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Good afternoon and thank you for joining us for today's telephone conference regarding the Securities and Exchange Commission versus Profit Connect Wealth Services Incorporated.

I'm here to introduce myself to tell you a little bit about the process that we're going through and then to answer some of the questions that have been submitted to us by you, the investors, and other affiliated people in this case.

First, I wanted to have an opportunity to introduce myself. My name is Geoff Winkler. I am the court appointed receiver for Profit Connect Wealth Services.

I own and manage a company by the name of American Fiduciary Services and my team of colleagues and employees worked with me on this case to complete the tasks that we needed to get done.

I did want to take an opportunity before we get started with the questions just tell you a little bit about what a receivership is, how a receivership works, what the different steps are that will be involved and then what the timing looks like.

After that point, then we will get into some of the questions that have been submitted to us and give you an opportunity to get some of the answers that you've been looking for.

A Receivership is a case that has been filed by a government regulatory body. In this case, it was the Securities and Exchange Commission. And they filed the case because they were concerned that investors, money may be lost or dissipated by Profit Connect. They went to court, and they filed documents that supported that notion and then asked for the appointment of a Receiver.

A Receiver is a fiduciary, which is to say that I am a neutral 3rd party.

I don't work for the Securities and Exchange Commission, and I don't work for Brent Kovar, Joy Kovar, or anybody else associated with Profit Connect. Instead, I'm appointed as a fiduciary to take control of the assets of Profit Connect and to control the business.

I am appointed by the Federal District Court in which the case was filed, and I answer to the judge in which was assigned to this case.

The idea behind appointing a neutral 3rd party, like a Receiver is to protect the assets of the investors to be able to work through and do the investigation necessary and ultimately, to get that money back into the hands of investors at the right time.

Ultimately though, the idea behind a Receiver is we work for the benefit of all investors. Anybody who has money invested in this case, our job is to protect that money and to see that you get it back as soon as possible.

There are multiple steps to this process that we go through in a Receivership.

The very first thing that we did, in this case, we did an evaluation of the underlying business. As many of you know, the business was reporting to mine crypto currency and was making money in that way.

Ultimately, after reviewing the business operations, reviewing the mining activity, it was determined that the business was not viable going forward.

In fact, the business had failed to make any type of profits on the work it was doing. And, only generated crypto currency for approximately one week prior to the beginning of the case and had mined less than $3,000 dollars overall.

The next thing that we do is we begin an investigation to determine who put money into the business, who took money out of the business, what things were purchased, where those things are and just begin looking into who else might be involved in the business and, other claims that we may have in the case.

As part of that investigation, we will complete forensic accounting and what that will do, is that will tell us every dollar that has come into the business and every dollar that left the business. Then we can make sure that the people who put in money, get the money back, and that money that was spent, we can go after and try to locate the source of where that money was used and determine what assets are available and ultimately liquidate those assets for the benefit of all investors.

Which leads us to the next piece, which is the asset sales.

In this case, we have assets made up of a couple of different categories. We have money that's in the bank of approximately $4 Million dollars. We have cryptocurrency, which is being held approximately $3 Million dollars, but as many of you know, in that industry, that price fluctuates daily based on the price of the cryptocurrency at any given time. And then we have real property located in both Las Vegas, and in Searchlight, Nevada.

Right now, we are beginning to develop a plan as to how we are going to sell these assets to maximize the return to investors.

What we do not do is hold fire sales, sell things into discount.

What we are looking to do is figure out the best way to sell these items. The most cost-effective way to sell them also maximizing the return to you, the investors.

The next piece that we do in that process, and these-just so you know-these steps are not necessarily in order. Oftentimes, they overlap each other.

But then the next part of the process is to do what we call a claims process and that will give anybody who feels that they are owed money by Profit Connect an opportunity to make a claim against the estate.

Given the quality of the records that we found onsite and were able to develop over the course of these last couple of months, we believe that this process will be a very streamlined process and should be very, very easy for most investors.

At the same time, we will also begin the 3rd party litigation process of the case. And what that means is that we're going to look at professionals and other parties who are involved in this case who may have liability due to the underlying fraud.

