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11 *Attorneys for Receiver*  
12 *Geoff Winkler of American Fiduciary Services*

13  
14 UNITED STATES DISTRICT COURT  
15 DISTRICT OF NEVADA

16 SECURITIES AND EXCHANGE  
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

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

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

28 . . .

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

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

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

Since the completion of the Investigation and Forensic Accounting Report (ECF No. 111) in August 2022, the Receiver and his team have identified third-party recovery opportunities and analyzed the accounting to determine the recommended claims process. A hearing on June 13, 2023, began the claims process with a bar date for September 11, 2023. Anyone intending to make a claim against the receivership estate was required to file a claim no later than September 11, 2023 (the "Claims Bar Date"), or their claims may be forever barred. The Receiver finished the receipt of audit of claims in a previous reporting period.

Braun International Real Estate Company ("Braun") listed and sold the eight land parcels owned by Profit Connect in Searchlight, Nevada, finalizing the last sale in a previous reporting period. No Searchlight parcels remain.

During this reporting period, the Receiver has continued to administer the receivership estate. The Court held a hearing on August 26, 2024, for the motion --- for order in aid of receivership approving interim distribution (ECF 198). The order granting the motion is pending and there will be another hearing on November 4, 2024.

The breakdown of cash flows and the current balance sheet are as follows:

<b>SEC v. Profit Connect Wealth Services, Inc. et al</b>	
<b>Summary Cash Flow Statement</b>	
<b>July 1 - September 30, 2024</b>	
<i>Cash at Beginning of Period</i>	<b>10,251,503</b>
<i>Cash Inflows</i>	
Third-Party Litigation Income	129,990
Interest Income	32,112
<b>Total Cash Inflows</b>	<b>162,102</b>
<i>Cash Outflows</i>	
Third-Party Litigation Expenses	(10,000)
Receiver Fees and Expenses	(80,846)
Receiver's Attorney Fees and Expenses	(44,403)
Other Professional Fees	(60,735)
<b>Total Cash Outflows</b>	<b>(195,984)</b>
<i>Cash at End of Period</i>	<b>10,217,621</b>

<b>SEC v. Profit Connect Wealth Services, Inc. et al</b>	
<b>Summary Balance Sheet</b>	
<b>September 30, 2024</b>	
<i>Assets</i>	
EWB Account	10,217,621
Real Property	-
Professional Liability Litigation**	5,000,000
Third Party Litigation**	2,487,921
<b>Total Assets</b>	<b>17,705,542</b>
<i>Liabilities</i>	
Accrued Professionals	466,513
<b>Total Liabilities</b>	<b>466,513</b>
<i>Equity</i>	
Retained Earnings	17,239,029
<b>Total Equity</b>	<b>17,239,029</b>

\*\* Values Currently Estimated and Subject to Change

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

At the end of this Reporting Period, the Receiver is holding \$10,217,621 in cash belonging to Profit Connect. The total value of assets is estimated to be \$17,705,542, inclusive of the above-mentioned cash. Specifically, there is an estimated \$5,000,000 in professional liability litigation and \$2,487,921 to be recovered in third-party litigation. The final amount recovered may vary based on the outcome of litigation. The standardized fund accounting report for the period July 1, 2024, through September 30, 2024, is attached to this report as **Exhibit A**.

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

In addition to the foregoing, please see **Exhibit B**.

## IV. OTHER ITEMS TO REPORT

### A. Current Litigation

As the Court is aware, the Receiver has initiated several proceedings in an attempt to recover additional funds owed to Profit Connect.

#### 1. *Texas Action Against Nicholas, Sutton and Allianz*

As referenced in prior reports, the Receiver, by and through contingency fee counsel, filed an action which is currently pending in the United States District Court, Northern District of Texas, Lubbock Division and assigned Case No. 5:23-cv-00074-C against Jeffrey Nicholas, Troy Sutton and Allianz Life Financial Service, LLC ("Allianz") (the "Texas Action"). Nicholas and Sutton were both licensed by Allianz to sell life insurance and other annuity type products and promoted Profit Connect to their clients to generate substantial investor funds for Profit Connect. Allianz filed a motion to dismiss the complaint, which was denied on April 15, 2024.

The Receiver was able to reach a settlement with Mr. Sutton which was approved by the Court in an order issued on January 4, 2024 (ECF No. 168). The receivership estate received \$20,000.00 from Mr. Sutton, together with his agreement to continue to cooperate with the Receiver. Additionally, the Receiver was able to reach a settlement with Allianz which was approved by this Court in an order issued on September 20, 2024 (ECF No. 208). As a result of

1 the same, the receivership estate will receive more than \$85,000. The litigation with Mr. Nicholas  
2 continues and a trial is expected to be scheduled in the next few months.

