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2:21-cv-01298-JAD-BNW

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9 **UNITED STATES DISTRICT COURT**
10 **DISTRICT OF NEVADA**

11 **SECURITIES AND EXCHANGE**
12 **COMMISSION,**

13 **Plaintiff,**

14 **vs.**

15 **PROFIT CONNECT WEALTH**
16 **SERVICES, INC., JOY I. KOVAR,**
and **BRENT CARSON KOVAR,**

17 **Defendants.**

Case No.

**PLAINTIFF SECURITIES AND
EXCHANGE COMMISSION'S EX
PARTE APPLICATION FOR A
TEMPORARY RESTRAINING
ORDER AND ORDERS: (1)
FREEZING ASSETS; (2) REQUIRING
ACCOUNTINGS; (3) PROHIBITING
THE DESTRUCTION OF
DOCUMENTS; (4) GRANTING
EXPEDITED DISCOVERY; AND (5)
APPOINTING A TEMPORARY
RECEIVER; AND ORDER TO SHOW
CAUSE RE PRELIMINARY
INJUNCTION AND APPOINTMENT
OF A PERMANENT RECEIVER**

(FILED UNDER SEAL)

1 Plaintiff Securities and Exchange Commission (“SEC”) applies, pursuant to
2 Fed. R. Civ. P. 65(b), for a Temporary Restraining Order prohibiting Defendants
3 Profit Connect Wealth Services, Inc. (“Profit Connect”), Joy Irene Carson Kovar (“J.
4 Kovar”), and Brent C. Kovar (“B. Kovar”) (collectively “Defendants”) from
5 committing violations of the antifraud provisions of the federal securities laws, and
6 for orders freezing assets, requiring accountings, prohibiting the destruction of
7 documents, granting expedited discovery, and appointment of a temporary receiver
8 over Defendant Profit Connect. In addition, the SEC applies for an Order to Show
9 Cause Re Preliminary Injunction and Appointment of a Permanent Receiver. This
10 Application is based on the SEC’s complaint, as well as its accompanying
11 Memorandum of Points and Authorities, its supporting declarations and exhibits, and
12 any such other evidence and argument as the Court may receive and permit.

13 **A. Basis for Waiver of Notice under Rule 65(b)**

14 Counsel for the SEC has not advised the Defendants of the date, time, or
15 substance of its Application, and the SEC applies for emergency injunctive relief on
16 an *ex parte* basis. Waiver of notice to the Defendants is appropriate, pursuant to Fed.
17 R. Civ. P. 65(b) and Local Rule 7-2(b), because the specific facts set forth in the
18 evidence submitted with the Application establish that immediate and irreparable
19 injury, loss, or damage will result if the Defendants are notified of the SEC’s
20 Application prior to it being heard. This is true because the Defendants’ fraudulent
21 scheme is ongoing, Defendants have already engaged in a massive diversion of client
22 funds, and B. Kovar is a securities fraud recidivist.

23 As set forth in more detail in the SEC’s supporting papers, this case involves
24 an ongoing offering fraud. Over 277 investors have invested more than \$12 million
25 with Profit Connect since at least May 2018 on false and misleading promises that
26 they will make a guaranteed 20% to 30% in annual returns from a pooled investor
27 fund. Profit Connect claims that it uses its proprietary Artificial Intelligence
28 “supercomputer” to determine where to allocate investor funds in order to generate

1 consistently high returns with no market volatility. In reality, none of the money has
2 been invested and, instead, Profit Connect, B. Kovar, and J. Kovar used investor
3 funds for J. Kovar’s personal expenses, to pay commissions to promoters who hype
4 Profit Connect on various social media platforms, and to pay other investors.

5 In addition to making false statements to investors, Defendants have dissipated
6 investor assets. In May 2021 alone, Profit Connect raised over \$2.2 million from
7 investors. However, in the last two months (April through June 2021) J. Kovar has
8 made ten transfers of at least \$120,000 each from the Profit Connect account to her
9 personal account, totaling more than \$1.2 million in misappropriated investor funds.
10 This leaves only \$3,504,541.38 in the Profit Connect accounts as of May 31, 2021—
11 notwithstanding Defendants’ representations that investors’ funds are secured by
12 reserves.

