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8
9 **UNITED STATES DISTRICT COURT**
10 **DISTRICT OF NEVADA**

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

14 **Plaintiff,**

15 **vs.**

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

19 **Defendants.**

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

**STIPULATED REQUEST BY ALL
PARTIES FOR A PRELIMINARY
INJUNCTION ORDER AND ORDERS
(1) FREEZING ASSETS; (2)
PROHIBITING THE DESTRUCTION
OF DOCUMENTS; (3) APPOINTING
A PERMANENT RECEIVER; AND (4)
PERMITTING JOY KOVAR TO
OPEN A BANK ACCOUNT FOR
CERTAIN INCOME**

(Second Request)

1 Plaintiff Securities and Exchange Commission (“Plaintiff”), by and through its
2 undersigned counsel, and Defendants Brent C. Kovar (“B. Kovar”), Joy I. Kovar (“J.
3 Kovar”), and Profit Connect Wealth Services, Inc. (“Profit Connect”) (collectively,
4 “Defendants”), by and through their undersigned counsel, hereby stipulate and agree
5 as follows concerning the SEC’s motion for a preliminary injunction and motion to
6 appoint a receiver:

7 WHEREAS, this is the second stipulation concerning the SEC’s Motion for a
8 preliminary injunction and motion to appoint a receiver, currently set for hearing on
9 August 9, 2021 at 4:00 p.m.;

10 WHEREAS, on July 8, 2021, Plaintiff filed an action captioned *SEC v. Profit*
11 *Connect Wealth Services, Inc., et al.*, alleging that Defendants violated the federal
12 securities laws;

13 WHEREAS, on July 14, 2021 the Court entered the Temporary Restraining
14 Order and Other Pretrial Equitable Relief [ECF No. 9] (the “Temporary Restraining
15 Order”) that, among other things, temporarily: (1) restrained and enjoined the
16 Defendants from violations of the Federal securities laws; (2) froze Defendants’
17 assets; (3) sealed the case; and (4) set the date for the SEC’s motion for a preliminary
18 injunction and motion to appoint a receiver to be heard on July 26, 2021 at 2:00 p.m.
19 Defendants were ordered to file any response to the motions by July 19, 2021 and the
20 Commission must file any reply by July 22, 2021;

21 WHEREAS, on July 15, 2021 Defendants J. Kovar, B. Kovar, and Profit
22 Connect were served with summonses, copies of the complaint, all motions, and the
23 Temporary Restraining Order as per the Court’s order in the Temporary Restraining
24 Order;

25 WHEREAS, on July 19, 2021 Defendants filed an Emergency Motion to
26 Continue Hearing on Plaintiff’s Motion for Preliminary Injunction Motion to Appoint
27 Receiver and to Extend the Associated Briefing Deadlines [ECF No. 20];

28 WHEREAS, on July 21, 2021 the Parties filed a Stipulation and Proposed

1 Order to modify the Temporary Restraining Order to provide for: (1) a two week
2 continuance of the July 26, 2021 hearing on the SEC's motion for a preliminary
3 injunction and motion to appoint a receiver; (2) the continuation of the terms of the
4 Temporary Restraining Order; (3) the appointment of a temporary receiver; (4)
5 accountings by the Defendants; and (5) mutual limited expedited discovery [ECF No.
6 21];

7 WHEREAS, on July 21, 2021, before the Court was aware of the Parties'
8 Stipulation [ECF No 21] the Court issued an Order granting Defendants emergency
9 motion for a two week extension of the deadlines in the Temporary Restraining Order
10 [ECF No. 22];

11 WHEREAS, upon review of the Parties' Stipulation and Proposed Order to
12 Modify the Temporary Restraining Order [ECF No. 21], the Court granted the
13 stipulation and continued the SEC's motion for a preliminary injunction and motion
14 to appoint a receiver to August 9, 2021 at 4:00 p.m., with Defendants' response to the
15 motions due by July 28, 2021 and any reply by the SEC due by August 4, 2021 [ECF
16 No. 23]. The Court also extended the terms of the Temporary Restraining Order until
17 August 9, 2021 or until the Temporary Restraining Order is converted into a
18 preliminary injunction. The Court also appointed Geoff Winkler of American
19 Fiduciary Services LLC as a Temporary Receiver over Defendant Profit Connect and
20 its subsidiaries and affiliates. The Court also ordered Defendants to provide
21 accountings of their assets or inform the SEC and the Court of their intent to assert
22 their privilege against self-incrimination. Finally, the Court also granted mutual
23 limited expedited discovery;

