased in January 2022 for
21 \$2.1 million using Zippy Cash funds. The condominium was located at 201 Aqua Ave., PH3,
22 Miami Beach, Florida in a gated island community on Allison Island. It was a spacious
23 2 bedroom, 4.5 bathroom property with a 2,235 square foot interior, as well as a 2,000 square
24 foot rooftop terrace with views of the surrounding area. As reported above, Tough's refusal to
25 execute the warranty deed necessitated the Receiver retain counsel in Miami and on December
26 19, 2022, a complaint was filed in Florida state court to quiet title.

27 Tough failed to respond to the quiet title complaint and a default was entered against him
28 on February 24, 2023. Shortly thereafter, the Receiver filed a Motion for Final Judgment

1 Quieting Title, which was granted on March 14, 2023. After receiving referrals for local real
2 estate agents, the Receiver interviewed and retained an established realtor with experience in the
3 high-end condominium market.

4 However, gaining access to the condominium required overcoming the hurdles presented
5 by the homeowners' associations (Aqua Master Association, Inc. and Chatham at Aqua
6 Condominium Association, Inc., collectively, "HOAs") and its counsel. Once that was
7 accomplished, the condominium was cleaned, staged, and photographed and, in mid-April, 2023,
8 listed with an initial asking price of \$2,795,000. In the first couple of months, it became
9 apparent that a number of plumbing and A/C system repairs were necessary, and those were
10 completed.

11 The realtor's marketing plan was broad and included mailings, an email flyer of the
12 property to her database, as well as *Luxury Portfolio*, color brochures, social media advertising
13 which included Facebook, Instagram, LinkedIn, You Tube, and Tik Tok, print advertising in the
14 *Wall Street Journal* Mansion Section, a full-page ad in *Luxe Interiors*, digital advertising through
15 the *Wall Street Journal* and *Luxury Portfolio*, and multiple broker open houses.

16 The second quarter of 2023 brought with it a downturn in the Miami real estate market
17 and the Receiver authorized a reduction in the asking price to \$2,495,000. The summer months
18 brought a halt to showing and sales activity, which according to the realtor was routine. In order
19 to keep the listing fresh, in mid-August the listing was temporarily taken down and relisted on
20 October 15, 2023.

21 The HOAs were combative because the estate was not in a position to pay outstanding
22 assessments to the two entities (Tough had not paid the assessments in months before the quiet
23 title action). Despite assurances that the assessments would be paid in full from escrow when the
24 condo was sold, counsel for the HOAs proceeded to record liens and serve the Receiver with
25 Notices of Intent to Foreclose and Claims of Lien, first by Aqua Master Association, Inc.
26 (September 1, 2023) and then, by Chatham at Aqua Condominium Association, Inc. (September
27 22, 2023). On October 6, 2023, the Receiver filed a Motion for an Order to Stay all Actions
28 Against Receivership Assets in order to protect the Miami Condo (Doc. No. 287), which the

1 Court granted on October 12, 2023 (Doc. No. 290). After receiving a copy of the Court's
2 October 12 Order, the HOAs agreed to stand down and wait for payment when the condominium
3 sold.

4 The first offer received on the Miami Condo came in at \$1,450,000 in late October, but
5 was so far under the asking price, the Receiver did not provide a counteroffer. The next offer of
6 \$2,025,000 came in early December but was still significantly lower than the \$2,495,000 listing
7 price and less than Tough paid for the unit. The Receiver countered at \$2,295,000, but the
8 prospective buyer refused to go above \$2,067,000.

9 In mid-February an all-cash offer for \$2,150,000 was received and the Receiver
10 countered at \$2,200,000. The buyer came back at \$2,175,000, agreed to be responsible for a
11 pending HOA special assessment, and requested the furniture in the unit be included in the sale.
12 The offer was accepted. However, when the buyer ordered an inspection report, the generally
13 poor condition of the rooftop terrace confirmed an earlier inspection, and the estimate was
14 \$100,000 to repair. The buyer then ordered another inspection by a roofing company who
15 recommended that the roof be completely replaced at a cost of \$145,000. Seeking to recoup
16 some of these costs, the buyer submitted an amended offer of \$2,050,000, claiming this was his
17 last and final offer, at the same time requesting preoccupancy while the motion to approve the
18 sale of the Miami Condo was submitted to the Court for its approval. (Doc. No. 303.) The
19 Receiver countered at \$2,100,000 and agreed to preoccupancy. The buyer countered at
20 \$2,075,000 which, after consultation with the realtor, the Receiver accepted. The Court entered
21 the Order granting the Receiver's motion to approve the sale on March 29, 2024 (Doc. No. 304)
22 and escrow closed on April 25, 2024.⁴ Net proceeds to the receivership estate were
23 \$1,697,850.13.⁵

