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UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA

FEDERAL TRADE COMMISSION and
STATE OF NEVADA,

Plaintiffs,

v.

INTERNATIONAL MARKETS LIVE, INC.,
et al.,

Defendants.

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

**STATUS REPORT OF THE
TEMPORARY RECEIVER**

1 Court-appointed Temporary Receiver Thomas McNamara (“Temporary Receiver” or
2 “Receiver”) respectfully provides this summary report in advance of the November 5 hearing,
3 and consistent with Local Rule 66-4, to apprise the Court on the present status of tasks required
4 by the Second Modified Preliminary Injunction. *See* ECF No. 171.

5 At the hearing on October 21, 2025, the Court granted the Plaintiffs’ motion to convert
6 the Monitorship to a Temporary Receivership over the Corporate Defendants, Monitored
7 Entities, and the Individual Defendants (*see* ECF Nos. 167 & 170), and on October 28, 2025, the
8 Court entered the Second Modified Preliminary Injunction setting forth the specific duties and
9 obligations of the Temporary Receiver in a written order. *See* ECF No. 171.

10 Prior to granting the Plaintiffs’ motion to convert, the Temporary Receiver served as
11 Monitor over numerous Monitored Entities, pursuant to the August 11 and August 18
12 Preliminary Injunction Orders. *See* ECF Nos. 104 & 111. As Monitor, and more recently, over
13 the past two weeks, as Temporary Receiver, the Monitor/Temporary Receiver has carried out
14 tasks required under the respective Preliminary Injunction Orders.¹ The Temporary Receiver
15 respectfully updates the Court on recent receivership activity.

16 1. Notice Provided to Receivership Entities

17 Notice of this lawsuit and the permanent receiver hearing has been provided to all parties
18 potentially subject to the receivership in compliance with Local Rule 66-3. All of the entities
19 identified as Monitored Entities, which are subject to the Temporary Receivership, are owned or
20 controlled by Isis and Chris Terry and/or managed by their agent attorney P. Sterling Kerr, who
21 serves as their manager and registered agent. These parties have been aware of the Plaintiffs’
22 motion to appoint a permanent receiver since it was filed; in addition, counsel for the entities as
23 well as Mr. Kerr himself were in attendance at the October 21 hearing.

24 The Local Rule 66-3 also requires providing notice to “all known creditors”; however,
25 the Receiver would respectfully ask that the Court waive compliance with this aspect of the Rule
26 under Local Rule 1A 1-4, because it is impractical and likely impossible to provide notice to all

27 ¹ The Monitor reported to the Court via a Preliminary Report on October 6, 2025 (ECF No. 140),
28 supplemental reports on October 20 (ECF No. 163) and October 28 (ECF No. 175) and a motion
filed on October 24, 2025 (ECF No. 169).

1 of the potential creditors here, given that Mr. Terry has claimed over 300,000 customers of
2 IML.² The Temporary Receiver has provided notice of this case to mortgage holders, lenders,
3 and home owners associations (“HOAs”). Identification and notification of all known creditors
4 has been made more difficult because the Corporate Defendants have failed to provide *any*
5 corporate disclosures. With all of the above said, the Receiver is not aware at this time of other
6 large creditors of the Defendants apart from the IRS.

7 2. Notice of Case and Stay of Actions to HOAs and Mortgage and Loan Holders

8 Notice of this case has been provided all HOAs in the United States and lenders of which
9 we are aware; significantly, all of these recipients were informed of their obligations as third
10 parties to preserve Receivership assets and the stay of actions, which prevents the pursuit of
11 foreclosure or lien proceedings.

12 3. Communications with Bank of America and Counsel in Texas Cryptocurrency
13 Lawsuit

14 The Receiver reached out to outside counsel for Bank of America, which is holding
15 \$8 million in Receivership funds that were wired in connection with a failed international
16 cryptocurrency investment. While the money remains frozen, the Receiver is seeking an avenue
17 for Bank of America to return the funds as soon as possible and avoid protracted litigation. The
18 Receiver also spoke with counsel representing the Receivership Entities based in Dallas, Texas,
19 whom Mr. Kerr had engaged. We agreed upon a short-term strategy and discussed realistic
20 outcomes for the litigation. They indicated that Bank of America is likely to seek to file an
21 interpleader action with the funds, which will delay release of the funds. The Receiver is hopeful
22 that sufficient evidence and authority can be provided to Bank of America to convince it to
23 return the funds without further delay. It may be necessary to seek an order from this Court to
24 expedite this process.