Charges that have been, levied in this case. And we'll look at those to determine if there is a source of recovery in those areas.

Next, we will work with the tax entities and other governmental entities to ensure that all taxes and everything have been properly accounted for.

And then, finally, we will make a distribution in the case, which means that's when you're going to get money back into your hands.

Now, oftentimes, in cases we will do an interim distribution where we distribute money, kind of throughout the case where we might distribute different pieces at different times leading up to a final distribution, which occurs right at the closing of the case.

At this point, we do not know exactly when that distribution will occur because we don't yet know the totality of the assets and liabilities we may owe taxing authorities, as well as ensuring that we have the totality of all the claims in the case.

And that's really kind of the way that this process goes, the amount of time that can take can vary. But it would be untypical to last less than 18 months. And it's more likely to last somewhere between 3 and 4 years to completion.

We do feel like we've gotten a little bit of a head start in this case, and that we will be able to shorten some of those timelines. But there are still many things that are unknown that we still have to work through in order to determine what that final timeline will look like. We will continue to update investors and others as we work through this case, and letting you know where we're at in the process. In addition, we file a quarterly report with the court, which will be posted on our website and made available to you. That just tells you the current status of the case, where we're going, what things we're working on, and how we propose to ultimately wrap up the case at the end.

Now I'm going to move on to some of the questions that we've had presented to us and talk about them.

And keep in mind that the answers we provide today are based on the information that we know today, and are subject to change and we're hopeful that, as we continue to work through this process, we will discover additional assets, we will discover additional opportunities for return to investors so that we can get back as much of your money as possible.

The first, group of questions surrounds accounting and that process. And the question is “how much money is owed to investors and how much more do you see being recovered?”

Right now, we believe the total amount owed to investors is about $24 Million dollars. We're still conducting an audit of the deposits that were made, so we can ensure that all the money that was claimed to have come in, came in and that there isn't any money that was not accounted for in the system.

As far as how much more do we see being recovered in this case? That is a big unknown at this point.

Because again, we're going to be selling off these assets, which, the value is currently undetermined in addition to the 3rd party litigation, which typically brings in a substantial portion of the ultimate return to investors.

“How much cryptocurrency and cash did Brent and Joy have? And are they still in the possession of the cryptocurrency?” As I mentioned earlier, we have just over $4 Million dollars in cash in the bank that was frozen at the time of the receivership that we are now in possession of and is being held for the benefit of investors. In addition, we have approximately $3 Million dollars in cryptocurrency, which is currently being held as well.

We have possession of the cryptocurrency and we do not believe that Brent or Joy have any additional cryptocurrency that belongs to Profit Connect.

We are continuing to investigate that and look for other sources of that revenue, or any of those funds being held. But at this time, that is what we know.

The next question is “how much money were the supercomputers making per month?” I think that this is a big opportunity to dispel a lot of what was happening there at Profit Connect.

Most of the computers that were being used, actually all the computers that were being used there, don't necessarily fall into the category of supercomputer. They are more like an elite gaming computer that you would use out of your home that you could purchase the components from Newegg, Best Buy, or any of those electronic retailers.

They did have a few antminers, which are computers designed exclusively for mining Bitcoin, but that was a real small percentage of the overall mining activity that was occurring.

Part of this note said that they were under the understanding that approximately $33 Million dollars per month was being mined and, based on the interviews that we did and the evidence that we saw on site, it appears that they were only mining Bitcoin or cryptocurrency in general for approximately 1 to 2 weeks, prior to our taking over this case and becoming involved.

And as I said before, the amount of cryptocurrency that was made was around $2,000 - $3,000 dollars at the most. They had not been doing it for any significant time.

There are some people that believe that there was a Pasadena data center that was also mining Bitcoin, but we ultimately determined that to be false.

Questions about assets: one of the things that is a unique portion of this case, is that Profit Connect allowed people to invest through equity in their home and did so by taking a deed of trust in the property.

The question is, “how is that impacted by this case?” What I have to say on that is that we are currently reviewing those transactions, but ultimately our plan is to release those liens on those properties as no cash exchanged hands. And therefore, there isn't a legitimate claim to the property.