13 If the Defendants are given notice of the Application, they will have the ability
14 to continue raising additional funds from investors, and to continue to dissipate and
15 misuse those funds, thus placing them beyond the reach of the Court. The danger of
16 asset dissipation and continuing unlawful conduct are each independently accepted
17 bases for granting a temporary restraining order without notice under Rule 65(b).
18 *See, e.g., SEC v. Schooler*, No. 12–CV–2164–LAB–JMA2012 WL 4049956, at *2
19 (S.D. Cal. Sept. 13, 2012); *3BA Int’l LLC v. Lubahn*, No. C10–829RAJ, 2010 WL
20 2105129, at *5 (W.D. Wash. May 20, 2010); *SEC v. Thomas*, No.
21 219CV01515APGVCF, 2020 WL 4251072, at *3 (D. Nev. June 11, 2020), *appeal*
22 *dismissed sub nom. SEC v. Thomas*, No. 20-16549, 2020 WL 6588635 (9th Cir. Sept.
23 18, 2020) (refusing to modify preliminary injunction to unfreeze assets where the
24 SEC showed diversion of funds for personal use, noting that “[A]n individual who
25 diverts investor funds to personal use ‘is presumably more than capable of placing
26 assets in his personal possession beyond the reach of a judgment.’”) (citations
27 omitted). The Court’s immediate intervention would help prevent continuing
28 violations of the federal securities laws and preserve the *status quo*. *See Granny*

1 *Goose Foods, Inc. v. Brotherhood of Teamsters & Auto Truck Drivers*, 415 U.S. 423,
2 439 (1974) (purpose of temporary restraining order is “preserving the status quo and
3 preventing irreparable harm just so long as is necessary to hold a [preliminary
4 injunction] hearing, and no longer”).

5 **B. Request to File the TRO Application under Seal**

6 Because its Application is made without notice, the SEC has concurrently filed
7 a separate *ex parte* application asking that the Court seal this Application and the
8 supporting documents, and the Complaint. The requested sealing order is of limited
9 duration. The SEC asks that the Complaint and TRO Application be sealed: (a) for
10 two (2) business days after the Court issues its ruling on the TRO Application, or (b)
11 upon application by the SEC to unseal which shall be granted upon filing with the
12 Clerk of the Court. No further order of the Court shall be necessary for the Clerk of
13 Court to unseal the file. The SEC requests an order placing this case under seal to
14 prevent notice to the Defendants, preserve assets, and preserve critical records, while
15 the Court considers the TRO Application. If the papers are not filed under seal,
16 posting them on PACER would make the Application and supporting papers publicly
17 available, defeating the purpose of filing the Application without notice.

18 **C. Relief Requested**

19 Because of the ongoing nature of the fraudulent scheme, the SEC seeks to
20 temporarily enjoin the Defendants from violating Section 10(b) of the Securities
21 Exchange Act of 1934 and Rule 10b-5 thereunder [15 U.S.C. § 78j(b); 17 C.F.R. §
22 240.10b-5] and Section 17(a) of the Securities Act of 1933, [15 U.S.C. §§ 77q(a)].
23 Because of the danger that the Defendants may further dissipate client funds, the SEC
24 also seeks to freeze the assets of each of the Defendants. The SEC also requests
25 orders requiring Defendants to provide accountings, prohibiting the destruction of
26 documents, granting expedited discovery, and appointing a temporary receiver over
27 Defendant Profit Connect. Finally, the SEC requests an order to show cause why a
28 preliminary injunction should not be granted, and a permanent receiver appointed

1 over Defendant Profit Connect.

2

3 Dated: July 8, 2021

Respectfully submitted,

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/s/ Kathryn C. Wanner

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Kathryn C. Wanner

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Teri M. Melson

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Attorneys for Plaintiff

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Securities and Exchange Commission

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COMMISSION,

14 **Plaintiff,**

15 **vs.**

16 **PROFIT CONNECT WEALTH**
17 **SERVICE, INC., JOY I. KOVAR, and**
18 **BRENT CARSON KOVAR,**

19 **Defendants.**

[PROPOSED] TEMPORARY
RESTRAINING ORDER AND
ORDERS: (1) FREEZING ASSETS; (2)
REQUIRING ACCOUNTINGS; (3)
PROHIBITING THE DESTRUCTION
OF DOCUMENTS; (4) GRANTING
EXPEDITED DISCOVERY; AND (5)
APPOINTING A TEMPORARY
RECEIVER; AND ORDER TO SHOW
CAUSE RE PRELIMINARY
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OF A PERMANENT RECEIVER