3 **2. Legal Malpractice Claim**

4 On November 7, 2023, the Court granted the Receiver's motion and authorized the Receiver  
5 to employ special litigation counsel to pursue a legal malpractice claim. (ECF No. 160). A lawsuit  
6 was filed to advance the Receiver's position in the Eighth Judicial District of Clark County Nevada,  
7 known as Case No. A-23-880842 against Dale A. Hayes, Jr., Hayes Wakayama LLC, the Hayes  
8 Law Firm, the Hayes Law Firm LLC, and Hayes Wakayama Juan ("Hayes Litigation"). Discovery  
9 is currently underway.

10 On September 17, 2024, the Receiver filed a motion herein seeking to employ Adam J.  
11 Breeden to pursue the Hayes Litigation on behalf of the Receiver in place of Joel Selik (ECF  
12 No. 205). The Court approved that motion by order entered on October 3, 2024. There will be no  
13 additional cost to the receivership related to the change.

14 **B. Future Litigation and Clawback Actions**

15 The Receiver continues to evaluate additional avenues to recover funds for the Estate and  
16 anticipates filing additional clawback actions. The Receiver continues to investigate potential  
17 targets.

18 **1. Proceedings Against a Financial Institution**

19 In the fourth quarter of 2023, the Court approved the Receiver's retention of special  
20 litigation counsel to investigate and potentially pursue claims against a financial institution. The  
21 parties have entered into a tolling agreement and, in an attempt to resolve the dispute without the  
22 need for formal litigation, will be attending mediation in January 2025.

23 **2. Clawback Actions**

24 The Receiver has determined that there are potential claims against employees who received  
25 funds or gifts in excess of their W-2 wages, and against promoters and agents who raised funds for  
26 Profit Connect's investment fraud and benefitted from it. During this reporting period additional  
27 efforts were made to contact these individuals to try and resolve concerns outside of litigation.

28 . . .

**a. Claims Against Credit Card Companies**

The Receiver identified constructive fraudulent transfer claims against a number of credit card companies that received payments from Profit Connect for debts that it did not owe. On January 4, 2024, the Court granted the Receiver's Motion for Order in Aid of Receivership Authorizing the Receiver to Pursue Clawback Actions and Approving Settlement Parameters (ECF No. 169). The Receiver has resolved all but two of these disputes, with a third tentatively settled and in the documentation stage. To date, the Receiver has received approximately \$493,000 from resolution of claims against credit card companies, with another \$65,000 settlement for which Court approval is pending. Two claims remain pending, one of which is tied up with the litigation against the financial institution described above.

**b. Claims Against Former Employees**

The Receiver has identified approximately eleven former employees who received funds or gifts from Profit Connect in excess of their W-2 wages and with whom the Receiver has not already settled. The Receiver has been able to resolve issues with one former employee, and two individuals began payment plans this Reporting Period. During this reporting period additional efforts were made to contact these individuals to try and resolve concerns outside of litigation.

**c. Agents/Promoters**

The Receiver continues to evaluate potential claims against agents/promoters. During this reporting period additional efforts were made to contact these individuals to try and resolve concerns outside of litigation.

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

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

**VI. CONCLUSION**

Assuming the Court authorizes the Receiver to undertake the actions recommended herein, as well as to continue those actions provided for in the Appointment Order and any subsequent

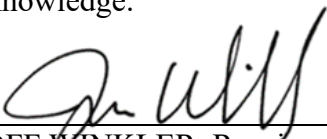
orders, the Receiver proposes to submit further interim reports to this Court, addressing his progress, findings, final conclusions, and additional recommendations, approximately every 90 days.

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

1. Accepting this Thirteenth Status Report;
2. Authorizing the Receiver to continue to administer the Receivership Entities and their estate in accordance with the terms of the Appointment Order;
3. Authorizing the Receiver to undertake the recommendations presented herein, including a continued engagement of those professionals he deems necessary for the proper administration of the Receivership Entities and their estate;
4. Providing such other and further relief as the Court deems necessary and appropriate.

