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12 *Geoff Winkler of American Fiduciary Services*

13 **UNITED STATES DISTRICT COURT**  
14 **DISTRICT OF NEVADA**

15 SECURITIES AND EXCHANGE  
16 COMMISSION,

17 Plaintiff,

18 v.

19 PROFIT CONNECT WEALTH SERVICES,  
20 INC., JOY I. KOVAR, and BRENT CARSON  
21 KOVAR,

22 Defendants.

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

**SEVENTH STATUS REPORT OF  
GEOFF WINKLER, RECEIVER  
FOR PROFIT CONNECT  
WEALTH SERVICES, INC.**

23 Geoff Winkler of American Fiduciary Services, LLC, the permanent receiver for Profit  
24 Connect Wealth Services, Inc., and any subsidiaries and affiliates (together, “Profit Connect”)  
25 submits his Seventh Status Report (the “Report”) regarding the receivership pursuant to Local  
26 Rule 66-4(b).

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1 **I. SUMMARY OF THE RECEIVER'S OPERATIONS (LR 66-4(b)(1))**

2 The Securities and Exchange Commission initiated this action against Profit Connect,  
3 Ms. Kovar, and Mr. Kovar on July 8, 2021, when it filed an ex parte complaint and motion  
4 for temporary restraining order seeking, among other things, the freezing of defendants' assets  
5 and the appointment of a receiver over Profit Connect. On July 23, 2021, the Defendants  
6 stipulated to modify the temporary restraining order to appoint Geoff Winkler as the  
7 Temporary Receiver, giving him limited powers. On August 6, 2021, following another  
8 stipulation of the parties, the Court converted the temporary restraining order to a preliminary  
9 injunction and appointed the Temporary Receiver as the Permanent Receiver of Profit  
10 Connect. See Receivership Order (ECF No. 26.)

11 After appointment, the Receiver and his team attempted to find a solution that would  
12 allow Profit Connect to continue to operate legally and profitably to maximize return to  
13 investors. The Receiver, his staff, and the Forensic IT team spent several weeks collecting  
14 and reviewing data, communicating with Profit Connect parties, observing operations, and  
15 documenting assets and information. After determining that there was no viable business to  
16 continue operating, the Receiver terminated the employees and closed the offices, only  
17 retaining a few employees on a contract basis to assist with the wind-down of operations and  
18 preparation for the sale of the personal property.

19 Since the completion of the Investigation and Forensic Accounting Report (ECF  
20 No. 111) in August 2022, the Receiver and his team have begun identifying third-party  
21 recovery opportunities and analyzing the accounting file to determine the recommended type  
22 of claims process. During this reporting period, the Receiver has finalized the claims form  
23 and claimant contact database in preparation for the claims process. The Receiver has decided  
24 to utilize primarily a digital claims forms to streamline the process with paper copies  
25 available, upon request. This will provide options for claimants based on their comfort level  
26 with technology. The Receiver anticipates seeking Court approval for the claims procedures  
27 motion shortly after the filing of this Report.

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1 As stated in the previous reports (ECF Nos. 106, 115, 124), the Receiver settled with  
2 Ms. Uriarte for transfers she received from Profit Connect in the approximate amount of  
3 \$387,786.94 that facilitated her purchase of residential real property located in, North Las  
4 Vegas, Nevada 89084. The settlement included repayment of the \$387,786.94 of transfers  
5 received from Profit Connect along with a total of \$8,000 in interest payments in the amount  
6 of \$2,000 per month, to account for her continued use of Profit Connect funds. During the  
7 reporting period, the payment of \$7,500 to be applied to the settlement amount, was received.  
8 The Receiver is in communication with Ms. Uriarte regarding the repayment of the remaining  
9 balance of \$1,604.48 and anticipates a resolution in the following reporting period.

10 Braun International Real Estate Company (“Braun”) continued its efforts as the real  
11 estate broker to list and sell the eight land parcels owned by Profit Connect in Searchlight,  
12 Nevada. Offers have been presented on the more desirable parcels that Profit Connect had  
13 purchased. During this reporting period Braun and the Receiver decided to lower the listing  
14 to increase the likelihood of attracting potential buyers.