24
25 ⁴ Getting a title company to insure the title to the Miami condo turned out to be extremely
26 difficult. Ultimately, Miami counsel had to become heavily involved in identifying a title insurer
27 and the satisfying the insurer's numerous demands before a title insurance policy would be
28 issued. This complicated and extended process substantially increased legal costs associated
with selling the unit. These fees, \$46,928.74, were paid from the sale escrow.

⁵ Selling costs included sales commission (\$103,750.00); unpaid property taxes for 2022 and
2023 (\$69,602.42); state taxes (\$12,450.00); Aqua Master Association, Inc. HOA fees and

1 **B. Karen English Luxury Items**

2 The Canadian Action sought to recover \$583,587.92 in Zippy Cash funds transferred by
3 Tough from his personal Bank of America accounts to his and his wife’s Canadian CIBC
4 accounts. As noted above, the settlement with English resulted in the return of \$76,500 in cash,
5 as well as jewelry, clothing, and accessories which had been purchased with funds traceable to
6 Zippy. English indicated that certain of these items were located in the Miami Condo; however,
7 once again, in direct defiance of the Receiver’s instructions and the Receivership Order, Tough
8 removed jewelry, designer clothing, and other items purchased with Zippy Cash funds, before
9 the Receiver could take possession. As a result, English had to turn over these items in Canada.

10 1. Jewelry

11 The jewelry that English turned over to the Receiver consisted of: (1) a pair of 3-carat
12 Chopard Happy Diamond earrings; (2) a Roberto Coin lariat necklace (approximately 1 carat in
13 all); (3) a Tiffany Victoria band with marquis diamonds (approximately 3 carats in all); (4) a
14 2.02 carat 18k gold diamond ring; (5) and a 0.6 carat Euphoria Pave wedding band. The
15 Receiver’s staff had the jewelry appraised by four different jewelers and was able to liquidate all
16 the pieces with net proceeds to the receivership estate of \$18,000.

17 2. Clothing and Accessories

18 Unfortunately, English used Zippy funds to purchase designer shoes, clothing, and
19 handbags which fail to hold value. The Receiver’s staff listed these items on a luxury second-
20 hand online marketplace on August 1, 2023. Initially, a few of the items sold, but the remaining
21 two items – a Fendi leather tote and Fendi track suit languished for months and only recently
22 sold after the prices were reduced. Collectively, net proceeds to the receivership estate were
23 \$2,156.00.

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28 _____ assessments (\$34,853.99); Chatham at Aqua Condominium Association, Inc. HOA fees and assessments (\$112,365.18); and Miami counsel’s (Venable) fees and expenses (\$46,928.74).

1 **C. 2003 Porsche Boxter**

2 When the Receiver initially took possession of the Miami Condo, the 2003 Porsche
3 Boxter (“Porsche”) Tough had purchased with Zippy Cash funds and titled in English’s name,
4 was not parked in the building (as Tough had been instructed to do). Once again, Tough refused
5 to comply with the Receivership Order by turning over title to the Porsche. Ultimately, the
6 return of the vehicle was negotiated through English’s Canadian counsel.

7 The task of obtaining title to the Porsche was extremely protracted because of the manner
8 in which English took title and her failure to timely address numerous follow-up requests from
9 the Receiver’s staff. Aside from the title issues, when an agent of the Receiver attempted to
10 drive the Porsche, it would not start due to mechanical issues. This further frustrated the
11 liquidation efforts. Ultimately, a buyer was found (the vehicle had to be towed after the sale was
12 completed) and net proceeds to the receivership estate were \$4,500.

13 **D. IPpay Reserve Funds**

14 IPpay, LLC (“IPpay”) acted as a payment processor for Zippy Cash. On the day the
15 Receivership Order was entered, the Receiver put IPpay on notice of the asset freeze,
16 emphasizing that it pertained to, among other things, “All Assets held by or for the benefit of the
17 Receivership Entities; all documents or Assets associated with credits, debits, or charges made
18 on behalf of any Receivership Entity, wherever situated, *including reserve funds held by*
19 *payment processors*, credit card processors, merchant banks, acquiring banks, independent sales
20 organizations, third party processors, payment gateways, insurance companies, or other entities;
21 and all Assets and documents belonging to other persons or entities under the direction,
22 possession, custody, or control of the Receivership Entities.” (Receivership Order, page 3, ¶ C,
23 emphasis added.)