(Filed Under Seal)

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1 This matter came before the Court upon the *Ex Parte* Application for Temporary
2 Restraining Order and Orders (1) Freezing Assets; (2) Requiring Accountings; (3)
3 Prohibiting the Destruction of Documents; (4) Granting Expedited Discovery; (5)
4 Appointing a Temporary Receiver; and (6) to Show Cause Re Preliminary Injunction
5 and Appointment of a Permanent Receiver (the “TRO Application”).

6 The Court, having considered the SEC’s Complaint, the TRO Application and
7 supporting memorandum of points and authorities, the supporting declarations and
8 exhibits, and the other evidence and argument presented to the Court, finds that:

- 9 A. This Court has jurisdiction over the parties to, and the subject matter of,
10 this action.
- 11 B. The SEC has made a sufficient and proper showing in support of the
12 relief granted herein, as required by Section 20(b) of the Securities Act
13 of 1933 (“Securities Act”) (15 U.S.C. s 77t(b)) and Section 21(d) of the
14 Securities Exchange Act of 1934 (“Exchange Act”) (15 U.S.C. §
15 78u(b)), by evidence establishing a *prima facie* case and reasonable
16 likelihood that Defendants Profit Connect Wealth Services, Inc. (“Profit
17 Connect”), Joy Irene Carson Kovar (“J. Kovar”), and Brent C. Kovar
18 (“B. Kovar”) (collectively, “Defendants”) have engaged in, are engaging
19 in, are about to engage in, and will continue to engage in unless
20 restrained transactions, acts, practices and courses of business that
21 constitute violations of Section 17(a) of the Securities Act, 15 U.S.C.
22 § 77q(a); Section 10(b) of the Securities Exchange Act, 15 U.S.C. §
23 78j(b), and Rule 10b-5 thereunder, 17 C.F.R. § 240.10b-5.
- 24 C. Good cause exists to warrant the appointment of a temporary receiver
25 over Defendant Profit Connect and its subsidiaries and affiliates.
- 26 D. Good cause exists to believe that, unless restrained and enjoined by
27 order of this Court, Defendants Profit Connect, J. Kovar, and B. Kovar,
28 will dissipate, conceal, or transfer assets which could be the subject to an

1 order directing disgorgement or the payment of civil money penalties in
2 this action. It is appropriate for the Court to issue this Temporary
3 Restraining Order so that prompt service on appropriate financial
4 institutions can be made, thus preventing the dissipation of assets.

5 E. Good cause exists to believe that an accounting of assets by each of the
6 Defendants is necessary.

7 F. Good cause exists to believe that, unless restrained and enjoined by
8 order of this Court, Defendants may alter or destroy documents relevant
9 to this action.

10 G. Good cause exists to believe that expedited discovery is necessary.

11 I.

12 IT IS HEREBY ORDERED that the SEC's TRO Application is GRANTED.

13 II.

14 IT IS FURTHER ORDERED that Defendants Profit Connect, J. Kovar, and B.
15 Kovar, and their officers, agents, servants, employees, attorneys, subsidiaries and
16 affiliates, and those persons in active concert or participation with any of them, who
17 receive actual notice of this Order, by personal service or otherwise, and each of
18 them, be and hereby are temporarily restrained and enjoined from, directly or
19 indirectly, in the offer or sale of any securities, by the use of any means or
20 instruments of transportation or communication in interstate commerce or by the use
21 of the mails:

22 A. employing any device, scheme or artifice to defraud;

23 B. obtaining money or property by means of any untrue statement of a
24 material fact or any omission to state a material fact necessary in order to
25 make the statements made, in light of the circumstances under which
26 they were made, not misleading; or

27 C. engaging in any transaction, practice, or course of business which
28 operates or would operate as a fraud or deceit upon the purchaser;

1 in violation of Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a).

2 IT IS FURTHER ORDERED that, as provided in Federal Rule of Civil
3 Procedure 65(d)(2), the foregoing paragraph also binds the following who receive
4 actual notice of this Order by personal service or otherwise: (a) Defendants' officers,
5 agents, servants, employees, and attorneys; and (b) other persons in active concert or
6 participation with any of the Defendants or with anyone described in (a).