24 WHEREAS, Defendants enter a general appearance, and admit the Court's
25 jurisdiction over them and over the subject matter of this action;

26 WHEREAS, Defendants do not dispute that the SEC is able to make the
27 requisite showing in order to obtain a preliminary injunction ordering an asset freeze,
28 directing Defendants to provide sworn accountings, prohibiting the destruction of

1 documents, and appointing a permanent receiver, and that good cause exists for the
2 preliminary injunction, asset freeze, accountings, prohibition of the destruction of
3 documents and appointment of a permanent receiver over Defendant Profit Connect
4 and all of its subsidiaries and affiliates;

5 WHEREAS, J. Kovar and B. Kovar have informed the SEC that they will
6 assert their right against self-incrimination under the Fifth Amendment to the U.S.
7 Constitution and decline to prepare and file a schedule of all personal assets;

8 WHEREAS, the SEC and Defendants seek appointment of a permanent
9 receiver over Profit Connect, and all of its subsidiaries and affiliates for the purpose
10 of facilitating an efficient, fair and cost-effective marshaling and preserving of the
11 assets of Profit Connect and its affiliated entities and funds, including assessing the
12 value, if any, in continuing Profit Connect's business, subject to Court approval;

13 WHEREAS, pursuant to the previously filed SEC's Receiver Recommendation
14 [Attachment to ECF No. 7], the SEC recommends for the Court's consideration, and
15 Defendants agree with the SEC's recommendation, the previously authorized
16 temporary receiver, Geoff Winkler of American Fiduciary Services LLC, as
17 permanent receiver, based on Winkler's proposal for services, attached as Exhibit 1 to
18 the SEC's Receiver Recommendation;

19 WHEREAS, J. Kovar, B. Kovar, and Profit Connect hereby consent and agree
20 to a preliminary injunction prohibiting future violations of Section 17(a) of the
21 Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77q(a)] and Section 10(b) of
22 the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78j(b)] and Rule
23 10b-5 thereunder [17 C.F.R. § 240.10b-5];

24 WHEREAS, J. Kovar and B. Kovar are currently residing together at a
25 property that was paid for by Profit Connect and is held in the name of Profit Connect
26 at 7043 Calvert Cliffs Street, North Las Vegas, NV 89084. J. Kovar and B. Kovar
27 hereby consent and agree to allow the Receiver to access the property as needed to
28 prepare it for sale, should the Receiver determine that selling the property is

1 necessary in light of his ongoing assessment of continuation of the business, and will
2 vacate the property no later than sixty days after the date of any subsequent Order on
3 this Stipulation wherein the Receiver determines that sale of the property is
4 necessary;

5 WHEREAS, J. Kovar has advised the SEC that she receives Social Security
6 benefits and California State Teacher's Retirement System (CalSTRS Account
7 XXX9748) benefits;

8 WHEREAS, J. Kovar has advised the SEC that she wants to open a new bank
9 account solely for the purpose of (1) depositing funds that were not and are not
10 subject to the asset freeze provisions of the Temporary Restraining Order and the
11 anticipated Preliminary Injunction sought by this stipulation, and (2) withdrawing
12 such funds for payment of at least part of her reasonable and necessary living
13 expenses;

14 WHEREAS, the California State Teacher's Retirement System (CalSTRS
15 Account XXX9748) deposited \$3,320.81 into a frozen account on July 30, 2021, such
16 funds, upon the Receiver's confirmation of the source, shall be released to J. Kovar as
17 J. Kovar expressly represents and warrants that the foregoing \$3,320.81 in funds
18 deposited into the frozen account are not, directly or indirectly, connected to or
19 associated with the activities and conduct alleged in the SEC's complaint;

20 WHEREAS, J. Kovar expressly represents and warrants that (1) any and all
21 funds deposited into her proposed new bank account are not, directly or indirectly,
22 connected to or associated with the activities and conduct alleged in the SEC's
23 complaint, and (2) any and all funds deposited into the new account are not traceable,
24 directly or indirectly, to funds provided to her or to Profit Connect by a client and/or
25 investor of Profit Connect;

26 WHEREAS, J. Kovar has agreed to provide counsel for the SEC on three (3)
27 days written notice with copies of all bank records associated with the proposed new
28 account, including the account opening documents, monthly statements, and

1 documents evidencing account transactions (including all credits and debits) in order
2 for counsel for the SEC to ensure that her use of this new accounts does not violate
3 the asset freeze provisions of the Temporary Restraining Order and the anticipated
4 Preliminary Injunction and Orders sought by this stipulation;

5 WHEREAS, the undersigned parties agree that this Stipulation is made without
6 prejudice to J. Kovar and B. Kovar seeking modification to the asset freeze for
7 necessary and reasonable living expenses, subject to the requirements of the asset
8 freeze provisions of the Temporary Restraining Order and the anticipated Preliminary
9 Injunction sought by this stipulation.