DATED this 1<sup>st</sup> of November 2024

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

  
\_\_\_\_\_  
GEOFF WINKLER, Receiver

Respectfully submitted this November 1, 2024

GREENBERG TRAURIG, LLP

*/s/ Kara B. Hendricks*

\_\_\_\_\_  
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***Attorneys for Receiver, Geoff Winkler***

**CERTIFICATE OF SERVICE**

I hereby certify that on **November 1, 2024**, a true and correct copy of the foregoing **THIRTEENTH 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 TRAURIG, LLP



**INDEX OF EXHIBITS**

<b>EXHIBIT</b>	<b>DESCRIPTION</b>
Exhibit A	STANDARDIZED FUND ACCOUNTING REPORT
Exhibit B	EAST WEST BANK RECEIVERSHIP ACCOUNT REGISTER

# 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 07/01/2024 to 09/30/2024

FUND ACCOUNTING (See instructions)				
		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 07/01/2024):	10,251,502.76		
	<b>Increases in Fund Balance:</b>			
Line 2	Business Income	-		
Line 3	Cash and Securities (in transit)	-		
Line 4	Interest/Dividend Income	32,112.20		
Line 5	Business Asset Liquidation	-		
Line 6	Personal Asset Liquidation	-		
Line 7	Third-Party Litigation Income	129,990.24		
Line 8	Miscellaneous - Other	-		
	Total Funds Available (Lines 1 - 8):		162,102.44	10,413,605.20
	<b>Decreases in Fund Balance:</b>			
Line 9	Disbursements to Investors	(10,000.00)		
Line 10	Disbursements for Receivership Operations			
Line 10a	Disbursements to Receiver or Other Professionals	(181,330.49)		
Line 10b	Business Asset Expenses	-		
Line 10c	Personal Asset Expenses	-		
Line 10d	Investment Expenses	-		
Line 10e	Third-Party Litigation Expenses	-		
	1. Attorney Fees	(2,351.09)		
	2. Litigation Expenses	(2,302.16)		
	Total Disbursements for Receivership Operations		(185,983.74)	
Line 10f	Tax Administrator Fees and Bonds		-	
Line 10g	Federal and State Tax Payments		-	
	Total Disbursements for Receivership Operations			(195,983.74)
Line 11	Disbursements for Distribution Expenses Paid by the Fund:			
Line 11a	Distribution Plan Development Expenses:			
	1. Fees:			
	Fund Administrator.....	-		
	Independent Distribution Consultant (IDC).....	-		
	Distribution Agent.....	-		
	Consultants.....	-		
	Legal Advisers.....	-		
	Tax Advisers.....	-		
	2. Administrative Expenses	-		
	3. Miscellaneous	-		
	Total Plan Development Expenses		-	
Line 11b	Distribution Plan Implementation Expenses:			
	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	-		
	Total Plan Implementation Expenses		-	
	Total Disbursements for Distribution Expenses Paid by the Fund			-
Line 12	Disbursements to Court/Other:			
Line 12a	Investment Expenses/Court Registry Investment System (CRIS) Fees	-		
Line 12b	Federal Tax Payments	-		
	Total Disbursements to Court/Other:		-	
	Total Funds Disbursed (Lines 9 - 11):			(195,983.74)
Line 13	Ending Balance (As of 09/30/2024):			10,217,621.46
Line 14	Ending Balance of Fund - Net Assets:			
Line 14a	Cash & Cash Equivalents		10,217,621.46	
Line 14b	Investments		-	
Line 14c	Other Assets or Uncleared Funds		7,487,920.50	
	Total Ending Balance of Fund - Net Assets			17,705,541.96

**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 07/01/2024 to 09/30/2024

OTHER SUPPLEMENTAL INFORMATION:				
		Detail	Subtotal	Grand Total
<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>	Investment Expenses/CRIS Fees		-	
<i>Line 16b</i>	Federal Tax Payments		-	
	<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>	# of Claims Received This Reporting Period	-		
<i>Line 18b</i>	# of Claims Received Since Inception of Fund	485		
<b>Line 19</b>	<b>No. of Claimants/Investors:</b>			
<i>Line 19a</i>	# of Claimants/Investors Paid This Reporting Period	-		
<i>Line 19b</i>	# of Claimants/Investors Paid Since Inception of Fund	-		

Receiver: Geoff Winkler

By: Geoff Winkler  
(printed name)Chief Executive Officer  
American Fiduciary Services LLC  
Receiver, Profit Connect Wealth Services, Inc.