7 **III.**

8 IT IS FURTHER ORDERED that Defendants Profit Connect, J. Kovar, and B.
9 Kovar, and their officers, agents, servants, employees, attorneys, subsidiaries and
10 affiliates, and those persons in active concert or participation with any of them, who
11 receive actual notice of this Order, by personal service or otherwise, and each of
12 them, be and hereby are temporarily restrained and enjoined from, directly or
13 indirectly, in connection with the purchase or sale of any security, by the use of any
14 means or instrumentality of interstate commerce, or of the mails, or of any facility of
15 any national securities exchange:

- 16 A. employing any device, scheme or artifice to defraud;
- 17 B. making any untrue statement of a material fact or omitting to state a
18 material fact necessary in order to make the statements made, in the light
19 of the circumstances under which they were made, not misleading; or
- 20 C. engaging in any act, practice, or course of business which operates or
21 would operate as a fraud or deceit upon any person;

22 in violation of Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5
23 thereunder, 17 C.F.R. § 240.10b-5.

24 IT IS FURTHER ORDERED that, as provided in Federal Rule of Civil
25 Procedure 65(d)(2), the foregoing paragraph also binds the following who receive
26 actual notice of this Order by personal service or otherwise: (a) Defendants' officers,
27 agents, servants, employees, and attorneys; and (b) other persons in active concert or
28 participation with any of the Defendants or with anyone described in (a).

1 IV.

2 IT IS FURTHER ORDERED that, except as otherwise ordered by this Court,
3 Defendants Profit Connect, J. Kovar, and B. Kovar, and their officers, agents,
4 servants, employees, attorneys, subsidiaries and affiliate, and those persons in active
5 concert with them, who receive actual notice of this Order, by personal service or
6 otherwise, and each of them, be and hereby are temporarily restrained and enjoined
7 from, directly or indirectly, transferring, assigning, selling, hypothecating, changing,
8 wasting, dissipating, converting, concealing, encumbering, or otherwise disposing of,
9 in any manner, any funds, assets, securities, claims or other real or personal property,
10 including any notes or deeds of trust or other interest in real property, wherever
11 located, of any one of the Defendants, or their subsidiaries or affiliates, owned by,
12 controlled by, managed by or in the possession or custody of any of them and from
13 transferring, encumbering dissipating, incurring charges or cash advances on any
14 debit or credit card of the credit arrangement of any one of the Defendants or their
15 subsidiaries and affiliates; including but not limited to the real property below:

ADDRESS	OWNER
Property located in North Las Vegas, NV 89084	Defendant Profit Connect

20 V.

21 IT IS FURTHER ORDERED that, except as otherwise ordered by this Court,
22 an immediate freeze shall be placed on all monies and assets (with an allowance for
23 necessary and reasonable living expenses to be granted only upon good cause shown
24 by application to the Court with notice to and an opportunity for the SEC to be heard)
25 in all accounts at any bank, financial institution or brokerage firm, or third-payment
26 payment processor, all certificates of deposit, and other funds or assets, held in the
27 name of, for the benefit of, or over which account authority is held by Defendants
28

1 Profit Connect, J. Kovar, and B. Kovar, including but not limited to the accounts
 2 listed below:

BROKERAGE/ BANK NAME	ACCOUNT NAME	ACCOUNT NO.
Bank of America	Profit Connect Wealth Services, Inc.	XXXXXX8677
Bank of America	Profit Connect Wealth Services, Inc.	XXXXXX6622
Bank of America	Profit Connect Wealth Services, Inc.	XXXXXX7665
Bank of America	Profit Connect Wealth Services, Inc.	XXXXXX7678
Bank of America	Profit Connect-Agent	XXXXXX8722
Bank of America	Joy Kovar	XXXXXX7043
JPMorgan Chase & Co.	Profit Connect Wealth Services, Inc.	XXXXXX9032
JPMorgan Chase & Co.	Profit Connect Wealth Services, Inc.	XXXXXX8820
Navy Federal Credit Union	Profit Connect Wealth Services, Inc.	XXXXXX1215
Navy Federal Credit Union	Profit Connect Wealth Services, Inc.	XXXXXX3304