We are still reviewing that to make sure that is the ultimate decision, and we will work with those 14 people individually to ensure that the proper steps are taken, in that regard.

The next question regarding assets is, “what is the status of the property in Searchlight that was supposedly purchased?” We can verify that approximately $1.3 Million dollars in property was purchased in Searchlight in the name of Profit Connect that was ultimately to be used to build out another one of these data centers that they claimed to have.

What we've determined is that property right now is bare land, and we are working on a plan for the best way to effectuate the sale of that property in order to return those funds back to investors.

Then, that leads to the point of, why are we building these data centers? What was the purpose of them?

It's important to note that in this process that we determine that they had never developed a proof of concept on the idea of how they were going to run these super computers and how they were going to have an advantage in mining.

Crypto currency mining is a very competitive business. You have to have the most state of the art equipment. You have to figure out ways to keep the equipment cool in order to run at optimum levels. And the way that they had planned to do that, had been tested in the week prior to us coming in. And unfortunately, despite running numerous tests, well over a dozen different trials, we were unable to make the system that they had put in place work. And because of that, the computers would fail, they would shut down and even burned up a couple of the computers in the process because they were just unable to stay cool enough in that process.

There was no competitive advantage in mining Bitcoin or Ethereum, or any of the other cryptocurrencies.

The idea of having a secondary location in Searchlight to build out these warehouses was way ahead of the business plan in order to justify being able to do that. We first had to make sure that the data center itself would work and in order to justify the data center, we actually had to make sure that we could get a small-scale proof of concept to work. And unfortunately, based on the parameters that we had in place and some others that we tried, we were just unable to make it work.

The next group of questions involves claims, when will the claims process start and what steps can investors take to ensure that they receive their share of any recovered assets.

The question of when the claims process will start really has more to do with when we get the forensic accounting portion of the work done. By us getting the forensic accounting completed ahead of time, it will allow us to simplify the claims process and instead of requiring investors to prove every penny that they ever put into Profit Connect, it will allow us to reach out to investors with what we believe to be their investment and allow them to either agree or disagree and supply documents at that time.

It simplifies the process; it reduces the costs in the process and ultimately investors find that that process is a much simpler way to go. We're continuing to work on the forensic accounting as we speak, we're working diligently to get it done because that is a big piece of what we're doing not only in the claims process, but also an asset location. We are working diligently on that and hope to get that done as quickly as possible.

What steps must investors take to receive their share of any recovered assets? When that claims process happens, it's going to be very important that you pay attention to any notice that you receive either via email or via mail because, as part of that process, you will see information relating to claims and you will have an affirmative duty to return that information.

Now we go over and above when working with investors to make sure that we get the claims that we are expecting to get. If for some reason, you don't get the initial notice it is likely that we will continue to try to reach out to you. But it will be your responsibility to make sure that you get a claim filed in time.

There's nothing you need to do today. We ask that you don't send us documents today, allow us to work through the process and get the claims process started because it will be a much simpler process and ensure that we have all the information that everybody needs at that time.

The next question related to claim is how much money will I get back? Is it going to be interest, principle, or both?

And the answer of how much money will I get back is a difficult question to answer at this time, because if it's based on the amount of money we have today, that's going to be way different than the amount of money we anticipate having a year from now.

And we can't yet say what that number is going to be. As we continue to work through this case and get a better idea of the asset value and the third-party litigation value, we will begin to get a better idea of what that number will look like. But as of today, it would be impossible for us to produce a number that would be accurate in some time from now.

And the question is, are you getting interest or just principle; a lot of that depends on the ultimate outcome of the case. Typically, in these types of cases we do what is called a money in money out analysis. And then, essentially, what that means is that any principle you put in, so any money that you put into the company minus any money you've got back from the company would be the total amount of your claim and interest claims would typically only be looked at and accepted if we are able to pay back 100% of the principal owed to all investors.

We do that out of a sense of fairness to everyone because we want everybody to be on the same footing. And the courts require that we do a pro rata distribution, which means everybody gets an equal percentage of the pay based on all the investors in the case.