15 As discussed in prior reports, the Receiver filed a motion to release the liens Profit  
16 Connect held against homes across the United States (ECF No. 115 and 124). During this  
17 reporting period the liens have been released and Full Reconveyance for each property is dated  
18 February 21, 2023.

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1 The breakdown of cash flows and the current balance sheet for the reporting period  
2 are as follows:

<b>SEC v. Profit Connect Wealth Services, Inc. et al</b>	
<b>Summary Cash Flow Statement</b>	
<b>March 31, 2023</b>	
<i>Cash at Beginning of Period</i>	<b>9,100,834</b>
<i>Cash Inflows</i>	
Settlement Payment from RU	7,500
<b>Total Cash Inflows</b>	<b>7,500</b>
<i>Cash Outflows</i>	
Business Asset Expenses	(8,637)
Payments to Professionals	(91,771)
<b>Total Cash Outflows</b>	<b>(100,408)</b>
<b>Cash at End of Period</b>	<b>9,007,926</b>
<b>SEC v. Profit Connect Wealth Services, Inc. et al</b>	
<b>Summary Balance Sheet</b>	
<b>March 31, 2023</b>	
<i>Assets</i>	
EWB Account	9,007,926
Real Property**	816,000
Professional Liability Litigation**	5,000,000
Third Party Litigation**	2,820,000
<b>Total Assets</b>	<b>17,643,926</b>
<i>Liabilities</i>	
Accrued Professionals	337,226
<b>Total Liabilities</b>	<b>337,226</b>
<i>Equity</i>	
Net Cash Investors**	22,271,098
Retained Earnings	(4,964,398)
<b>Total Equity</b>	<b>17,306,700</b>
** Values Currently Estimated and Subject to Change	

## 23 II. INVENTORY OF ASSETS AND ESTIMATE VALUE (LR 66-4(b)(2))

24 As of the date of this Report, the Receiver is holding over \$9,007,925.89 in cash  
25 belonging to Profit Connect. Other than cash, the total value of assets is estimated to be  
26 \$8,636,000. It is estimated that there is \$5,000,000 in professional liability litigation,  
27 \$2,820,000 in third-party litigation and \$816,000 to be recovered in real property sales. This  
28 brings the total value of all assets to be estimated at \$17,643,926. The standardized fund

1 accounting report for the period January 1, 2023, through March 31, 2023, is attached to this  
2 report as **Exhibit A**.

3 **III. SCHEDULE OF RECEIVER’S RECEIPTS AND DISBURSEMENTS**  
4 **(LR 66- 4(b)(3))**

5 In addition to the foregoing, please see **Exhibit A**.

6 **IV. OTHER ITEMS TO REPORT**

7 **a. Current Litigation**

8 As the Court is aware, the Receiver filed an ancillary proceeding (Case No. 21-cv-  
9 02000) seeking to claw back over \$500,000 in investor funds fraudulently transferred to  
10 former Profit Connect employee and agent William Roshak, along with his current wife and  
11 ex-wife. A settlement was reached by which Mr. Roshak agreed to return \$470,000 to the  
12 estate. However, in order to pay the funds Mr. Roshak intended to withdraw money from his  
13 PERS account. Mr. Roshak requested the ability to withdraw the funds from PERS and his  
14 request was initially denied. However, he appealed the denial and the matter was expected to  
15 be considered by the PERS Board in February. Unfortunately, the PERS Board continued the  
16 hearing and the matter is now expected to be considered by the PERS Board in July of 2023.  
17 Due to the delay, the Receiver is working with counsel for Mr. Roshak to secure interest in  
18 Mr. Roshak’s residence pending a resolution from the PERS Board.

19 The Receiver, by and through contingency fee counsel previously approved by the  
20 Court, filed an action in the 72<sup>nd</sup> District Court in Lubbock County, Texas on March 27, 2023,  
21 identified therein in as Case No. DC-2023-CV-0377 (“Texas Action”). Although originally  
22 filed in state court, the Texas Action was removed by one of the Defendants to the United  
23 States District Court, Northern District of Texas, Lubbock Division and assigned Case  
24 No. 5:23-cv-00074-C. In the Texas Action, the Receiver has asserted claims against Jeffrey  
25 Nicholas, Troy Sutton and Allianz Life Financial Service, LLC (“Allianz”). Nicholas and  
26 Sutton were both licensed by Allianz to sell life insurance and other annuity type products.  
27 As alleged in the Petition, both Nicholas and Sutton promoted Profit Connect to their clients  
28 representing, among other things that: (i) money would be “safe”; (ii) emphasized the ability

