

1 **RAINES FELDMAN LITTRELL LLP**

2 Kyra E. Andrassy, Esq.
3 Admitted *Pro Hac Vice*
4 3200 Park Center Drive, Suite 250
5 Costa Mesa, CA 92626
6 Telephone: (310) 440-4100
7 Facsimile: (949) 247-3998
8 kandrassy@raineslaw.com

9 **GREENBERG TRAURIG, LLP**

10 Kara Hendricks, Esq.
11 Nevada Bar No. 07743
12 Kyle A. Ewing, Esq.
13 Nevada Bar No. 14051
14 10845 Griffith Peak Drive Suite 600
15 Las Vegas, Nevada 89135
16 Telephone: (702) 938-6856
17 Facsimile: (702) 792-9002
18 hendricksk@gtlaw.com

19 Attorneys for Receiver
20 Geoff Winkler of American Fiduciary Services

21 UNITED STATES DISTRICT COURT
22 DISTRICT OF NEVADA

23 SECURITIES AND EXCHANGE
24 COMMISSION,

25 Plaintiff,

26 v.

27 PROFIT CONNECT WEALTH SERVICES,
28 INC., JOY I. KOVAR, and BRENT
CARSON KOVAR,

Defendants.

Case No.: 2:21-cv-01298-JAD-BNW

**MOTION FOR ORDER IN AID OF
RECEIVERSHIP TO APPROVE
RETENTION OF RAINES FELDMAN
LITTRELL LLP IN PLACE OF
SMILEY WANG-EKVALL, LLP,
EFFECTIVE JANUARY 16, 2024**

23 In accordance with Local Rule 66-6 and this Court’s August 6, 2021, order (ECF No.
24 26) appointing Geoff Winkler of American Fiduciary Services, LLC, as the permanent receiver
25 of Profit Connect Wealth Services, Inc., and any subsidiaries and affiliates (together, “Profit
26 Connect”), the Receiver moves this Court for an order authorizing him to retain Raines
27 Feldman Littrell LLP as his counsel in place of Smiley Wang-Ekvall, LLP, effective January
28 16, 2024. Effective January 16, 2024, Smiley Wang-Ekvall, LLP, is winding down and its

1 insolvency and receivership lawyers moved to Raines Feldman Littrell LLP (the “Firm”). The
2 Firm has agreed to utilize the rate structure offered by Smiley Wang-Ekvall, LLP, and
3 previously approved by this Court, which includes a 15% discount on fees for this engagement
4 with the rates frozen at Smiley Wang-Ekvall’s 2021 levels. The Firm’s retention will ensure
5 that there is no negative impact to the estate or delay in its administration.

6 This Motion is based on the below memorandum of points and authorities, the
7 declaration of Kyra Andrassy, all papers on file, and any argument the Court may call and
8 consider.

9
10 **MEMORANDUM OF POINTS AND AUTHORITIES**

11 **I. RELEVANT BACKGROUND AND PROCEDURAL HISTORY**

12 The SEC initiated this action against Profit Connect, Joy Kovar, and Brent Kovar on
13 July 8, 2021, by the sealed, *ex parte* filing of a complaint and motion for temporary restraining
14 order seeking, among other things, the freezing of defendants’ assets and the appointment of a
15 receiver over Profit Connect. The Court granted the *ex parte* temporary restraining order, in
16 part, by allowing the asset freeze to proceed but set the motion for a hearing in order to
17 provide defendants an opportunity to be heard on the temporary receivership request.

18 On July 23, 2021, the defendants stipulated to modify the temporary restraining order
19 to appoint the temporary receiver. On August 6, 2021, following another stipulation of the
20 parties, the Court converted the temporary restraining order to a preliminary injunction and
21 appointed the Receiver as the permanent receiver of Profit Connect. Among other things, the
22 Court charged the Receiver with assuming control over all of Profit Connect’s assets and
23 monetizing the assets, and making an accounting of Profit Connect’s financial condition so
24 that distributions can be made.

25 By order entered on September 21, 2021, the Court approved the retention of Smiley
26 Wang-Ekvall, LLP, as co-counsel to the Receiver. However, effective January 16, 2024, the
27 primary counsel on this engagement, Kyra Andrassy, moved to the Firm together with her
28 colleagues who practice insolvency and fiduciary representation. The Firm will honor the

1 same fee arrangement that Smiley Wang-Ekvalld had and that was previously approved by the
2 Court. The Firm has verified that it has no conflicts on this engagement.