10 WHEREAS, the Parties jointly request a status conference concerning the
11 receivership, to be scheduled at the Court's convenience following the appointment
12 of the receiver, at which time they will be prepared to brief the Court on the status
13 and posture of this government enforcement action.

14 **Terms of Stipulation**

15 NOW, THEREFORE, the SEC and Defendants hereby stipulate and move as
16 follows:

- 17 1. Defendants consent and agree to the entry of a preliminary injunction
18 against future violations of Section 17(a) of the Securities Act [15
19 U.S.C. § 77q(a)] and Section 10(b) of the Exchange Act [15 U.S.C. §
20 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5], as set forth
21 in the Proposed Preliminary Injunction Order and Order Freezing Assets,
22 Prohibition of Destruction of Documents, and Appointing Permanent
23 Receiver concurrently lodged herewith;
- 24 2. The SEC and Defendants jointly request the appointment of a permanent
25 receiver over Profit Connect and all of its subsidiaries and affiliates in
26 order to fairly and effectively marshal and preserve Profit Connect's
27 assets, to assess the value, if any, in continuing Profit Connect's
28 business, and to ensure an orderly distribution of any assets, as set forth

1 in the Proposed Preliminary Injunction Order and Order Freezing Assets,
2 Prohibition of Destruction of Documents, and Appointing Permanent
3 Receiver concurrently lodged herewith;

- 4 3. Defendants do not dispute that the SEC can establish the requisite factors
5 for the Court to issue this Preliminary Injunction: to require a necessary
6 accounting of assets; to prevent the alteration or destruction of
7 documents relevant to this action; and to prevent the dissipation,
8 concealment, or transfer of assets which could be subject to an order
9 directing disgorgement or the payment of civil monetary penalties in this
10 action; and so that prompt service on Defendants' appropriate financial
11 institutions can be made, thus preventing the dissipation of assets;
- 12 4. Defendants consent and agree to the entry of a preliminary injunction
13 continuing the freeze on their assets (the asset freeze shall not impair the
14 permanent receiver's full power over all funds, assets, collateral,
15 premises, choses in action, books, records, papers and other property
16 belonging to, being managed by or in the possession of or control of
17 Defendant Profit Connect and its subsidiaries and affiliates);
- 18 5. permit J. Kovar to open a new bank account solely for the purposes of
19 (1) depositing funds that were not and are not subject to the asset freeze
20 provisions of the Temporary Restraining Order and Preliminary
21 Injunction sought by this stipulation, respectively, and (2) withdraw such
22 funds from the new account for payment of at least part of her reasonable
23 and necessary living expenses;
- 24 6. order J. Kovar to provide counsel for the SEC on three (3) days written
25 notice with copies of all bank records associated with the proposed new
26 account, including the account opening documents, monthly statements,
27 and documents evidencing account transactions (including all credits and
28 debits) in order for counsel for the SEC to ensure that their use of this

1 new account does not violate the asset freeze provisions of the
2 Temporary Restraining Order and Preliminary Injunction sought by this
3 stipulation;

4 7. Defendants consent and agree to the entry of a preliminary injunction
5 prohibiting them from altering or destroying documents relevant to this
6 action;

7 8. The SEC and Defendants therefore request that the Court enter the
8 Proposed Preliminary Injunction and Order Freezing Assets, Prohibition
9 of Destruction of Documents, Appointing the Permanent Receiver, and
10 permitting J. Kovar to open a bank account for certain income,
11 concurrently lodged herewith; and

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PROOF OF SERVICE

I am over the age of 18 years and not a party to this action. My business address is:

U.S. SECURITIES AND EXCHANGE COMMISSION,
444 S. Flower Street, Suite 900, Los Angeles, California 90071
Telephone No. (323) 965-3998; Facsimile No. (213) 443-1904.

On August 4, 2021 caused to be served the document entitled **STIPULATED REQUEST BY ALL PARTIES FOR A PRELIMINARY INJUNCTION ORDER AND ORDERS (1) FREEZING ASSETS; (2) REQUIRING ACCOUNTINGS; (3) PROHIBITING THE DESTRUCTION OF DOCUMENTS; AND (4) APPOINTING A PERMANENT RECEIVER** on all the parties to this action addressed as stated on the attached service list:

OFFICE MAIL: By placing in sealed envelope(s), which I placed for collection and mailing today following ordinary business practices. I am readily familiar with this agency’s practice for collection and processing of correspondence for mailing; such correspondence would be deposited with the U.S. Postal Service on the same day in the ordinary course of business.