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1 to earn 15-30% per year returns; (iii) promised that the funds would be invested in FDIC-  
 2 insured accounts; (iv) informed them that there would be no fees associated with the  
 3 investment; (v) represented that investing in Profit Connect was a better and safer investment  
 4 than investing in IRS’s, annuities, 401(k) plans, or other retirement plans; and (vi) claimed  
 5 that their money could be withdrawn at any time. Additionally, they told investors that they  
 6 had done a comprehensive investigation into Profit Connect and found it to be completely  
 7 legitimate when it was not. Many of the investors in Profit Connect withdrew legitimate  
 8 investments based on the negligent financial advice of Nicholas and Sutton. Indeed, Nicholas  
 9 and Sutton generated substantial investor funds for Profit Connect based on these actions and  
 10 convinced approximately forty (40) investors to put their money into Profit Connect all while  
 11 acting as agents for Allianz. Accordingly, the Texas Action asserts causes of action for aiding,  
 12 abetting or participating in breach of fiduciary duties, and avoidance and recovery of  
 13 fraudulent transfers.

14 **b. Future Litigation**

15 **1. *Former Employees***

16 The Receiver continues to evaluate additional avenues to recover funds for the Estate  
 17 and anticipates filing additional claw back actions and continues to investigate potential  
 18 targets. The Receiver has identified approximately eleven former employees who received  
 19 funds or gifts from Profit Connect in excess of their W-2 wages and with whom the Receiver  
 20 has not already settled. The Receiver is in the process of sending these employees demand  
 21 letters requesting the return of the funds or value of the gifts in excess of their wages. The  
 22 Receiver will seek Court permission prior to commencing litigation against former employees.

23 **2. *Agents/Promoters***

24 The Receiver is evaluating potential claims against agents/promoters and anticipates  
 25 sending demand letters to these individuals in the second quarter of 2023 for the return of false  
 26 profits related to the investment scheme. The Receiver will seek Court permission prior to  
 27 commencing litigation against agent/promoters.

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1                   **3. Other Third Parties**

2           The Receiver is evaluating potential claims against third parties, including  
3 professionals and financial institutions, and anticipates sending demand letters to these  
4 individuals in the second quarter of 2023. The Receiver has spoken with potential litigation  
5 counsel and will seek Court permission prior to commencing litigation against other third  
6 parties.

7           **V. RECOMMENDATION OF THE RECEIVER (LR 66-4(b)(5))**

8           The Receiver has determined that Profit Connect was not operating a viable business  
9 and was quickly dissipating investor funds. So that the Receiver can continue to identify  
10 assets and claims and pursue them for the benefit of the receivership estate, the Receiver  
11 recommends that the receivership continue.

12           **VI. CONCLUSION**

13           Assuming the Court authorizes the Receiver to undertake the actions recommended  
14 herein, as well as to continue those actions provided for in the Appointment Order and any  
15 subsequent orders, the Receiver proposes to submit further interim reports to this Court,  
16 addressing his progress, findings, final conclusions, and additional recommendations,  
17 approximately every 90 days.

18           Accordingly, and based on the foregoing, the Receiver respectfully requests that the  
19 Court enter an order:

- 20           1.       Accepting this Seventh Status Report;
- 21           2.       Authorizing the Receiver to continue to administer the Receivership Entities  
22 and their estate in accordance with the terms of the Appointment Order;
- 23           3.       Authorizing the Receiver to undertake the recommendations presented herein,  
24 including a continued engagement of those professionals he deems necessary for the proper  
25 administration of the Receivership Entities and their estate; and

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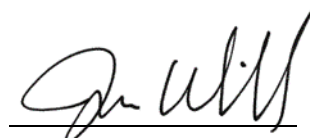
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1 4. Providing such other and further relief as the Court deems necessary and  
2 appropriate.

3 DATED this 2<sup>nd</sup> day of May 2023.

4 I, Geoff Winkler, verify under penalty of perjury that the statements made in the  
5 foregoing report are true and correct to the best of my knowledge.