24 On August 9, 2022, through its counsel, IPpay identified an account holding \$463,613 in
25 reserve funds, but stated that pursuant to the terms of the Merchant Processing Agreement with
26 its bank, the funds could not be released until 270 calendar days after the date of the last
27 chargeback. After several discussions with IPpay’s counsel, IPpay agreed to return all the
28 reserve funds, but requested a payment schedule spread over three to four months to provide it

1 with some protection against continuing chargebacks.

2 When the last payment was received there was a shortfall of approximately \$10,000.
3 IPpay's counsel was contacted and stated that \$10,729 had been held back to cover legal fees.
4 When IPpay refused to return the remaining funds, the Receiver filed a turnover motion and
5 sought reimbursement of the fees incurred to bring the motion. (Doc. No. 248.) Before the
6 matter could be heard, IPpay returned the full \$10,729 to the Receiver, as well as half of the
7 Receiver's attorneys' fees for the turnover motion (\$1,782).

8 **IV. CREDITOR CLAIMS**

9 Pursuant to NRS 86.542, on November 21, 2022, the Receiver filed a motion seeking an
10 order from the Court approving the form and contents of a notice to creditors, as well as the
11 claims procedure and a bar date. (Doc. No. 220.) The proposed notice provided the statutory
12 claims submission procedure, the schedule for claims review and appeals and included a copy of
13 the Receivership Order.

14 The potential creditors were identified via a forensic accountant's review of Zippy Cash's
15 bank statements, limited accounting records, email communications, and additional internet
16 research. On December 2, 2022, when the Court granted the motion, the Receiver was able to
17 immediately send out the notices. (Doc. No. 230.)

18 Claims were received from seven potential creditors, totaling \$44,949,387.89. The
19 Receiver thoroughly reviewed each claim and provided notice of his decision to the claimants
20 informing them they had 30 days from notice of the Receiver's decision to file an appeal with the
21 Court pursuant to NRS 86.5422(2). Altogether, the Receiver allowed a total of \$6,740,655.67 in
22 claims to six different claimants and denied one potential creditor's claim in its entirety. That
23 creditor was Cooper Levenson P.A. ("Cooper Levenson"), Defendants Tough's and Ruttman's
24 former counsel, which filed an appeal of the Receiver's decision which the Court ultimately
25 granted in part and denied in part. (Doc. 257.) After a careful and thorough review of Cooper
26 Levenson's claim a second time, including additional materials provided by the firm, the
27 Receiver confirmed his denial of the claim. On September 7, 2023, Cooper Levenson again
28 appealed to the Court. (Doc. No. 281.) After the matter was fully briefed and oral argument

1 heard, on November 21, 2023, the Court entered an Order denying Cooper Levenson’s appeal of
2 the Receiver’s determination. (Doc. No. 293.)

3 Approved creditor claims and their corresponding approved amounts are as follows:

Claimant	Amount Allowed
Breachlock	\$4,667.00
Castle Interactive	\$76,796.00
Ryan Pelavin	\$48,736.00
Tempest House LLC	\$40,019.76
Tifton Partners LLC	\$10,696.70
Woopla	\$6,559,740.21
Total	\$6,740,655.67

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9 **V. RECEIVERSHIP ACCOUNTING**

10 Attached as Exhibit 1 (filed under seal) is a Receipts and Disbursements Summary for the
11 receivership period through May 31, 2024. It shows aggregate receipts of \$2,333,523.85, less
12 disbursements of \$644,367.59, for net cash as of this Final Report of \$1,689,156.26.

13 **APPLICATION FOR DISCHARGE AND**
14 **APPROVAL OF FINAL FEE APPLICATION**

15 The Application for Discharge is made on the grounds that the Receiver has completed
16 his duties as defined in the Receivership Order.