When will I get my money back?

We have to wait until the end of the case.

What does that timeline look like? This is a common question we get, and the answer is, unfortunately, it depends. There are a few things that go into this part of it. How much money do we have available at any given time? Do we know if there's any tax liabilities that have a claim to any of that money? And then, ultimately determining what we think that the total payout will be over time.

Once we get those claims done, and we understand what the total amount of claims is, then we will begin looking at the process of doing an interim distribution, assuming that we don't have any tax issues that we have to work through. First our hope is, like I said, ultimately to do an interim distribution in this case, so we can get money into your hands as quickly as possible. But we don't yet know what that timeline looks like. There's a lot of things that are unfortunately out of our control, including litigation, the courts and other things that establish timelines that we have no control over.

And we work as diligently as we can towards that process, but we have no idea what ultimately that will look like timing wise.

Some of the general questions that we've received regarding this case, what happened to the company is it still operating? The answer is, no, the company is no longer operating in a traditional sense.

We are not mining Bitcoin any longer, because we were unable to cover the overhead associated with even running the computers just the basic electricity costs, let alone the overhead of the warehouse, and the cost of the components.

We gave it a good shot. We spent weeks looking at the business, trying to figure out ways to make it work, evaluating other options that might have worked. And ultimately, based on the decision of my team, the IT professionals involved within Profit Connect and a group of IT professionals on my team, we determined that it was not feasible in order to make enough money to cover the overhead involved with running the company. The company's operations had been shut down, and we are now working through the process of liquidating the assets within the company.

This includes the warehouse location in Las Vegas as well as the assets in Pasadena and in the retail center in here in Las Vegas.

All locations are closed at this point, and for all of them, we're in the process of determining the best way to sell off the assets.

What should you do about your taxes this year? Can you write off the loss? There are opportunities to write off what is considered a death loss. Unfortunately, we are not, able to give either legal advice or accounting advice as it relates to your specific instances. Just know that there are those opportunities available, and we'd highly recommend that you reach out to an accountant who would be able to help you. With that being said, in order to make those deductions, you are going to need to have a little more information than you probably have today, including the amount of money that you actually anticipate getting back. You can determine the ultimate amount of your loss because based on the information we have today, there's no chance that you're not getting something back so everybody will get something back. Therefore, the amount of the total loss is not yet known.

How do I stay up to date on the information and progress of the case? The number one way to ensure that you're getting everything you should get, is to sign up on our website. There is a form there where you can give us your name, your email, your phone number, and that will allow us to ensure that any time anything important happens in the case, we can send you notice.

As different documents are filed in the case, we will be sending those out to investors. Based on the need for information, we will file quarterly reports, which we will be sending out to investors and anytime anything of any importance such as asset sales, third party litigation, any of those important things that come up, we will be filing, or we will be emailing investors that information as well as being able to find it on our website. We do load all the documents that we file with the court on the website. You can download those forms and read them for yourself. I highly recommend that you get on the website and that you read the documents that have been filed.

And then, when our first quarterly report gets filed at the end of October, that would be another important thing to see. You can really have an idea of the difference between what you understood Profit Connect to be versus what the reality of the case actually is. And you can understand the exact process that we're working through now and why it is, we're doing the things that we're doing.

How many total investors are there? How many victims are there? We're still working on a total number of investors in the case. We believe that number to be somewhere in the 700 to 800 range. But because of the way that the data was kept, including the lack of a complete accounting system, makes that number difficult to ascertain at this point. We are auditing as part of our forensic accounting to determine how many of the accounts that were created were legitimate accounts versus how many were dummy accounts and unfortunately, we have found evidence of all those things. We're pairing it down now to ensure that we have a complete list of everybody involved and how much money that they’re owed.

The next general question is, does Brent or Joy know either Elon Musk or Carl Icahn? I have no way of knowing whether they know them or not. I can tell you that Profit Connect had no business relationship with either Elon Musk, Carl Icahn, Warren Buffet, or anybody in any of their organizations.