BROKERAGE/ BANK NAME	ACCOUNT NAME	ACCOUNT NO.
HSBC Bank	Profit Connect Wealth Services, Inc.; Joy I. Kovar; or Brent C. Kovar	Account number unknown
Citibank	Profit Connect Wealth Services, Inc.; Joy I. Kovar; or Brent C. Kovar	Account number unknown
Wells Fargo Bank, N.A.	Profit Connect Wealth Services, Inc.; Joy I. Kovar; or Brent C. Kovar	Account number unknown

Any bank, financial institution or brokerage firm, or third-party payment processor holding such monies and assets described above shall hold and retain within their control and prohibit the withdrawal, removal, transfer or other disposal of any such funds or other assets except as otherwise ordered by this Court.

VI.

IT IS FURTHER ORDERED that Defendants Profit Connect, J. Kovar, and B. Kovar, within five days of the issuance of this Order, shall prepare and deliver to the SEC a detailed and complete schedule of all of their personal assets, including all real and personal property exceeding \$5,000 in value, and all bank, securities, and other accounts identified by institution, branch address and account number. The accounting shall include a description of the sources of all such assets. Such accounting shall be simultaneously be filed with the Court and a copy shall be delivered to the SEC to the attention of Kathryn C. Wanner, counsel for the SEC, by electronic mail at wannerk@sec.gov. After completion of the accounting, each of the Defendants shall produce to the SEC at a time agreeable to the SEC, all books, records and other documents supporting or underlying their accounting.

VII.

IT IS FURTHER ORDERED that any person who receives actual notice of this

1 Order by personal service or otherwise, and who holds, possesses or controls assets
2 exceeding \$5,000 for the account or benefit of any one of the Defendants, shall within
3 5 days of receiving actual notice of this Order provide counsel for the SEC with a
4 written statement identifying all such assets, the value of such assets, or best
5 approximation thereof, and any account numbers or account names in which the
6 assets are held.

7 **VIII.**

8 IT IS FURTHER ORDERED that, except as otherwise ordered by this Court,
9 each of the Defendants Profit Connect, J. Kovar, and B. Kovar, and their officers,
10 agents, servants, employees, attorneys, subsidiaries and affiliates, and those persons
11 in active concert or participation with any of them, who receive actual notice of this
12 Order, by personal service or otherwise, and each of them, be and hereby are
13 temporarily restrained and enjoined from, directly or indirectly: destroying,
14 mutilating, concealing, transferring, altering, or otherwise disposing of, in any
15 manner, any documents, which includes all books, records, computer programs,
16 computer files, computer printouts, contracts, emails, correspondence, memoranda,
17 brochures, or any other documents of any kind in their possession, custody or control,
18 however created, produced, or stored (manually, mechanically, electronically, or
19 otherwise), pertaining in any manner to Defendants Profit Connect, J. Kovar, and B.
20 Kovar.

21 **IX.**

22 IT IS FURTHER ORDERED that the SEC's application for expedited
23 discovery concerning Defendants and their assets and activities, is granted and that,
24 commencing with the time and date of this Order, in lieu of the time periods, notice
25 provisions, and other requirements of Rules 26, 30, 33, 34, 36, and 45 of the Federal
26 Rules of Civil Procedure and the corresponding Local Rules of this Court, discovery
27 shall proceed as follows:

28 A. Pursuant to Rule 30(a) of the Federal Rules of Civil Procedure, the SEC

1 may take video depositions of parties or any third parties upon oral
2 examination on two days' notice of any such deposition. Depositions
3 may be taken Monday through Saturday. As to Defendants, and their
4 agents, servants, promoters, employees, brokers, associates, and any
5 person who transferred money to or received money from the bank
6 accounts identified above, the SEC may depose such witnesses after
7 serving a deposition notice by facsimile, electronic mail, hand or
8 overnight courier upon such individuals, and without serving a subpoena
9 on such witness. Depositions that have not been signed by the witness
10 may be used for purposes of the hearing on the SEC's application for
11 preliminary injunction;

- 12 B. Pursuant to Rule 45 and the applicable provisions in the Securities Act
13 and Exchange Act, each party may serve subpoenas to third parties; and
14 C. All discovery requests and responses may be served via email, facsimile,
15 or by hand on counsel for the parties.