Date: October 31, 2024

# EXHIBIT B

# EXHIBIT B

**EAST WEST BANK RECEIVERSHIP ACCOUNT**

## EAST WEST BANK RECEIVERSHIP ACCOUNT (A/E 0015)

July 1, 2024 - September 30, 2024

<i>Date</i>	<i>Type</i>	<i>Amount</i>	<i>Payee</i>	<i>Memo</i>
07/02/2024	Deposit	203.06	Kiyoung Paik Payment Plan	Litigation and Settlements
07/02/2024	Deposit	100.00	Jocelyn Morris Payment Plan	Litigation and Settlements
07/02/2024	Deposit	200.00	John Morris Jr Payment Plan	Litigation and Settlements
07/09/2024	Check	-2,302.16	Cathy Sosebee & Associates	Other Expenses
07/09/2024	Check	-1,275.00	Law Offices of Layton Zant Woodul	Other Expenses
07/16/2024	Income Adjustment	1,214.00	Ryan Therriault Payment Plan	Litigation and Settlements
07/17/2024	Expense Memo	-35,430.40	Geoff Winkler, Receiver	Receiver Compensation
07/17/2024	Expense Memo	-367.34	Geoff Winkler, Receiver	Receiver Expenses
07/17/2024	Expense Memo	-355.26	Greenberg Traurig	Attorney for Receiver Expenses
07/17/2024	Expense Memo	-9,354.94	Greenberg Traurig	Attorney for Receiver Fees
07/17/2024	Wire Out	-554.52	Smiley Wang-Eckvall, LLP	Attorney for Receiver Fees
07/17/2024	Wire Out	-8,310.96	Raines Feldman Littrel LLP	Attorney for Receiver Fees
07/17/2024	Expense Memo	-24,304.30	Technology Concepts & Design, Inc.	Consultant for Receiver Expenses
07/17/2024	Expense Memo	-109.20	Technology Concepts & Design, Inc.	Consultant for Receiver Fees
07/17/2024	Wire Out	-1,021.20	Baker Tilly US, LLP	Accountant for Receiver Fees
07/22/2024	Deposit	203.06	Kiyoung Paik Payment Plan	Litigation and Settlements
07/22/2024	Deposit	200.00	John Morris Jr Payment Plan	Litigation and Settlements
07/22/2024	Deposit	100.00	Jocelyn Morris Payment Plan	Litigation and Settlements
07/31/2024	Interest Credit	10,842.35	East West Bank	Interest Income
08/02/2024	Deposit	300.00	John Morris Jr Payment Plan	Litigation and Settlements
08/15/2024	Deposit	300.00	John Morris Jr Payment Plan	Litigation and Settlements
08/30/2024	Interest Credit	10,809.28	East West Bank	Interest Income
09/06/2024	Income Adjustment	1,214.00	Ryan Therriault Payment Plan	Litigation and Settlements
09/20/2024	Expense Memo	-41,321.20	Geoff Winkler, Receiver	Receiver Compensation
09/20/2024	Expense Memo	-3,726.85	Geoff Winkler, Receiver	Receiver Expenses
09/20/2024	Expense Memo	-46.49	Greenberg Traurig	Attorney for Receiver Expenses
09/20/2024	Expense Memo	-17,180.19	Greenberg Traurig	Attorney for Receiver Fees
09/20/2024	Wire Out	-7,325.64	Raines Feldman Littrel LLP	Attorney for Receiver Fees
09/20/2024	Wire Out	-27,386.80	Technology Concepts & Design, Inc.	Consultant for Receiver Expenses
09/20/2024	Wire Out	-4,535.20	Baker Tilly US, LLP	Accountant for Receiver Fees
09/23/2024	Deposit	203.06	Kiyoung Paik Payment Plan	Litigation and Settlements
09/23/2024	Deposit	203.06	Kiyoung Paik Payment Plan	Litigation and Settlements
09/23/2024	Deposit	200.00	John Morris Jr Payment Plan	Litigation and Settlements
09/23/2024	Deposit	100.00	Jocelyn Morris Payment Plan	Litigation and Settlements
09/24/2024	Check	-1,076.09	Veritext	Other Expenses
09/25/2024	Wire In	125,250.00	Allianz Life Insurance	Litigation and Settlements
09/27/2024	Check	-2,500.00	Settlement Payee	Settlement Payment
09/27/2024	Check	-2,500.00	Settlement Payee	Settlement Payment
09/27/2024	Check	-2,500.00	Settlement Payee	Settlement Payment
09/27/2024	Check	-2,500.00	Settlement Payee	Settlement Payment
09/30/2024	Interest Credit	10,460.57	East West Bank	Interest Income