17 The Final Fee Application is made pursuant to the Receivership Order which directs that
18 “the Receiver’s compensation shall be paid from the receivership estate, or otherwise from
19 Assets held by the Receivership Entities.” (Receivership Order at 10:26-27.) And, paragraph F
20 of the Receivership Order which authorizes the Receiver to “[c]hoose, engage, and employ
21 attorneys, accountants, appraisers, and other independent contractors and technical specialists or
22 investigators, as the Receiver deems advisable or necessary in the performance of duties and
23 responsibilities under the authority granted by this Order[.]” (Receivership Order at 4:1-4.)

24 This Final Fee Application seeks approval to pay fees and expenses for services for the
25 12-month period of June 1, 2023 through May 15, 2024 as follows: \$41,302.50 fees and
26 \$8,344.62 expenses to the Receiver and his staff payable to TWM Receiverships Inc., dba
27 Regulatory Resolutions; \$46,785.00 fees and \$2,779.43 expenses to Receiver’s counsel
28 McNamara Smith LLP; \$4,113.50 fees and \$92.78 expenses to the Receiver’s Nevada counsel,

1 Clark Hill, PLLC; and CAD\$13,130.00 fees and CAD\$302.44 expenses to the Receiver's
2 Canadian counsel, WeirFoulds LLP.

3 The Receiver also seeks authorization to pay any subsequent administrative costs, *e.g.*,
4 postage, document destruction, etc., as well as any attorneys' fees and expenses related to this
5 filing and responses or oppositions thereto, which may be paid without further order of the
6 Court.

7 The Application for Discharge is based upon the Final Report and the Declaration of
8 Thomas W. McNamara filed with this Application, the pleadings in this matter, and such other
9 oral and documentary evidence that may be presented at or before the time of the hearing on the
10 Application.

11 **FINAL DISTRIBUTION**

12 Upon the Court's approval of the Receiver's Final Fee Application (and payment of any
13 subsequent administrative costs and fees related to this filing), the Receiver seeks permission to
14 make a final distribution of all remaining receivership estate funds to the six approved claimants
15 on a *pro rata* basis.

16
17 Dated this 3rd day of June, 2024.

18 CLARK HILL PLLC

19 /s/ Crane M. Pomerantz
20 Crane M. Pomerantz
21 Nevada Bar No. 14103
22 1700 S. Pavilion Center Dr., Suite 500
23 Las Vegas, NV 89135

24 *Attorneys for Receiver, Thomas W. McNamara*
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- Addressing Cooper Levenson’s claims appeals of the claim determination, including additional review and analysis of supplementary materials provided by Cooper Levenson; and
- Coordinating with Canadian counsel to transfer Assets to the receivership pursuant to the terms of the Settlement Agreement with English.

5. The professional services related to these activities are further detailed in the respective invoices submitted with this Final Fee Application.

Fees and Expenses of the Receiver and Professional Staff

6. The fees for my time as receiver and professional staff (primarily forensic accountant Lisa Jones) during this period total \$41,302.50 as set forth in the invoice from Regulatory Resolutions which is attached as Exhibit 2 (filed under seal). The fees have been incurred primarily in: (1) overseeing repairs to the Miami Condo and related issues, as well as continued monitoring of sales efforts, (3) reviewing and evaluating offers on the Miami Condo, (3) detailed review and analysis of HOAs’ claims, fees, and assessments related to the Miami Condo, (4) analysis of Cooper Levenson’s claims and related court filings, (5) research regarding additional potential assets owned by Tough, (6) and overseeing the sale of English’s assets turned over to the Receiver.

7. The invoice from Regulatory Resolutions also includes expenses totaling \$8,344.62, as detailed in Exhibit 2 (filed under seal). The principal component of those expenses relates to maintenance of the Receivership Entities’ GoDaddy email accounts and domain registrations (\$8,110.57).

Fees and Expenses of the Receiver’s Counsel McNamara Smith LLP

8. For this period, fees for counsel, McNamara Smith LLP (“McNamara Smith”), total \$46,785.00. The firm has been directly involved in all receivership activities and their services are more thoroughly described in the invoices in Exhibit 3 (filed under seal).

9. The McNamara Smith attorneys have substantial experience with issues revolving around regulatory receiverships. The attorneys’ fees have been incurred primarily assisting the Receiver with (1) implementing the Receivership Order, (2) responding to Cooper Levenson’s

1 claims and appeals of the Receiver's claim determination, (3) interfacing with outside counsel in
2 Florida and Canada, (4) preparing and filing three status reports with the Court, (5) interactions
3 with counsel for the Miami Condo HOAs, and (6) preparing and filing motions to: (i) approve
4 the English settlement; (ii) stay all actions against Receivership Assets; (iii) approve the sale of
5 the Miami Condo.