25 ² This is also consistent with the Court’s “extremely broad” authority “to supervise an equity
26 receivership and to determine the appropriate action to be taken in [its] administration[.]” *S.E.C.*
27 *v. Hardy*, 803 F.2d 1034, 1037 (9th Cir. 1986). As the *Hardy* court wrote: “The basis for broad
28 deference to the district court’s supervisory role in equity receiverships arises out of the fact that
most receiverships involve multiple parties and complex transactions... [W]e have
acknowledged that a primary purpose of equity receiverships is to promote orderly and efficient
administration of the estate by the district court[.]” *Id.* at 1037-38.

1 4. Resolution of Outstanding Loans of Terra Firma Development, LLC
2 (\$5,244,558.80), Felicitous Charm, LLC (\$5,052,930.56 and \$2,861,021.29) with
3 First Security Bank (“the Bank”)

4 Three loans owed by Receivership Entities with the Bank totaling approximately \$13
5 million were past due and in default; these loans were personally guaranteed by the Terrys and
6 secured by Certificates of Deposit held at the Bank. The Bank proposed liquidating the CDs to
7 partially pay off the loans; however, the Bank was seeking more than \$672,000 in default fees
8 and interest. The Temporary Receiver reached an agreement with the Bank, which allowed the
9 liquidation of the Bank’s secured collateral (the CDs) if the Bank waived the default fees and
10 interest. The Bank agreed to this proposal, which cured the defaults and resulted in a positive
11 balance in the accounts of approximately \$155,000.

12 5. Partial Payment of Harmonic Waves Past Due Amounts

13 As discussed in the Temporary Receiver’s request for a written order (ECF No. 169 at 5-
14 6), Florida counsel managing the yacht indicated that there was an urgent need of \$50,000 cash
15 to ensure that the captain and ability to dock the boat were maintained. The funds were wired
16 late last week to effect this. The need to maintain and repair the boat is essential to maintain its
17 value and maximize sale value, but expenditures for the yacht are not without risk or
18 complication. The Receiver continues to evaluate the options with the assistance of Florida
19 counsel.

20 6. Authorization to Pay Individual Defendants’ Living Expenses

21 Numerous conversations were had with counsel for the Terrys regarding the release of
22 personal expenses up to \$75,000 for each of the Terrys. In the process, counsel provided the
23 Receiver with bank statements and other supporting materials, which revealed that Ms. Terry had
24 already received a little more than \$35,000, resulting in an agreement to release the remainder to
25 her (slightly more than \$39,000), while we agreed the full \$75,000 could be released to Chris
26 Terry.

27 The Receiver also learned from the Terrys’ counsel (who provided contemporaneous
28 communications between Ms. Terry and her real estate broker) that the renters for the Bulgari

1 apartment in Dubai who had agreed in early August 2025 to pay approximately \$500,000 in
2 annual rent, backed out of the deal at the last minute in the middle of August. As such, the
3 Temporary Receiver was incorrect in the October 28 Supplemental Report (ECF No. 175) when
4 he reported the Terrys had not disclosed the Bulgari lease payments. Based on the materials
5 provided by defense counsel, it appears the Bulgari unit is not currently rented.

6 7. Naming of New Monitor Entity QCS1, LLC (“QCS”), nominally owned by Chris
7 Terry’s Girlfriend

8 On October 25, 2025, we notified counsel for all parties that the entity QCS1 was a
9 Monitored Entity. The same day we provided notice to counsel for Keisha McLeod (Chris
10 Terry’s girlfriend) and have since been in contact with him about his client’s obligations under
11 the Preliminary Injunction and the duties of the Receiver to identify and preserve QCS1’s assets,
12 the most significant of which is a Henderson Nevada house “owned” on paper by QCS1, but
13 controlled by Mr. Terry.³