16 X.

17 IT IS FURTHER ORDERED that _____ is appointed as
18 temporary receiver of Defendant Profit Connect and its subsidiaries and affiliates,
19 with full powers of an equity receiver, including, but not limited to, full power over
20 all funds, assets, collateral, premises (whether owned, leased, occupied, or otherwise
21 controlled), choses in action, books, records, papers and other property belonging to,
22 being managed by or in the possession of or control of Defendant Profit Connect, and
23 that such receiver is immediately authorized, empowered and directed:

- 24 A. to have access to and to collect and take custody, control, possession,
25 and charge of all funds, assets, collateral, premises (whether owned,
26 leased, pledged as collateral, occupied, or otherwise controlled), choses
27 in action, books, records, papers and other real or personal property,
28 wherever located, of or managed by Defendant Profit Connect and its

1 subsidiaries and affiliates (collectively, the “Assets”), with full power to
2 sue, foreclose, marshal, collect, receive, and take into possession all such
3 Assets (including access to and taking custody, control, and possession
4 of all such Assets);

5 B. to assume full control of Defendant Profit Connect and its subsidiaries
6 and affiliates by removing, as the receiver deems necessary or advisable,
7 any director, officer, attorney, independent contractor, employee, or
8 agent of Defendant Profit Connect and its subsidiaries and affiliates, and
9 any named Defendant from control of, management of, or participation
10 in, the affairs of Defendant Profit Connect and its subsidiaries and
11 affiliates;

12 C. to have control of, and to be added as the sole authorized signatory for,
13 all accounts of the entities in receivership, including all accounts at any
14 bank, title company, escrow agent, financial institution or brokerage firm
15 (including any futures commission merchant) which has possession,
16 custody or control of any Assets, or which maintains accounts over
17 which Defendant Profit Connect and its subsidiaries and affiliates,
18 and/or any of its employees or agents have signatory authority;

19 D. to conduct such investigation and discovery as may be necessary to
20 locate and account for all of the assets of or managed by Defendant
21 Profit Connect and its subsidiaries and affiliates, and to engage and
22 employ attorneys, accountants and other persons to assist in such
23 investigation and discovery;

24 E. to take such action as is necessary and appropriate to preserve and take
25 control of and to prevent the dissipation, concealment, or disposition of
26 any Assets;

27 F. to choose, engage, and employ attorneys, accountants, appraisers, and
28 other independent contractors and technical specialists, as the receiver

1 receivership, and their officers, agents, servants, employees and attorneys, and any
2 other persons who are in custody, possession or control of any assets, collateral,
3 books, records, papers or other property of or managed by any of the entities in
4 receivership, shall forthwith give access to and control of such property to the
5 temporary receiver.

6 **XII.**

7 IT IS FURTHER ORDERED that no officer, agent, servant, employee or
8 attorney of Defendants Profit Connect, J. Kovar, and B. Kovar shall take any action
9 or purport to take any action, in the name of or on behalf of Defendant Profit Connect
10 or its subsidiaries or affiliates without the written consent of the temporary receiver
11 or order of this Court.

12 **XIII.**

13 IT IS FURTHER ORDERED that, except by leave of this Court, during the
14 pendency of this receivership, all clients, investors, trust beneficiaries, note holders,
15 creditors, claimants, lessors and all other persons or entities seeking relief of any
16 kind, in law or in equity, from Defendant Profit Connect, or its subsidiaries or
17 affiliates, and all persons acting on behalf of any such investor, trust beneficiary, note
18 holder, creditor, claimant, lessor, consultant group or other person, including sheriffs,
19 marshals, servants, agents, employees and attorneys, are hereby restrained and
20 enjoined from, directly or indirectly, with respect to these persons and entities:

- 21 A. commencing, prosecuting, continuing or enforcing any suit or
22 proceeding (other than the present action by the SEC or any other action
23 by the government) against any of them;
- 24 B. using self-help or executing or issuing or causing the execution or
25 issuance of any court attachment, subpoena, replevin, execution or other
26 process for the purpose of impounding or taking possession of or
27 interfering with or creating or enforcing a lien upon any property or
28 property interests owned by or in the possession of Defendant Profit

1 Connect; and

2 C. doing any act or thing whatsoever to interfere with taking control,
3 possession or management by the temporary receiver appointed
4 hereunder of the property and assets owned, controlled or managed by or
5 in the possession of Defendant Profit Connect, or in any way to interfere
6 with or harass the temporary receiver or his or her attorneys,
7 accountants, employees, or agents or to interfere in any manner with the
8 discharge of the temporary receiver's duties and responsibilities
9 hereunder.