3
4 **II. LEGAL ARGUMENT**

5 “The power of a district court to impose a receivership . . . derives from the inherent
6 power of a court of equity to fashion effective relief.”¹ “The primary purpose of equity
7 receiverships is to promote orderly and efficient administration of the Receivership Estate by
8 the district court for the benefit of creditors.”² “[T]he practice in administering an estate by a
9 receiver . . . must accord with the historical practice in federal courts or with a local rule.”³

10 As the Ninth Circuit explained:

11 A district court’s power to supervise an equity receivership and
12 to determine the appropriate action to be taken in the
13 administration of the receivership is extremely broad. The
14 district court has broad powers and wide discretion to determine
15 the appropriate relief in an equity receivership. The basis for this
broad 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.⁴

16 Here, the Receiver seeks to retain Firm to handle the same tasks that Smiley Wang-
17 Ekvall, LLP, was handling, including general receivership issues such as claims administration
18 and developing and obtaining Court approval of a distribution plan, pursuing recoveries from
19 financial institutions who received payments from Profit Connect for debts that it did not owe,
20 and seeking recoveries of commissions paid to sales agents and promoters. The Firm has
21 significant experience representing fiduciaries and retaining the Firm will ensure continuity in
22 representation of the Receiver which will, in turn, ensure the efficient administration of the
23 Receivership Estate. The Firm has agreed to honor the hourly rates charged by Smiley Wang-

24 ¹ *SEC v. Wencke*, 622 F.2d 1363, 1369 (9th Cir. 1980).

25 ² *SEC v. Hardy*, 803 F.2d 1034, 1038 (9th Cir. 1986).

26 ³ Fed. R. Civ. P. 66.

27 ⁴ *SEC v. Capital Consultants, LLC*, 397 F.3d 733, 738 (9th Cir. 2005) (citations omitted); *see*
28 *also CFTC v. Topworth Int’l, Ltd.*, 205 F.3d 1107, 1115 (9th Cir. 1999) (“This court affords
‘broad deference’ to the court’s supervisory role, and ‘we generally uphold reasonable
procedures instituted by the district court that serve th[e] purpose of orderly and efficient
administration of the receivership for the benefit of creditors.”).

1 Ekvall, LLP, in this matter, which included an agreement to freeze the rates at the 2021 level.
2 Kyra Andrassy’s discounted hourly rate will continue to be \$535.50, Michael Simon’s will be
3 \$331.50, and Timothy Evanston’s will be \$289.00. Thus, there is no negative impact to the
4 Receivership Estate. The Firm will continue to coordinate its efforts with Greenberg Traurig
5 so that there is no duplication of effort.

6 A form of order is attached as Exhibit “1.”

7

8 **III. CONCLUSION**

9 Based on the foregoing, the Receiver requests entry of the order attached as Exhibit “1”
10 granting this Motion in its entirety and authorizing the retention of the Firm as co-counsel to
11 the Receiver on the terms set forth in this Motion, with the retention to be effective January 16,
12 2024.

13

14

Respectfully submitted,

15

Dated: April 8, 2024

RAINES FELDMAN LITTRELL LLP

16

17

By: /s/ Kyra E. Andrassy

18

Proposed Counsel for Receiver
Geoff Winkler of American Fiduciary
Services

19

20

21

22

23

24

25

26

27

28

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

PROOF OF SERVICE

I am over the age of 18 and not a party to the within action; I am employed by Raines Feldman Littrell LLP and its business address is 3200 Park Center Drive, Suite 250, Costa Mesa, California 92626.

On April 8, 2024, I served the following document(s) described as **MOTION FOR ORDER IN AID OF RECEIVERSHIP TO APPROVE RETENTION OF RAINES FELDMAN LITRELL LLP IN PLACE OF SMILEY WANG-EKVALL, LLP, EFFECTIVE JANUARY 16, 2024.**

by placing the true copies thereof enclosed in sealed envelopes addressed as stated on the attached mailing list.

SEE ATTACHED SERVICE LIST

BY MAIL: I placed said envelope(s) for collection and mailing, following ordinary business practices, at the business offices of Raines Feldman Littrell LLP, and addressed as shown on the attached service list, for deposit in the United States Postal Service. I am readily familiar with the practice of Raines Feldman Littrell LLP for collection and processing correspondence for mailing with the United States Postal Service, and said envelope(s) will be deposited with the United States Postal Service on said date in the ordinary course of business.

BY COURT VIA NOTICE OF ELECTRONIC FILING (“NEF”): Pursuant to United States District Court, Central District of California, Local Civil Rule 5-3, the foregoing document will be served by the court via NEF and hyperlinked to the document. On April 8, 2024, I checked the CM/ECF docket for this case and determined that the aforementioned person(s) are on the Electronic Mail Notice List to receive NEF transmission at the email address(es) indicated.