Geoff Winkler, Receiver

10 DATED this 2<sup>nd</sup> day of May, 2023.

11 GREENBERG TRAUIG, LLP

12 By: /s/ Kara B. Hendricks

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**CERTIFICATE OF SERVICE**

I hereby certify that, on the 2nd day of May, 2023, a true and correct copy of the foregoing **SEVENTH STATUS REPORT OF GEOFF WINKLER, RECEIVER FOR PROFIT CONNECT WEALTH SERVICES, INC.** was filed electronically via the Court’s CM//ECF system. Notice of filing will be served on all parties by operation of the Court’s CM/ECF system, and parties may access this filing through the Court’s CM/ECF system.

/s/ Evelyn Escobar-Gaddi  
An employee of GREENBERG TRAUIG, LLP

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**SECURITIES & EXCHANGE COMMISSION V. PROFIT CONNECT WEALTH, et al.**  
USDC CASE NO. 2:21-CV-01298-JAD-BNW

<b>EXHIBIT</b>	<b>DESCRIPTION</b>
<b>Exhibit A</b>	<b>STANDARDIZED FUND ACCOUNTING REPORT</b>

# **EXHIBIT A**

# **EXHIBIT A**

Standardized Fund Accounting Report

**STANDARDIZED FUND ACCOUNTING REPORT for SEC v. Profit Connect Wealth Services, Inc. et al.**

Receivership; Civil Docket No. 2:21-cv-01298-JAD-BNW

Reporting Period from 01/01/2023 to 03/31/2023

FUND ACCOUNTING (See instructions)				
		Detail	Subtotal	Grand Total
Line 1	<b>Beginning Balance (As of 01/01/2023):</b>	9,100,833.60		
	<i>Increases in Fund Balance:</i>			
Line 2	Business Income	-		
Line 3	Cash and Securities (in transit)	-		
Line 4	Interest/Dividend Income	-		
Line 5	Business Asset Liquidation	-		
Line 6	Personal Asset Liquidation	-		
Line 7	Third-Party Litigation Income	7,500.00		
Line 8	Miscellaneous - Other	-		
	<b>Total Funds Available (Lines 1 - 8):</b>		7,500.00	<b>9,108,333.60</b>
	<i>Decreases in Fund Balance:</i>			
Line 9	Disbursements to Investors			
Line 10	<b>Disbursements for Receivership Operations</b>			
Line 10a	Disbursements to Receiver or Other Professionals	(91,771.06)		
Line 10b	Business Asset Expenses	(8,636.65)		
Line 10c	Personal Asset Expenses	-		
Line 10d	Investment Expenses	-		
Line 10e	Third-Party Litigation Expenses	-		
	1. Attorney Fees	-		
	2. Litigation Expenses	-		
	<i>Total Disbursements for Receivership Operations</i>		(100,407.71)	
Line 10f	Tax Administrator Fees and Bonds		-	
Line 10g	Federal and State Tax Payments		-	
	<b>Total Disbursements for Receivership Operations</b>			<b>(100,407.71)</b>
Line 11	<b>Disbursements for Distribution Expenses Paid by the Fund:</b>			
Line 11a	<i>Distribution Plan Development Expenses:</i>			
	1. Fees:			
	Fund Administrator.....	-		
	Independent Distribution Consultant (IDC).....	-		
	Distribution Agent.....	-		
	Consultants.....	-		
	Legal Advisers.....	-		
	Tax Advisers.....	-		
	2. Administrative Expenses	-		
	3. Miscellaneous	-		
	<i>Total Plan Development Expenses</i>		-	
Line 11b	<i>Distribution Plan Implementation Expenses:</i>			
	1. Fees:			
	Fund Administrator.....	-		
	IDC.....	-		
	Distribution Agent.....	-		
	Consultants.....	-		
	Legal Advisers.....	-		
	Tax Advisers.....	-		
	2. Administrative Expenses	-		
	3. Investor Identification:			
	Notice/Publishing Approved Plan.....	-		
	Claimant Identification.....	-		
	Claims Processing.....	-		
	Web Site Maintenance/Call Center.....	-		
	4. Fund Administrator Bond	-		
	5. Miscellaneous	-		
	6. Federal Account for Investor Restitution (FAIR) Reporting Expenses	-		
	<i>Total Plan Implementation Expenses</i>		-	
	<b>Total Disbursements for Distribution Expenses Paid by the Fund</b>			<b>-</b>
Line 12	<b>Disbursements to Court/Other:</b>			
Line 12a	Investment Expenses/Court Registry Investment System (CRIS) Fees	-		
Line 12b	Federal Tax Payments	-		
	<b>Total Disbursements to Court/Other:</b>		-	
	<b>Total Funds Disbursed (Lines 9 - 11):</b>			<b>(100,407.71)</b>
Line 13	<b>Ending Balance (As of 03/31/2023):</b>			<b>9,007,925.89</b>
Line 14	<b>Ending Balance of Fund - Net Assets:</b>			
Line 14a	Cash & Cash Equivalents		9,007,925.89	
Line 14b	Investments		-	
Line 14c	Other Assets or Uncleared Funds		8,636,000.00	
	<b>Total Ending Balance of Fund - Net Assets</b>			<b>17,643,925.89</b>