10 **XIV.**

11 IT IS FURTHER ORDERED that Defendants Profit Connect, J. Kovar, and B.
12 Kovar, and their subsidiaries, affiliates, officers, agents, servants, employees and
13 attorneys, shall cooperate with and assist the temporary receiver and shall take no
14 action, directly or indirectly, to hinder, obstruct, or otherwise interfere with the
15 temporary receiver or his or her attorneys, accountants, employees or agents, in the
16 conduct of the temporary receiver's duties or to interfere in any manner, directly or
17 indirectly, with the custody, possession, management, or control by the temporary
18 receiver of the funds, assets, collateral, premises, and choses in action described
19 above.

20 **XV.**

21 IT IS FURTHER ORDERED that Defendants Profit Connect, J. Kovar, and B.
22 Kovar, and their subsidiaries and affiliates, shall pay the costs, fees and expenses of
23 the temporary receiver incurred in connection with the performance of his or her
24 duties described in this Order, including the costs and expenses of those persons who
25 may be engaged or employed by the temporary receiver to assist him or her in
26 carrying out his or her duties and obligations. All applications for costs, fees, and
27 expenses for services rendered in connection with the receivership other than routine
28 and necessary business expenses in conducting the receivership, such as salaries, rent,

1 and any and all other reasonable operating expenses, shall be made by application
2 setting forth in reasonable detail the nature of the services and shall be heard by the
3 Court.

4 **XVI.**

5 IT IS FURTHER ORDERED that no bond shall be required in connection with
6 the appointment of the temporary receiver. Except for an act of gross negligence, the
7 temporary receiver shall not be liable for any loss or damage incurred by any of the
8 defendants, their officers, agents, servants, employees and attorneys or any other
9 person, by reason of any act performed or omitted to be performed by the temporary
10 receiver in connection with the discharge of his or her duties and responsibilities.

11 **XVII.**

12 IT IS FURTHER ORDERED that representatives of the SEC and any other
13 government agency are authorized to have continuing access to inspect or copy any
14 or all of the corporate books and records and other documents of Defendant Profit
15 Connect and its subsidiaries and affiliates, and the other entities in receivership, and
16 continuing access to inspect their funds, property, assets and collateral, wherever
17 located.

18 **XVIII.**

19 IT IS FURTHER ORDERED that this Temporary Restraining Order shall
20 expire at _____ on _____, 2021 unless for good cause shown it is
21 extended or the parties against whom it is directed consent that it may be extended for
22 a longer period.

23 **XIX.**

24 IT IS FURTHER ORDERED that at _____ on _____, 2021, or
25 as soon thereafter as the parties may be heard, the Defendants, and each of them, shall
26 appear before the Honorable _____, Judge of the United States
27 District Court of Nevada, to show cause, if there be any, why a preliminary injunction
28 should not be granted and _____ be appointed as permanent

1 receiver. Any declarations, affidavits, points and authorities, or other submissions in
2 support of, or in opposition to, the issuance of such an Order shall be filed with the
3 Court and emailed to the Kathryn C. Wanner, counsel for the SEC, at
4 wannerk@sec.gov, and the offices of the Defendants or their attorneys no later than
5 _____ on _____, 2021. Any reply papers shall be filed with the Court and
6 delivered to opposing counsel no later than _____ on _____, 2021.

7 **XX.**

8 IT IS FURTHER ORDERED that this Court shall retain jurisdiction over this
9 action for the purpose of implementing and carrying out the terms of all orders and
10 decrees which may be entered herein and to entertain any suitable application or
11 motion for additional relief within the jurisdiction of this Court.

12
13 IT IS SO ORDERED.

14
15
16 Dated: _____

17 UNITED STATES DISTRICT JUDGE

18
19 Presented by:
20 Kathryn C. Wanner
21 Teri M. Melson
22 Attorneys for Plaintiff
23 Securities and Exchange Commission
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