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

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13 SECURITIES AND EXCHANGE
COMMISSION,

14 Plaintiff,

15 vs.

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

19 Defendants.
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Case No.

**PLAINTIFF SECURITIES AND
EXCHANGE COMMISSION'S *EX
PARTE* MOTION TO FILE
COMPLAINT AND APPLICATION
FOR A TEMPORARY
RESTRAINING ORDER UNDER
SEAL PURSUANT TO LOCAL RULE
10-5(a)**

(Filed Under Seal)

1 Plaintiff Securities and Exchange Commission (“SEC”) hereby applies, *ex*
2 *parte* and without notice, for an order sealing, for a limited time, all papers filed
3 today by the SEC in the above-captioned case, consisting of the Complaint and
4 related documents, all documents filed in support of its separately filed *Ex Parte*
5 Application for a Temporary Restraining Order and Orders (1) Freezing Assets; (2)
6 Requiring Accountings; (3) Prohibiting Destruction of Documents; (4) Granting
7 Expedited Discovery; (5) Appointing a Temporary Receiver; and (6) To Show Cause
8 Re Preliminary Injunction and Appointment of a Permanent Receiver (the “TRO
9 Application”), and the SEC’s Motions to Permit Appearance of Government
10 Attorneys. The SEC asks that the Complaint, TRO Application, and Motions to
11 Permit Appearance of Government Attorneys be sealed for the earlier of: (a) 48 hours
12 after the Court issues its ruling on the TRO Application, or (b) upon application by
13 the SEC to unseal which shall be granted upon filing with the Clerk of the Court.

14 **A. Basis for Filing under Seal**

15 The SEC is filing its TRO Application without notice because this action
16 concerns an ongoing securities fraud being perpetrated by Defendants Profit Connect
17 Wealth Services Corporation (“Profit Connect”), Joy I. Kovar (“J. Kovar”), and Brent
18 C. Kovar (“B. Kovar”) (collectively “Defendants”). In its Complaint, which the SEC
19 also requests be filed under seal, the SEC alleges that Defendants are engaged in an
20 ongoing fraudulent securities offering. Profit Connect promises investors that they
21 will make a guaranteed 20% to 30% annual return based on its proprietary Artificial
22 Intelligence “supercomputer” that generates consistently high returns with no market
23 volatility. In reality, none of the money has been invested, and, instead, the
24 Defendants have used investor funds to pay their personal expenses, pay hefty
25 commissions to promoters of the Profit Connect securities, and to pay other investors.

26 The SEC is asking the Court to file the Complaint and TRO Application under
27 seal because Defendants’ fraudulent conduct is ongoing. From April through May
28 31, 2021, Profit Connect raised at least over \$3.3 million from investors. From April

1 21, 2021 to June 9, 2021 J. Kovar has transferred at least \$1.2 million from the Profit
2 Connect bank account to her personal account. Given the misrepresentations to
3 investors and the dissipation of investor funds, there is a danger that Defendants will
4 seek to dissipate any remaining funds if Defendants learn of the SEC's action.

5 Because the SEC is filing its TRO Application without notice, the SEC asks
6 that the Court file under seal the Complaint, the TRO Application, and all related and
7 supporting papers, to ensure that the Complaint and TRO Application are not
8 available to the public through PACER until the Court issues its ruling. If posted on
9 PACER, the Complaint, TRO Application, and other documents would be publicly
10 available, defeating the purpose of filing the TRO Application without notice and
11 increasing the likelihood that the Defendants will learn about the action before the
12 Court issues its ruling. If the Defendants receive such notice, they may continue their
13 fraudulent scheme and continue to dissipate and misuse funds from new and existing
14 investors, thus placing the stolen funds beyond the reach of the Court.

15 **B. Duration of Proposed Sealing Order**

16 The sealing order sought by this application is of limited duration. The SEC
17 asks that the Complaint and TRO Application be sealed for the earlier of: (a) 48 hours
18 after the Court issues its ruling on the TRO Application, or (b) upon application by
19 the SEC to unseal which shall be granted upon filing with the Clerk of the Court. No
20 further order of the Court shall be necessary for the Clerk of Court to unseal the file.
21 This will give the SEC sufficient time to execute the requested asset freeze, to the
22 extent that relief is granted.

23 The SEC further requests that the seal order shall not be construed to prohibit
24 the SEC or its attorneys or agents from disclosing the existence of this action or the
25 TRO Application to the process servers and other third parties to the extent the SEC
26 deems necessary, and that the SEC and its attorneys may disclose and serve any
27 Order on the *Ex Parte* Application for a Temporary Restraining Order and Orders (1)
28 Freezing Assets; (2) Requiring Accountings; (3) Prohibiting Destruction of

1 Documents; (4) Granting Expedited Discovery; (5) Appointing a Temporary
2 Receiver; and (6) To Show Cause Re Preliminary Injunction and Appointment of a
3 Permanent Receiver, upon the depository institutions identified in the proposed order.

4 **C. Proposed Documents to Be Filed under Seal**

5 With this application, the SEC asks that the Court file the following pleadings
6 under seal:

- 7 • this Application and the proposed Sealing Order;
- 8 • the SEC's Complaint;
- 9 • Civil Cover Sheet;
- 10 • Summons;
- 11 • the SEC's Ex Parte Application for a Temporary Restraining Order and
12 Orders (1) Freezing Assets; (2) Requiring Accountings; (3) Prohibiting
13 Destruction of Documents; (4) Granting Expedited Discovery; (5)
14 Appointing a Temporary Receiver; and (6) To Show Cause Re
15 Preliminary Injunction and Appointment of a Permanent Receiver;
- 16 • the SEC's Memorandum of Points and Authorities in Support of its Ex
17 Parte Application for a Temporary Restraining Order and Orders (1)
18 Freezing Assets; (2) Requiring Accountings; (3) Prohibiting Destruction
19 of Documents; (4) Granting Expedited Discovery; (5) Appointing a
20 Temporary Receiver; and (6) To Show Cause Re Preliminary Injunction
21 and Appointment of a Permanent Receiver;
- 22 • the Declaration of Teri M. Melson;
- 23 • the Declaration of Dora Zaldivar;
- 24 • the Declaration of Elizabeth Blaylock;
- 25 • the [Proposed] Temporary Restraining Order and Orders: (1) Freezing
26 Assets; (2) Requiring Accountings; (3) Prohibiting Destruction of
27 Documents; (4) Granting Expedited Discovery; (5) Appointing a
28 Temporary Receiver; and (6) To Show Cause Re Preliminary Injunction

- and Appointment of a Permanent Receiver;
- Recommendation Concerning Appointment of a Receiver;
- the SEC’s Motion to Permit Appearance of Government Attorney Teri M. Melson; and
- the SEC’s Motion to Permit Appearance of Government Attorney Kathryn C. Wanner.

For the reasons stated, the SEC respectfully requests that the Court grant the *ex parte* application to file under seal.

Dated: July 8, 2021

/s/ Kathryn C. Wanner
Kathryn C. Wanner
Teri M. Melson
Attorneys for Plaintiff
SECURITIES AND
EXCHANGE COMMISSION