14 8. Ongoing Review and Oversight of Financial Condition of Defendants

15 We continue to review the financial condition of the Receivership Entities and the
16 Individual Defendants’ ongoing financial obligations. We have had regular communications
17 with defense counsel for IML and the Terrys to obtain a full understanding of pressing liabilities
18 and debts. As previously reported to the Court, the Defendants’ past due expenses, as well as
19 the upcoming monthly expenses, are staggering and will need to be dealt with urgently to ensure
20 that the Receivership Estate assets are not eaten up in mortgage costs, property taxes, HOA
21 payments, and the like. As indicated in the October 24 motion, there are millions of dollars in
22 mortgages on properties in New York, Florida, and Nevada. *See generally* ECF No. 169 at 4-7.
23 The Terrys pay nearly \$25,000 a month for a Mount Kisko, New York house and more than
24 \$75,000 to service \$7.9 million in mortgages owed on the condominiums at the Waldorf Las

25 ³ The evidence confirms QCS1 is controlled by Chris Terry, although it was established in the
26 name of his girlfriend, Ms. McLeod. Mr. Terry funded the purchase of the only asset held by
27 QCS1 (of which we are presently aware), a home on Feathertree Lane in Henderson. He testified
28 at his deposition that he purchased the house for his girlfriend and has claimed ownership of it to
third parties. We have also identified purchase payments coming from Terry-related accounts,
including from the Auspicious Trust. We also understand he is living in the house with Ms.
McLeod.

1 Vegas and Acqualina in Miami. The Terrys have also invested nearly \$1.7 million for a Miami
2 condominium under construction, with more than \$7.5 million in payments still owed. *See id.*
3 Such expenses are not sustainable.

4 9. Listing of Three MacDonald Highlands Lots for Sale

5 As described in the Receiver's October 24 Emergency Motion, the Receiver immediately
6 contacted the Terrys' longtime real estate broker on the evening of the Court's last hearing. *See*
7 *id.* at 7 n.7. Since that time, the Receiver has stayed in close contact with the broker and entered
8 listing agreements on October 27 for three lots in the MacDonald Highlands titled in the name of
9 Receivership Entity Dominant Consulting. Prior to listing, the broker provided a comprehensive
10 market analysis, which led to the decision to initially list only those three lots for sale, with the
11 listing of other lots to be considered on a case-by-case basis. The broker has shown the
12 properties to potential prospects. While the broker has received offers to purchase the lots, they
13 are substantially below the market price identified by the broker and the Temporary Receiver has
14 rejected them.

15 10. Ongoing Analysis of Dominant Consulting's Hard Money Loan

16 Relatedly, as previously reported, the Terrys took out a \$3.39 million 9-month loan at
17 13%, which is coming due in November. This loan is secured by the three Dominant Consulting
18 lots recently listed for sale. *See id.* at 6.

19 While the terms of the loan allow for it to be rolled over, at a very high cost (13% plus
20 points), the Receiver has continued to explore the best available option. Unfortunately, the poor
21 decision to enter into this punitive loan with a hard money lender in the first instance has created
22 a situation with few appealing options. This is exacerbated by the limited cash in the
23 Receivership Estate. The Receiver will continue to explore options.⁴

24
25 ⁴ Counsel for Mr. Kerr revealed that last week he directly contacted the lender Ignite to inform
26 that he would not continue to serve as guarantor should the loan be rolled over, apparently
27 informing Ignite about the imposition of the Receivership. When asked, Kerr's counsel
28 explained that while there was nothing in writing, Kerr (who arranged and spearheaded the loan
process) was paid \$100,000 to sign as a guarantor. Given the loan is overcollateralized, and
therefore the risks to Mr. Kerr as guarantor were very low, it is not clear why he received a
\$100,000 fee.

1 The Receiver has informed the lender (named Ignite) of the Stay of Actions, which
2 means that the lender cannot take any steps to assert their rights, such as declaring a default.
3 This will temporarily allow the Receiver to find the best path forward, but the Receiver is
4 mindful that time is of the essence, given that during that time, Ignite will likely claim that
5 default interest and fees should accrue notwithstanding the issuance of the Preliminary
6 Injunction.

7 11. Bond in Place

8 As required by Section XX of the Second Modified Preliminary Injunction, a \$35,000
9 bond has been issued by International Sureties, Ltd. and filed with the Court. *See* ECF No. 181.

10
11 Dated: November 4, 2025

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CERTIFICATE OF SERVICE

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I certify that on this 4th day of November, 2025, I served via CM/ECF a true and correct copy of the foregoing **STATUS REPORT OF THE TEMPORARY RECEIVER** 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
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