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10
11 UNITED STATES DISTRICT COURT

12 DISTRICT OF NEVADA

13 FEDERAL TRADE COMMISSION and
STATE OF NEVADA,

14 Plaintiffs,

15 v.

16 INTERNATIONAL MARKETS LIVE, INC.,
17 et al.,

18 Defendants.

Case No. 2:25-cv-00760-CDS-NJK

**REPORT OF MONITOR AND
TEMPORARY RECEIVER THOMAS W.
MCNAMARA**

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1 Thomas W. McNamara, Court-appointed Monitor and Temporary Receiver, respectfully
2 submits the update below, apprising the Court of several relevant data points as the Court
3 considers whether appointment of a receiver on a permanent basis is appropriate.

4 At the last hearing on October 21, Counsel for Mr. and Ms. Terry and related IML
5 corporate defendants (collectively “the Terrys”) argued that while the evidence may have shown
6 that the Terrys had moved funds after the FTC sought an asset freeze and imposition of a
7 Preliminary Injunction (“PI”) in May through July of 2025, the Terrys had not done anything
8 since imposition of the asset freeze and the PI on August 11, 2025. *See* October 21 Transcript at
9 23:4-7 (“And so even in your colloquy with -- with the monitor, he talks about things being
10 moved, but those events occurred before the August preliminary injunction was in place.”).

11 The Monitor and Temporary Receiver provides the following information that calls that
12 assertion into question. In addition to other well-documented violations by the Terrys of the PI
13 since August 11, 2025 (*e.g.*, failing to this day to produce required disclosures of foreign assets
14 under oath for themselves or related corporate entities, failing to submit any of the required
15 sworn financial corporate disclosures to this day, submitting demonstrably false sworn financial
16 disclosures in their individual capacities, which they have failed to withdraw or amend, and
17 providing false testimony (directly and by omission in their depositions), etc.), we have now
18 found additional evidence that raises questions whether the Terrys have in fact abided by the PI’s
19 restrictions on access to frozen assets.

20 **I. Recent Evidence Indicating Defendants’ Non-Compliance with the PI**

21 1. Evidence of Transfers of Cryptocurrency in October 2025

22 Chris Terry testified there was roughly \$2,000 remaining in cryptocurrency on his two
23 wallets he turned over, despite evidence that tens of millions of IML cryptocurrency went to the
24 wallets. We were provided two cold wallets but were unable to access them, based on the
25 passwords Chris Terry provided. While Mr. Terry was able to open one of the wallets at his
26 deposition, he kept the second one and it was delivered to us on October 1, 2025; however, we
27 were still not able to open it up until October 9th (when defense counsel was able to assist). In
28 the meantime, on October 4 two transfers out of the wallet were made, moving \$354.54 in

1 Bitcoin and \$1,449.95 in Ethereum (ETH) to another blockchain address. These are very small
2 amounts; however, they nonetheless appear to be knowing transfers in violation of the PI. And
3 Chris Terry is the only person whom we are aware of who had the ability to remove the crypto
4 from the wallet.

5 2. Rental of Bulgari Condominium in Dubai by the Terrys

6 The Terrys failed to disclose that they rented one of their Dubai condominiums in early
7 August 2025. In connection with a one-year lease of the unit, the Terrys received a “cheque” in
8 the amount of \$880,000 AED (equal to approximately \$237,000 USD) in August 2025 and are
9 due to receive a second payment of approximately \$237,000 USD in February of 2026. We have
10 not gotten clarity about what happened to the first payment. It is possible the initial payment was
11 deposited in Isis Terry’s ADIB bank account, which Ms. Terry indicated held roughly \$390,000
12 according to her financial disclosure. We have been requesting the ADIB bank statements for
13 August and September from the Terrys with no success.¹²

14 In an extensive July 26, 2025 exchange of texts with someone who appears to be a
15 potential business partner, Mr. Terry boasted about the recent rental of this apartment to a new
16 business colleague, whom he was educating on how to become wealthy. Terry first discussed his
17 efforts to evade the reach of the federal government:

18 “The best is [the FTC] illegally went to Terrafirma account which surprisingly had
19 five dollars in it. Because you have a very smart friend... *my name isn’t even on it*
20 *and they were stupid enough to put it in a complaint just recently*

21 I want you to do this *Pretend you’re a federal government Turn the water on in*
22 *your faucet. Try to catch it. I am water.*

23 *So I will keep us safe* But you just gotta follow my lead no more these old nickel gun
24 games. I’m gonna run really fast the other direction.