**STANDARDIZED FUND ACCOUNTING REPORT for SEC v. Profit Connect Wealth Services, Inc. et al.**  
 Receivership; Civil Docket No. 2:21-cv-01298-JAD-BNW  
 Reporting Period from 01/01/2023 to 03/31/2023

<b>OTHER SUPPLEMENTAL INFORMATION:</b>				
		<b>Detail</b>	<b>Subtotal</b>	<b>Grand Total</b>
<b>Line 15</b>	<b>Disbursements for Plan Administration Expenses Not Paid by the Fund:</b>			
<i>Line 15a</i>	<i>Plan Development Expenses Not Paid by the Fund</i>			
	1. Fees:			
	Fund Administrator	-		
	IDC	-		
	Distribution Agent	-		
	Consultants	-		
	Legal Advisers	-		
	Tax Advisers	-		
	2. Administrative Expenses	-		
	3. Miscellaneous	-		
	<b>Total Plan Development Expenses Not Paid by the Fund</b>	-	-	
<i>Line 15b</i>	<i>Plan Implementation Expenses Not Paid by the Fund:</i>			
	1. Fees:			
	Fund Administrator	-		
	IDC	-		
	Distribution Agent	-		
	Consultants	-		
	Legal Advisers	-		
	Tax Advisers	-		
	2. Administrative Expenses	-		
	3. Investor Identification:			
	Notice/Publishing Approved Plan	-		
	Claimant Identification	-		
	Claims Processing	-		
	Web Site Maintenance/Call Center	-		
	4. Fund Administrator Bond	-		
	5. Miscellaneous	-		
	6. FAIR Reporting Expenses	-		
	<b>Total Plan Implementation Expenses Not Paid by the Fund</b>	-	-	
<i>Line 15c</i>	<i>Tax Administrator Fees &amp; Bonds Not Paid by the Fund</i>			
	<b>Total Disbursements for Plan Administration Expenses Not Paid by the Fund</b>			-
<b>Line 16</b>	<b>Disbursements to Court/Other Not Paid by the Fund</b>			
<i>Line 16a</i>	<i>Investment Expenses/CRIS Fees</i>		-	
<i>Line 16b</i>	<i>Federal Tax Payments</i>		-	
	<b>Total Disbursements to Court/Other Not Paid by the Fund:</b>			-
<b>Line 17</b>	<b>DC &amp; State Tax Payments</b>			-
<b>Line 18</b>	<b>No. of Claims:</b>			
<i>Line 18a</i>	<i># of Claims Received This Reporting Period</i>	-		
<i>Line 18b</i>	<i># of Claims Received Since Inception of Fund</i>	-		
<b>Line 19</b>	<b>No. of Claimants/Investors:</b>			
<i>Line 19a</i>	<i># of Claimants/Investors Paid This Reporting Period</i>	-		
<i>Line 19b</i>	<i># of Claimants/Investors Paid Since Inception of Fund</i>	-		

Receiver: **Geoff Winkler**

By: 

**Geoff Winkler**  
 (printed name)

**Chief Executive Officer**  
**American Fiduciary Services LLC**  
**Receiver, Profit Connect Wealth Services, Inc.**

**Date: April 28, 2023**