PERSONAL DEPOSIT IN MAIL: By placing in sealed envelope(s), which I personally deposited with the U.S. Postal Service. Each such envelope was deposited with the U.S. Postal Service at Los Angeles, California, with first class postage thereon fully prepaid.

EXPRESS U.S. MAIL: Each such envelope was deposited in a facility regularly maintained at the U.S. Postal Service for receipt of Express Mail at Los Angeles, California, with Express Mail postage paid.

HAND DELIVERY: I caused to be hand delivered each such envelope to the office of the addressee as stated on the attached service list.

UNITED PARCEL SERVICE: By placing in sealed envelope(s) designated by United Parcel Service (“UPS”) with delivery fees paid or provided for, which I deposited in a facility regularly maintained by UPS or delivered to a UPS courier, at Los Angeles, California.

ELECTRONIC MAIL: By transmitting the document by electronic mail to the electronic mail address as stated on the attached service list.

E-FILING: By causing the document to be electronically filed via the Court’s CM/ECF system, which effects electronic service on counsel who are registered with the CM/ECF system.

FAX: By transmitting the document by facsimile transmission. The transmission was reported as complete and without error.

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

Date: August 4, 2021

s/ Kathryn C. Wanner
Attorney for Plaintiff
E-mail: wannerk@sec.gov

1 ***SEC v. Profit Connect Wealth Services, Inc., et al.***
2 **United States District Court—Southern District of California**
3 **Case No. 2:21-cv-01298-JAD-BNW**

4 **SERVICE LIST**

5 **Dale A. Hayes , Jr.**

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13 ***Counsel for Defendants Profit Connect Wealth***
14 ***Services, Inc., et al***

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22 ***Counsel for Defendants Profit Connect Wealth***
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Counsel for Receiver Geoff Winkler

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4 Securities and Exchange Commission
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9 **UNITED STATES DISTRICT COURT**
10 **DISTRICT OF NEVADA**

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

14 **Plaintiff,**

15 **vs.**

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

19 **Defendants.**

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

**[PROPOSED] ORDER; GRANTING
THE PARTIES' STIPULATED
REQUEST FOR A PRELIMINARY
INJUNCTION ORDER AND ORDER
(1) FREEZING ASSETS; (2)
PROHIBITING THE DESTRUCTION
OF DOCUMENTS; (3) APPOINTING
A PERMANENT RECEIVER; AND (4)
PERMITTING JOY KOVAR TO
OPEN A BANK ACCOUNT FOR
CERTAIN INCOME**

1 This matter came before the Court upon the Stipulated Request by All Parties
2 for a Preliminary Injunction Order and Orders (1) Freezing Assets; (2) ;Prohibiting
3 the Destruction of Documents; (3) Appointing a Permanent Receiver; and (4)
4 Permitting Joy Kovar to Open a Bank Account for Certain Income filed by Plaintiff
5 Securities and Exchange Commission (“SEC”) and Defendants Brent C. Kovar (“B.
6 Kovar”), Joy I. Kovar (“J. Kovar”), and Profit Connect Wealth Services, Inc. (“Profit
7 Connect”) (collectively, “Defendants”). The SEC seeks an order preliminarily
8 enjoining Defendants from engaging in specified conduct and Defendants do not
9 oppose the requested relief, and Defendants consent and agree to a continued asset
10 freeze, and an order prohibiting the destruction of documents, and the SEC and
11 Defendants jointly request the appointment of a permanent receiver over Profit
12 Connect, and all of its subsidiaries and affiliates. The SEC and J. Kovar further
13 stipulate and agree that J. Kovar be permitted to open a new bank account, free and
14 clear from the asset freeze, to deposit her social security and teacher’s retirement fund
15 income. Finally, the SEC and J. Kovar further stipulate and agree that \$3,320.81 in
16 funds that were deposited into a frozen account on July 30, 2021, by the California
17 State Teacher’s Retirement System (CalSTRS Account XXX9748) be immediately
18 released to J. Kovar;

19 The Court, having considered the SEC’s Complaint and the parties’ Stipulated
20 Request for a Preliminary Injunction Order and Orders (1) Freezing Assets; (2)
21 Prohibiting the Destruction of Documents; (3) Appointing a Permanent Receiver; and
22 (4) Permitting Joy Kovar to Open a Bank Account for Certain Income, finds that:

23 A. This Court has jurisdiction over the parties to, and the subject matter of,
24 this action, pursuant to Sections 20(b), 20(d)(1) and 22(a) of the
25 Securities Act of 1933 (“Securities Act”), 15 U.S.C. §§ 77t(b), 77t(d)(1)
26 & 77v(a), and Sections 21(d)(1), 21(d)(3)(A), 21(e) and 27(a) of the
27 Securities Exchange Act of 1934 (“Exchange Act”), 15 U.S.C.
28 §§78u(d)(1), 78u(d)(3)(A), 78u(e) & 78aa(a).