25 ¹ The Monitor/Temporary Receiver agreed that Terrys could use the ADIB bank account to
26 withdraw \$75,000 each in the Modified PI. But we have asked for clarity about the account
before the withdrawals – in particular, the August and September statements, to understand if the
\$237,000 was deposited into the account.

27 ² Ms. Terry has also indicated that she accessed limited funds from the ADIB account; we have
28 been told it was a couple of thousand dollars from the one ADIB bank account to maintain the
One Palm condominium.

1 **Exhibit 1** (Emphasis added). Mr. Terry went on to say: “My actual real income of a 5000 per
2 hour interest 24 hours a day seven days a week 365 days a year...” And then he gave the specific
3 example of his recent rental of his Bulgari apartment, noting: “This is one apartment income it’s
4 been closed already *500,000 a year. Rental.* And I own it cost me 3 million so I’ve been
5 receiving this kind of money. This is actually a new renter. People wish they could make that at
6 the job full-time That right there is tax free money that’s one of 47 residences.” *Id.* (Emphasis
7 added).³

8 3. Undisclosed Account of the Terrys and Withdrawals from that Corporate Account

9 Since the hearing, counsel for the Terrys also disclosed for the first time another
10 corporate account, known as a PEX Expense Account. Counsel also indicated that in violation
11 of the PI, Ms. Terry has continued to access this corporate account to pay for a variety of
12 personal expenses totaling approximately \$4,700. While the amount is not particularly large,
13 Ms. Terry’s knowing decision to use an IML expense account debit card to pay for personal
14 purchases after the issuance of the PI is troubling. It also highlights the consequences of IML’s
15 failure to complete financial disclosures which, in theory, would have included the PEX expense
16 account.

17 **II. Lack of Cooperation by The Auspicious Trust and Related Entities**

18 Despite presenting a partial response and production of materials this week (with
19 promises of follow-up), even at this late stage, the Auspicious Trust, Dominant Consulting, and
20 Terra Firma have failed to comply with their basic obligations under the PI.

21 Indeed, recent emails from counsel for these entities provided earlier today (October 28,
22 2025) confirm material deficiencies in these Monitored Entities’ compliance, as counsel limited
23 the Monitored Entities responses to Section VII (Duties of Asset Holders and Other Third
24 Parties). In fact, in response to the Monitor/Temporary Receiver’s requests for items clearly
25 called for in the PI, counsel for the Monitored Entities repeatedly claimed they go beyond the
26

27 ³ We have also seen indications that the Terrys were also attempting to lease one of their or two
28 Florida condominiums during in the summer of 2025, but have no information about whether
they were successful.

1 obligations of *Section VII*.⁴ See **Exhibit 2** at 7-12. The Monitored Entities have far greater
2 obligations in the Modified PI (ECF No. 111) and the Court’s Second Amended PI (ECF No.
3 171) than Section VII. As of the time of filing, counsel for these entities had not yet responded
4 to the Monitor/Temporary Receiver’s simple question asking for confirmation that that all of
5 these clients agreed to comply with the terms of the Court’s operative Preliminary Injunctions.⁵
6 See *id.* at 1 & 6. Counsel had only indicated she was “willing to have Sterling [Kerr] start
7 compiling but the request is overly broad.” *Id.* at 2.

8 For the period of time between when the initial PI was entered, August 11, and the
9 designation of Auspicious Trust, Dominant Consulting, and Terra Firma clients as Monitored
10 Entities on September 12, 2025, Section VII was arguably the only provision which applied.
11 However, when they were designated Monitored Entities on September 12, other provisions of
12 the PI, which we have noted for counsel for the Monitored Entities, also applied. See **Exhibit 2**
13 at 3-6 (October 28 email chain from Logan Smith to Dana Dwiggins, identifying the relevant
14 provisions for Monitored Entities).

15 Despite numerous obligations on Monitored Entities in the PI, the Monitored Trust-
16 related Entities have indicated a refusal to produce communications on between the Monitored
17 Entities and third parties as “beyond the scope.” *Id.* at 9 (Initial Email from D. Dwiggins). Such
18 a fundamental misunderstanding of their obligations under the PI more than two months after its
19 issuance, and more than a month after being designated a Monitored Entity, is troubling. This is
20 especially the case when combined with the prior acts by the Trust intended to circumvent the PI.

21 **III. Attorney’s Fees for Monitored Entities’ Counsel**

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23 ⁴ The compliance thus far fails to comply with even Section VII, however. For example, more
24 than one month ago, counsel promised the ledger for the Terrys’ and Monitored Entities’
25 transactions in Kerr’s IOLTA. Despite several follow-ups, it has still not been provided.