6 10. The rates charged reflect a discount from the firm's standard billing rates.

7 11. The invoices from McNamara Smith also include expenses totaling \$2,779.43, as
8 detailed in Exhibit 3 (filed under seal). The principal component of those expenses relate to
9 delivery changes associated with the return of Receivership Assets in English's possession
10 (\$2,147.41).

11 **Fees and Expenses of Clark Hill PLLC – Nevada Counsel**

12 12. The Receiver's Nevada counsel, Clark Hill PLLC, incurred fees of \$4,113.50 and
13 expenses of \$92.78 as detailed in Exhibit 4 (filed under seal). Clark Hill acts as Nevada counsel
14 and provided assistance with the Receiver's appearances and filings in this Court.

15 **Fees and Expenses of WeirFoulds LLP – Canadian Counsel**

16 13. The Receiver's Canadian counsel, WeirFoulds LLP, incurred fees of
17 CAD\$13,130.00 and expenses are CAD\$302.44 as detailed in Exhibit 5 (filed under seal).
18 WeirFoulds acted as Canadian counsel for the Receiver in connection with the Canadian lawsuit
19 brought against Tough and English. Weirfould provided critical support in pursuing
20 Receivership Assets in Canada.

21 14. I submit to the Court that the identified services provided by me, as Receiver, and
22 by the other designated professionals, were necessary and appropriate and brought significant
23 value to the receivership. I have monitored the efforts of the team and have reviewed and
24 approved the invoices which are the subject of this Final Fee Application. I request that the
25 Court approve immediate payment of these invoices.

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I declare under penalty of perjury under the laws of the State of Nevada that the foregoing is true and correct.

Executed on June 3, 2024, in San Diego, California.



Thomas W. McNamara

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CERTIFICATE OF SERVICE

I hereby certify that I am an employee of CLARK HILL PLLC and that on June 3, 2024, I served a copy of the foregoing by electronic service to all parties listed in the Court’s Odyssey E-File & Serve system.

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

Via Email
Duane Tough
puralife5@gmail.com

Via Email
Tough Money, LLC
c/o Duane Tough
puralife5@gmail.com

Via Email & U.S. Mail
Brent Ruttman
10483 Manderson Plaza
Omaha, NE 68134
brentruttman@gmail.com

/s/ Jamie Soquena _____
An Employee of Clark Hill PLLC

EXHIBIT 1

Zippy Cash Receivership
Receipts and Disbursements Summary
through May 31, 2024

Receipts		
Frozen Funds from Banks		\$ 5,123.65
Frozen Funds from Merchant Processors		\$ 529,624.14
Sale of Miami Condo		\$ 1,697,850.13
Karen English Asset Sales		\$ 24,656.00
Karen English Settlement Funds		\$ 75,701.06
Money Market Account Interest		<u>\$ 568.87</u>
Total Receipts		\$ 2,333,523.85
Disbursements		
Miami Condo		\$ 16,852.55
Florida Power & Light	\$ 2,083.96	
Furniture Moving Costs	\$ 1,075.00	
Furniture Storage	\$ 1,778.99	
Locksmith	\$ 299.60	
Repairs	\$ 11,615.00	
Operating Expenses		\$ 16,395.46
Receiver's Bond	\$ 250.00	
Record Productions	\$ 30.25	
Relativity Database Hosting	\$ 16,115.21	
Professional Fees & Expenses		\$ 384,060.38
Forensic Accountants	\$ 3,491.50	
IT Forensic Consultant Fees & Expenses	\$ 16,349.00	
Legal Fees & Expenses		
Clark Hill PLLC Legal Fees & Expenses	\$ 21,239.57	
Jordan, Lynch & Cancienne PLLC		
Legal Fees & Expenses	\$ 4,499.54	
McNamara Smith LLP Legal Fees		
& Expenses	\$ 280,910.20	
Venable LLP (fka Genovese Joblove		
& Battista) Legal Fees & Expenses	\$ 21,493.71	
Weirfoulds LLP Legal Fees & Expenses	\$ 36,076.86	
Receiver's Fees & Expenses		<u>\$ 227,059.20</u>
Total Disbursements		\$ 644,367.59
Net Cash at 05/31/2024		<u><u>\$ 1,689,156.26</u></u>