- 1 B. Venue properly lies in this district pursuant to Section 22(a) of the
2 Securities Act, 15 U.S.C. § 77v(a) and Section 27(a) of the Exchange
3 Act, 15 U.S.C. § 78aa(a), because certain of the transactions, acts,
4 practices and courses of conduct constituting alleged violations of the
5 federal securities laws occurred within this district. In addition, venue is
6 proper in this district because Defendant Profit Connect has its principal
7 place of business in this district.
- 8 C. Defendants do not dispute that the SEC is able to make the requisite
9 showing for the requested relief pursuant to Section 20(b) of the
10 Securities Act [15 U.S.C. s 77t(b)] and Section 21(d) of the Exchange
11 Act [15 U.S.C. § 78u(b)] in order to prevent violations of federal
12 securities laws during the pendency of the litigation.
- 13 D. Defendants do not dispute that the SEC is able to establish that good
14 cause exists to believe that, unless restrained and enjoined by order of
15 this Court, Defendants could dissipate, conceal, or transfer assets which
16 could be the subject to an order directing disgorgement or the payment
17 of civil money penalties in this action. It is appropriate for the Court to
18 issue this Preliminary Injunction preventing the dissipation of assets.
- 19 E. Defendants do not dispute that the SEC is able to establish that good
20 cause exists to believe that an accounting of assets is necessary..
- 21 F. Defendants do not dispute that the SEC is able to establish that good
22 cause exists to believe that, unless restrained and enjoined by order of
23 this Court, Defendants could alter or destroy documents relevant to this
24 action.
- 25 G. Good cause exists to warrant the appointment of a permanent receiver
26 over Profit Connect, and all of its subsidiaries and affiliates.

27 **I.**

28 IT IS HEREBY ORDERED that the SEC and Defendants' Stipulated Request

1 for a Preliminary Injunction Order and Orders (1) Freezing Assets; (2) Prohibiting the
2 Destruction of Documents; (3) Appointing a Permanent Receiver; and (5) Permitting
3 Joy Kovar to Open a Bank Account for certain income is GRANTED.

4 **II.**

5 IT IS FURTHER ORDERED that Defendants J. Kovar, B. Kovar, and Profit
6 Connect, and their officers, agents, servants, employees, attorneys, subsidiaries and
7 affiliates, and those persons in active concert or participation with any of them, who
8 receive actual notice of this Order, by personal service or otherwise, and each of
9 them, be and hereby are preliminarily restrained and enjoined from, directly or
10 indirectly, in the offer or sale of any securities, by the use of any means or
11 instruments of transportation or communication in interstate commerce or by the use
12 of the mails:

- 13 A. employing any device, scheme or artifice to defraud;
- 14 B. obtaining money or property by means of any untrue statement of a
15 material fact or any omission to state a material fact necessary in order to
16 make the statements made, in light of the circumstances under which
17 they were made, not misleading; or
- 18 C. engaging in any transaction, practice, or course of business which
19 operates or would operate as a fraud or deceit upon the purchaser; in
20 violation of Section 17(a) of the Securities Act, 15 U.S.C. § 77q(a).

21 **III.**

22 IT IS FURTHER ORDERED that Defendants J. Kovar, B. Kovar, and Profit
23 Connect, and their officers, agents, servants, employees, attorneys, subsidiaries and
24 affiliates, and those persons in active concert or participation with any of them, who
25 receive actual notice of this Order, by personal service or otherwise, and each of
26 them, be and hereby are preliminarily restrained and enjoined from, directly or
27 indirectly, in connection with the purchase or sale of any security, by the use of any
28 means or instrumentality of interstate commerce, or of the mails, or of any facility of

1 any national securities exchange:

- 2 A. employing any device, scheme or artifice to defraud;
- 3 B. making any untrue statement of a material fact or omitting to state a
4 material fact necessary in order to make the statements made, in the light
5 of the circumstances under which they were made, not misleading; or
- 6 C. engaging in any act, practice, or course of business which operates or
7 would operate as a fraud or deceit upon any person; in violation of
8 Section 10(b) of the Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5
9 thereunder, 17 C.F.R. § 240.10b-5.