25 ⁵ Additionally, in a separate email from today, counsel for Terra Firma Development LLC
26 responded that: “My client does not have access to the Terra Firma bank statements or account
27 activity. They were obtained from George Kelesis [IML’s counsel] when disclosed
28 previously. Therefore, Sterling [Kerr] cannot provide the most recent statement or provide
29 explanation of the activity in the account, other than amounts that were transferred into and out
30 of his IOLTA account.” See **Exhibit 3**. This response is telling. Despite claiming separateness
31 from the Terrys for this entity, Mr. Kerr does not even have access to its bank records; rather the
32 Terrys do.

1 Counsel representing the Auspicious Trust, Dominant Consulting, and Terra Firma
2 Development, appeared at the last hearing and attempted to make the payment of their fees a
3 priority issue for the Court.⁶ Consistent with the Court's direction, the Monitor provided a
4 proposal to counsel for payment of the requested fees, offering a resolution that compensated
5 counsel for a portion of work done in September 2024. *See generally* **Exhibit 4**. In reaching
6 that conclusion, the Monitor considered the fact that counsel's Monitor Entity clients
7 (Auspicious Trust, Terra Firma Development, and Dominant Consulting) were and are controlled
8 by the Terrys, were set up as vehicles to hide assets, and the Court had recently determined that
9 these entities' request to intervene in this case was an effort subvert the PI.

10 The Monitor nonetheless recognized that counsel still had performed some amount of
11 work during September to provide documents required under the PI, and there was partial
12 cooperation and production of documents provided based on that.⁷ The Monitor thus
13 recommended compensation for fees and expenses during that time range, making a specific
14 proposal that compensated counsel for a time range in September (September 11 through 30),
15 resulting in payment of approximately \$24,000.⁸ We suggested that additional sums for
16 counsel's involvement on behalf of Mr. Kerr could come out of the amounts Mr. Kerr had
17 received relating to his relationship with Mr. Terry. By our calculations, this amount was more
18 than \$3 million. *See id.*

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20 ⁶ This has been an issue which has been raised in practically every call and communication with
21 counsel for Monitored Entities since mid-September. Counsel also filed today a motion for
22 additional fees above the approximately \$24,000 counsel already accepted. While the
23 Monitor/Temporary Receiver has not had a chance to review that filing or respond to specific
24 points therein, the letter attached hereto as **Exhibit 4** generally provides much of the Monitor's
position. We are unsure when the Court will take up this matter, but we stand ready to discuss
the matter at the upcoming November 5 hearing or provide additional briefing as requested by
the Court.

25 ⁷ Counsel was informed by the Monitor on October 1, 2025, that he could not support paying the
26 requested fees but that counsel could challenge the determination with the Court. So, as of that
day counsel was aware of the risk of non-payment from the estate; at the same time, we
suggested looking to Sterling Kerr for payment.

27 ⁸ In fact, counsel indicated that she would accept that amount and has taken that money into her
28 firm's operating account, while indicating that she would file with the Court for additional fees
above that amount.

1 Beyond concerns about the Terrys' direct control and use of the Monitored Entities to
2 hide assets, and their use of it in this case to circumvent the PI, we also have concerns about the
3 troubling use of the Mr. Kerr's IOLTA Trust account to conduct the business of the Auspicious
4 Trust. We do not have all of the facts here, and provide this information with that caveat in
5 mind. Indeed, we have not had all of the supporting documents provided to us, including basic
6 information of the transactions on behalf of Chris Terry and/or the Auspicious Trust using Mr.
7 Kerr's IOLTA Trust account. But, as demonstrated in the exhibits to the Monitor's
8 Supplemental Report, Chris Terry's contemporaneous communications make clear he routinely
9 used Kerr's IOLTA account to hide assets. As a further example we have recently located, on
10 June 1, 2025, after the plaintiffs had moved for a preliminary injunction, Mr. Terry wrote his
11 brother Donald: "I'm getting a deposit around 400,000 for some property tomorrow. *And I*
12 *could send it from Sterling's account so it's clean ...*" **Exhibit 5** (emphasis added).

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Dated: October 28, 2025

MCNAMARA SMITH LLP

By: /s/ Logan D. Smith
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CERTIFICATE OF SERVICE

I certify that on this 28th day of October, 2025, I served via CM/ECF a true and correct copy of the foregoing **REPORT OF MONITOR AND TEMPORARY RECEIVER THOMAS W. MCNAMARA** via electronic service by operation of the Court’s electronic filing system, upon each party in this case who is registered as an electronic case filing user with the Clerk.

/s/ Logan D. Smith
Logan D. Smith
*Attorneys for the Court-Appointed Monitor,
Thomas W. McNamara*