BY ELECTRONIC SERVICE: Based on a court order or an agreement of the parties to accept service by electronic transmission, I caused the documents to be sent to the persons at the electronic notification addresses listed in the attached service list.

BY OVERNIGHT DELIVERY: I placed said documents in envelope(s) for collection following ordinary business practices, at the business offices of Raines Feldman Littrell LLP, and addressed as shown on the attached service list, for collection and delivery to a courier authorized by _____ to receive said documents, with delivery fees provided for. I am readily familiar with the practices of Raines Feldman Littrell LLP for collection and processing of documents for overnight delivery, and said envelope(s) will be deposited for receipt by _____ on said date in the ordinary course of business.

BY FACSIMILE: I caused the above-referenced document to be transmitted to the interested parties via facsimile transmission to the fax number(s) as stated on the attached service list.

BY PERSONAL SERVICE: I delivered such envelope(s) by hand to the offices of the addressee(s) in the attached service list.

(State) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

(Federal) I declare that I am employed in the office of a member of the bar of this

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

court at whose direction the service was made. I declare under penalty of perjury that the above is true and correct.

Executed April 8, 2024 at Costa Mesa, California.

Ja’Nita Fisher
Type or Print Name

/s/ Ja’Nita Fisher
Signature

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

SERVICE LIST

BY COURT VIA NOTICE OF ELECTRONIC FILING (“NEF”):

- **Kyra E. Andrassy**
kandrassy@raineslaw.com
- **Kyle A. Ewing**
ewingk@gtlaw.com,lisa.victor@gtlaw.com,kyle-ewing-7297@ecf.pacerpro.com,rosehilla@gtlaw.com,flintza@gtlaw.com
- **Kara B. Hendricks**
hendricksk@gtlaw.com,escobargaddie@gtlaw.com,spauldingc@gtlaw.com,kara-hendricks-7977@ecf.pacerpro.com,neyc@gtlaw.com,Steph.Morrill@gtlaw.com,flintza@gtlaw.com,akke.levin@gtlaw.com,sheffieldm@gtlaw.com,geoff@americanfiduciaryservices.com
- **Theresa Melson**
melsont@sec.gov
- **Kathryn Wanner**
wannerk@sec.gov,longoa@sec.gov,simundacc@sec.gov,irwinma@sec.gov

1 **RAINES FELDMAN LITRELL LLP**

2 Kyra E. Andrassy, Esq.
3 Admitted *Pro Hac Vice*
4 3200 Park Center Drive, Suite 250
5 Costa Mesa, CA 92626
6 Telephone: (310) 440-4100
7 Facsimile: (949) 247-3998
8 kandrassy@raineslaw.com

9 **GREENBERG TRAURIG, LLP**

10 Kara Hendricks, Esq.
11 Nevada Bar No. 07743
12 Kyle A. Ewing, Esq.
13 Nevada Bar No. 14051
14 10845 Griffith Peak Drive Suite 600
15 Las Vegas, Nevada 89135
16 Telephone: (702) 938-6856
17 Facsimile: (702) 792-9002
18 hendricksk@gtlaw.com

19 Attorneys for Receiver
20 Geoff Winkler of American Fiduciary Services

21 UNITED STATES DISTRICT COURT
22 DISTRICT OF NEVADA

23 SECURITIES AND EXCHANGE
24 COMMISSION,

25 Plaintiff,

26 v.

27 PROFIT CONNECT WEALTH SERVICES,
28 INC., JOY I. KOVAR, and BRENT
CARSON KOVAR,

Defendants.

Case No.: 2:21-cv-01298-JAD-BNW

**[PROPOSED] ORDER GRANTING
MOTION FOR ORDER IN AID OF
RECEIVERSHIP TO APPROVE
RETENTION OF RAINES FELDMAN
LITRELL LLP IN PLACE OF
SMILEY WANG-EKVALL, LLP,
EFFECTIVE JANUARY 16, 2024**

29 The Court having reviewed the *Motion for Order in Aid of Receivership to Approve*
30 *Retention of Raines Feldman Littrell LLP in Place of Smiley Wang-Ekvall, LLP, Effective*
31 *January 16, 2024* (the “Motion”), and there being no opposition to the Motion and the Court
32 having found that cause exists to grant the Motion,

33 **IT IS ORDERED** that the Motion is granted and the employment by Geoff Winkler,

1 the Receiver, of Raines Feldman Littrell LLP effective January 16, 2024, is approved.

2 **IT IS SO ORDERED.**

3 _____
4 DATED: _____
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28