10 **IV.**

11 IT IS FURTHER ORDERED that, except as otherwise ordered by this Court,
12 Defendants J. Kovar, B. Kovar, and Profit Connect, and their officers, agents,
13 servants, employees, attorneys, subsidiaries and affiliates, and those persons in active
14 concert with them, who receive actual notice of this Order, by personal service or
15 otherwise, and each of them, be and hereby are preliminarily restrained and enjoined
16 from, directly or indirectly, transferring, assigning, selling, hypothecating, changing,
17 wasting, dissipating, converting, concealing, encumbering, or otherwise disposing of,
18 in any manner, any funds, assets, securities, claims or other real or personal property,
19 including any notes or deeds of trust or other interest in real property, wherever
20 located, of any one of the Defendants, or their subsidiaries or affiliates, owned by,
21 controlled by, managed by or in the possession or custody of any of them, and from
22 transferring, encumbering dissipating, incurring charges or cash advances on any
23 debit or credit card of the credit arrangement of any one of the Defendants, or their
24 subsidiaries and affiliates.

25 **V.**

26 IT IS FURTHER ORDERED that, except as otherwise ordered by this Court,
27 the freeze previously ordered by this Court shall continue on all monies and assets
28 (with an allowance for necessary and expenses to be granted only upon good cause

1 shown by application to the Court with notice to and an opportunity for the SEC to be
 2 heard (with the expectation that Defendants J. Kovar and B. Kovar intend to bring
 3 such motion and the SEC shall so stipulate if good cause is shown) in all accounts at
 4 any bank, financial institution or brokerage firm, or third-payment payment
 5 processor, all certificates of deposit, and other funds or assets, held in the name of,
 6 for the benefit of, or over which account authority is held by Defendants J. Kovar, B.
 7 Kovar, and Profit Connect, and/or all of their subsidiaries and affiliates and, including
 8 but not limited to, the accounts listed below:

BANK NAME	ACCOUNT NAME	ACCOUNT NO.
Bank of America	Profit Connect Wealth Services, Inc.	XXXXXXX8677
Bank of America	Profit Connect Wealth Services, Inc.	XXXXXXX6622
Bank of America	Profit Connect Wealth Services, Inc.	XXXXXXX7665
Bank of America	Profit Connect Wealth Services, Inc.	XXXXXXX7678
Bank of America	Profit Connect-Agent	XXXXXXX8722
Bank of America	Joy Kovar	XXXXXXX7043
JPMorgan Chase & Co.	Profit Connect Wealth Services, Inc.	XXXXXXX9032
JPMorgan Chase & Co.	Profit Connect Wealth Services, Inc.	XXXXXXX8820
Navy Federal Credit Union	Profit Connect Wealth Services, Inc.	XXXXXXX1215
Navy Federal Credit Union	Profit Connect Wealth Services, Inc.	XXXXXXX3304
Wells Fargo Bank, N.A.	Profit Connect Wealth Services, Inc.	XXXXXXX6831
Coinbase Global, Inc.	Joy Kovar	N/A

BANK NAME	ACCOUNT NAME	ACCOUNT NO.
PayPal	Profit Connect Wealth Services, Inc.	Paypal Merchant ID: XXXXXEUA

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, or except as provided as follows: all banks, financial institutions, or brokerage firms shall take direction from the receiver and shall cooperate with the receiver to allow for, notwithstanding the asset freeze provided for herein, the immediate release of funds necessary to make payroll, pay operating expenses, and/or meet any other payment obligations, as deemed necessary by the permanent receiver.

VI.

IT IS FURTHER ORDERED that, except as otherwise ordered by this Court, an immediate freeze shall be placed on the title of the following properties, which shall not be mortgaged, transferred, or otherwise hypothecated:

Property Address	Owners
Searchlight Property at Parcel Numbers: 243-34-301-007 243-34-201-002 243-34-101-006 243-34-201-014 243-27-701-004 243-27-701-005	Profit Connect Wealth Services, Inc.
7043 Calvert Cliffs Street, North Las Vegas, NV 89084	Profit Connect Wealth Services, Inc.

