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11
12 UNITED STATES DISTRICT COURT
13 DISTRICT OF NEVADA

14 SECURITIES AND EXCHANGE
COMMISSION,

15 Plaintiff,

16 v.

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

20 Defendants.

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

21 **STIPULATION AND ORDER**
22 **MODIFYING ORDER (ECF NO. 26):**

23 **(A) GRANTING PARTIES'**
24 **STIPULATION TO ENTER A**
25 **PRELIMINARY INJUNCTION AND**
26 **ORDER FOR RELATED RELIEF (1)**
27 **FREEZING ASSETS, (2)**
28 **PROHIBITING THE DESTRUCTION**
OF DOCUMENTS, (3) APPOINTING A
PERMANENT RECEIVER, AND (4)
PERMITTING JOY KOVAR TO OPEN
A BANK ACCOUNT FOR CERTAIN
INCOME;

(B) SETTING VIDEO STATUS
CONFERENCE ABOUT THE
RECEIVERSHIP; AND

(C) VACATING HEARING ON THE
SEC'S MOTIONS FOR A
PRELIMINARY AND TO APPOINT A
PERMANENT RECEIVER

[ECF No. 29]

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1 **STIPULATION**

2 Plaintiff Securities and Exchange Commission and defendants Profit Connect
3 Wealth Services, Inc. ("Profit Connect"), Joy I. Kovar, and Brent Carson Kovar
4 stipulate to amend the order entered on August 6, 2021, as ECF No. 26 pursuant to
5 the following recitals:

6 **RECITALS**

7 A. On August 6, 2021, the Court entered the Order: (A) Granting Parties'
8 Stipulation to Enter a Preliminary Injunction and Order for Related Relief (1)
9 Freezing Assets, (2) Prohibiting the Destruction of Documents, (3) Appointing a
10 Permanent Receiver, and (4) Permitting Joy Kovar to Open a Bank Account for
11 Certain Income; (B) Setting video status conference about the receivership; and (C)
12 Vacating Hearing on the SEC's Motions for a Preliminary and to Appoint a
13 Permanent Receiver (the "Order").

14 B. Pursuant to the Order, the Court appointed Geoff Winkler of American
15 Fiduciary Services LLC as the permanent receiver (the "Receiver").

16 C. Section V of the Order provides that "except as otherwise ordered by this
17 Court, the freeze previously ordered by this Court shall continue on all monies and
18 assets . . . in all accounts at any bank, financial institution or brokerage firm, or third-
19 payment [sic] payment processor, all certificates of deposit, and other funds or assets,
20 held in the name of , for the benefit of, or over which account authority is held by
21 Defendants J. Kovar, B. Kovar, and Profit Connect, and/or all of their subsidiaries
22 and deposits" Section V continues: "all banks, financial institutions, or
23 brokerage firms shall take direction from the receiver and shall cooperate with the
24 receiver to allow for, notwithstanding the asset freeze provided herein, the immediate
25 release of funds necessary to make payroll, pay operating expenses, and/or meet any
26 other payment obligations as deemed necessary by the permanent receiver."

27 D. In Section X of the Order, the Court granted the Receiver the authority
28 to collect and take custody and possession of all funds and property. Consistent with

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1 that authorization, the Receiver has instructed the financial institutions to close
2 Profit Connect's accounts and to turnover the funds on deposit so that the Receiver
3 can deposit them into accounts that he has established for the receivership. However,
4 at least one financial institution has expressed concern that the Order may limit the
5 turnover to only the amount necessary to make payroll, pay operating expenses or to
6 meet any other payment obligations.

7 E. The intention of the Order and the stipulation that it approved was for
8 the Receiver to have authority to take control and possession of all assets of
9 defendant Profit Connect and its subsidiaries and affiliates, including bank
10 accounts in the name of these entities, and to establish accounts for the Profit
11 Connect receivership estate. This stipulation clarifies that intention.

12 Therefore, the SEC and the Defendants stipulate as follows:

13 1. Section V of the Order is amended to replace the language at page 7:4-
14 12 with the following:

15 Except as otherwise ordered by the Court or as directed by the Receiver, any
16 bank, financial institution or brokerage firm, or third-party payment processor
17 holding such monies and assets described above shall hold and retain within their
18 control and prohibit the withdrawal, removal, transfer or other disposal of any such
19 funds or other assets.

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2. Except for the foregoing, the remainder of the provisions of the Order remain in full force and effect.

Dated: August 9, 2021

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SECURITIES & EXCHANGE COMMISSION

By: /s/ Maria A. Gall

By: /s/ Kathryn C. Wanner

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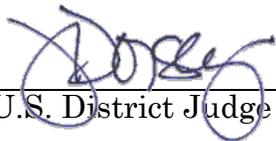
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ORDER

IT IS SO ORDERED:


U.S. District Judge Jennifer A. Dorsey

DATED: August 11, 2021