1 agents, servants, employees, attorneys, subsidiaries and affiliates, and those persons
2 in active concert or participation with any of them, who receive actual notice of this
3 Order, by personal service or otherwise, and each of them, be and hereby are
4 preliminarily restrained and enjoined from, directly or indirectly: destroying,
5 mutilating, concealing, transferring, altering, or otherwise disposing of, in any
6 manner, any documents, which includes all books, records, computer programs,
7 computer files, computer printouts, contracts, emails, correspondence, memoranda,
8 brochures, or any other documents of any kind in their possession, custody or control,
9 however created, produced, or stored (manually, mechanically, electronically, or
10 otherwise), pertaining in any manner to Defendants J. Kovar, B. Kovar, and Profit
11 Connect.

12 **X.**

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

- 21 A. to have access to and to collect and take custody, control, possession,
22 and charge of all funds, assets, collateral, premises (whether owned,
23 leased, pledged as collateral, occupied, or otherwise controlled), choses
24 in action, books, records, papers and other real or personal property,
25 wherever located, of or managed by Defendant Profit Connect and its
26 subsidiaries and affiliates (collectively, the “Assets”), with full power to
27 sue, foreclose, marshal, collect, receive, and take into possession all such
28 Assets (including access to and taking custody, control, and possession

1 of all such Assets);

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

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

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

20 E. to assess the viability and future profitability of the Profit Connect
21 business in determining the value of permitting the company to continue
22 conducting business;

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

26 G. to choose, engage, and employ attorneys, accountants, appraisers, and
27 other independent contractors and technical specialists, as the receiver
28 deems advisable or necessary in the performance of duties and

1 responsibilities under the authority granted by this Order;

2 H. to make an accounting, as soon as practicable, to this Court and the SEC
3 of the assets and financial condition of Defendant Profit Connect and to
4 file the accounting with the Court and deliver copies thereof to all
5 parties;

6 I. to make such payments and disbursements from the Assets taken into
7 custody, control, and possession or thereafter received by him or her,
8 and to incur, or authorize the making of, such agreements as may be
9 necessary and advisable in discharging his duties as permanent receiver;

10 J. to investigate and, where appropriate, to institute, pursue, and prosecute
11 all claims and causes of action of whatever kind and nature that may
12 now or hereafter exist as a result of the activities of present or past
13 employees or agents of Defendant Profit Connect, and its subsidiaries
14 and affiliates

15 K. to institute, compromise, adjust, appear in, intervene in, or become party
16 to such actions or proceedings in state, federal, or foreign courts, which
17 (i) the receiver deems necessary and advisable to preserve or recover any
18 Assets, or (ii) the receiver deems necessary and advisable to carry out
19 the receiver's mandate under this Order; and

20 L. to have access to and monitor all mail, electronic mail, and video phone
21 of the entities in receivership in order to review such mail, electronic
22 mail, and video phone which he deems relates to their business and the
23 discharging of his duties as permanent receiver.

24 **XI.**

25 **IT IS FURTHER ORDERED** that Defendant Profit Connect and its
26 subsidiaries and affiliates, including any of the other entities in receivership, and their
27 officers, agents, servants, employees and attorneys, and any other persons who are in
28 custody, possession or control of any assets, collateral, books, records, papers or

1 other property of or managed by any of the entities in receivership, shall forthwith
2 give access to and control of such property to the permanent receiver.

3 **XII.**

4 IT IS FURTHER ORDERED that no officer, agent, servant, employee or
5 attorney of Defendant Profit Connect shall take any action or purport to take any
6 action, in the name of or on behalf of Defendant Profit Connect without the written
7 consent of the permanent receiver or order of this Court.

8 **XIII.**

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

- 17 A. commencing, prosecuting, continuing or enforcing any suit or
18 proceeding (other than the present action by the SEC or any other action
19 by the government) against any of them;
- 20 B. using self-help or executing or issuing or causing the execution or
21 issuance of any court attachment, subpoena, replevin, execution or other
22 process for the purpose of impounding or taking possession of or
23 interfering with or creating or enforcing a lien upon any property or
24 property interests owned by or in the possession of Defendant Profit
25 Connect; and
- 26 C. doing any act or thing whatsoever to interfere with taking control,
27 possession or management by the permanent receiver appointed
28 hereunder of the property and assets owned, controlled or managed by or

1 in the possession of Defendant Profit Connect, or in any way to interfere
2 with or harass the permanent receiver or her attorneys, accountants,
3 employees, or agents or to interfere in any manner with the discharge of
4 the permanent receiver's duties and responsibilities hereunder.

5 **XIV.**

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

14 **XV.**

15 IT IS FURTHER ORDERED that Defendant Profit Connect, and its
16 subsidiaries and affiliates, shall pay the costs, fees and expenses of the permanent
17 receiver incurred in connection with the performance of his duties described in this
18 Order, including the costs and expenses of those persons who may be engaged or
19 employed by the permanent receiver to assist him in carrying out his duties and
20 obligations. All applications for costs, fees, and expenses for services rendered in
21 connection with the receivership other than routine and necessary business expenses
22 in conducting the receivership, such as salaries, rent, and any and all other reasonable
23 operating expenses, shall be made by application setting forth in reasonable detail the
24 nature of the services and shall be heard by the Court.

25 **XVI.**

26 IT IS FURTHER ORDERED that no bond shall be required in connection with
27 the appointment of the permanent receiver. Except for an act of gross negligence, the
28 permanent receiver shall not be liable for any loss or damage incurred by any of the

1 defendants, their officers, agents, servants, employees and attorneys or any other
2 person, by reason of any act performed or omitted to be performed by the permanent
3 receiver in connection with the discharge of his duties and responsibilities.

4 **XVII.**

5 IT IS FURTHER ORDERED that representatives of the SEC and any other
6 government agency are authorized to have continuing access to inspect or copy any
7 or all of the corporate books and records and other documents of Defendant Profit
8 Connect and its affiliates and subsidiaries, , and continuing access to inspect their
9 funds, property, assets and collateral, wherever located.

10 **XVIII.**

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

15
16 **XX.**

17 IT IS FURTHER ORDERED that a video-conference status hearing
18 concerning the receivership, is set for _____.

19
20
21 IT IS SO ORDERED:

22
23 THE HONORABLE JENNIFER A. DORSEY
24 UNITED STATES DISTRICT JUDGE

25
26 DATED: _____
27
28

1 **PROOF OF SERVICE**

2 I am over the age of 18 years and not a party to this action. My business address is:

3 U.S. SECURITIES AND EXCHANGE COMMISSION,
4 444 S. Flower Street, Suite 900, Los Angeles, California 90071
Telephone No. (323) 965-3998; Facsimile No. (213) 443-1904.

5 On August 4, 2021, I caused to be served the document entitled **[PROPOSED]**
6 **ORDER; GRANTING THE PARTIES’ STIPULATED REQUEST FOR A**
7 **PRELIMINARY INJUNCTION ORDER AND ORDER (1) FREEZING**
8 **ASSETS; (2) PROHIBITING THE DESTRUCTION OF DOCUMENTS; (3)**
9 **APPOINTING A PERMANENT RECEIVER; AND (4) PERMITTING JOY**
10 **KOVAR TO OPEN A BANK ACCOUNT FOR CERTAIN INCOME** on all the
11 parties to this action addressed as stated on the attached service list:

12 **OFFICE MAIL:** By placing in sealed envelope(s), which I placed for
13 collection and mailing today following ordinary business practices. I am readily
14 familiar with this agency’s practice for collection and processing of correspondence
15 for mailing; such correspondence would be deposited with the U.S. Postal Service on
16 the same day in the ordinary course of business.

17 **PERSONAL DEPOSIT IN MAIL:** By placing in sealed envelope(s),
18 which I personally deposited with the U.S. Postal Service. Each such envelope was
19 deposited with the U.S. Postal Service at Los Angeles, California, with first class
20 postage thereon fully prepaid.

21 **EXPRESS U.S. MAIL:** Each such envelope was deposited in a facility
22 regularly maintained at the U.S. Postal Service for receipt of Express Mail at Los
23 Angeles, California, with Express Mail postage paid.

24 **HAND DELIVERY:** I caused to be hand delivered each such envelope to the
25 office of the addressee as stated on the attached service list.

26 **UNITED PARCEL SERVICE:** By placing in sealed envelope(s) designated
27 by United Parcel Service (“UPS”) with delivery fees paid or provided for, which I
28 deposited in a facility regularly maintained by UPS or delivered to a UPS courier, at
Los Angeles, California.

ELECTRONIC MAIL: By transmitting the document by electronic mail to
the electronic mail address as stated on the attached service list.

E-FILING: By causing the document to be electronically filed via the Court’s
CM/ECF system, which effects electronic service on counsel who are registered with
the CM/ECF system.

FAX: By transmitting the document by facsimile transmission. The
transmission was reported as complete and without error.

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

Date: August 4, 2021

s/ *Kathryn C. Wanner*

Attorney for Plaintiff

E-mail: wannerk@sec.gov

1 ***SEC v. Profit Connect Wealth Services, Inc., et al.***
2 **United States District Court—Southern District of California**
3 **Case No. 2:21-cv-01298-JAD-BNW**

4 **SERVICE LIST**

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14 ***Services, Inc., et al***

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