Profit Connect, did not have any written business agreements with any other businesses that we've located at this point.

There are a couple of questions that came in regarding some legal things: are the lawyers hired by the receiver on behalf of all the clients?

The easy answer is that the lawyers that I hire are my lawyers- they're hired by me, and they do work for me. With that being said, I do work on behalf of all the investors. Ultimately, the work they do is to the benefit of all investors involved. They don't represent the investors individually as clients, but they do represent the interest of all investors as we work through this case. It's important to understand that my role as a receiver in this case is that I am judged ultimately, on what I do for investors, how much money I get back to you, how you're treated, the information that you get, those types of things. My ultimate goal is to make sure that investors are as happy as they can be under the circumstances and that they understand we are looking out for their best interest. We will be suing specific parties as we go throughout this case on behalf of all the investors. You should not feel like you necessarily have the need to run out and hire your own counsel to represent those interests. In fact, there is a restraining order, put in place by the court to prevent investors from going out and seeking their own remedies as to the named defendants in the case.

What I would say is give us an opportunity to show you what our plan is as we work through this and discover what those times will be. And then you can make the ultimate determination yourself if you think that you should hire outside counsel in order to ensure that your interests are taken care of.

I can tell you from previous experience that has not been the case and that most investors find, they don't need to hire their own counsel. But that will ultimately be a decision up to you as we progress with this case.

Next question is, are there criminal or additional civil charges brought against Brent and Joy Kovar?

The answer to that question is the SEC, when they file their case, it is a civil case, and it will be bringing civil charges and ultimately, that will be decided in the court system as to whether, or not there will be criminal charges filed against Brett and Joy. Unfortunately, we have no control over whether that happens. We will cooperate with the U.S. Attorney's office if they do choose to do an investigation, but we have no say, and whether or not they will be charged.

Are investors able to go to court hearings, or is it just regulators?

Unfortunately, in the time of Covid right now, there aren't in person court hearings that are open to the public. In fact, whenever we have a hearing, it's done telephonically.

If you were interested in joining the hearings as it goes forward, you need to reach out to the court and ask for the information in order to be able to access those hearings. My understanding is that those are available to the public, but you would have to get the dial in information specifically from the court.

Third-party litigation is another question that comes up. Are there third parties’ banks, agents, or insiders, the receiver may go after to seek recovery of additional funds for investors? Are agents to blame? Whether or not, we will go after third parties, the answer is yes, we will be going after third parties. Which third parties? Those are still being investigated. It would be very rare in a receivership that there aren't third parties that would be litigated against in order to recover funds on behalf of investors. Whether they're banks, agents or otherwise, we can't say at this point. We have to look at the facts underlying the case as we complete this investigation in forensic accounting and that will point us in the direction of who we think we should look at for potential litigation against. We want to be careful because, as we litigate these cases, we are spending investor money to do so. We only want to do so if we think that there's going to be recovery that will benefit the investors. We're not going to spend 100,000 dollars to make 100,000 dollars. That just doesn't make any sense. We look at the cases and determine whether we think that there is a case, what kind of returns that will be from the litigation and then make the decision as to whether or not it makes sense to do.

Will agents be paid their commissions?

The typical answer is no, because those commissions are part of a fraudulent scheme, which was not actually a legitimate investment. The mechanism in which you had been and in which the commissions had been calculated based on an investment in Profit Connect really doesn't exist. There is no real investment opportunity. This is a fraud. And because of that, the earnings from that are based on fraud, and because of that, it's very unlikely commissions will be paid. In some limited instances, there will be opportunities for others to be paid, who are part of the case, such as employees and others. But that is looked at on a case-by-case basis. Ultimately it will be up to the court to decide whether or not those should be paid. I don't have the ultimate say in in any of these things that we're talking about, whether or not you get paid, how you get paid for those things. It is ultimately up to the court to decide. My job is to act on, in what I believe, is the best interest of all investors, and then to supply that information to the court and ask them if they agree or disagree with my ideas. And based on that, that's how we will progress with the case. You will be seeing multiple motions that are filed in court regarding what we plan to do and how we plan to do it.

If you have an idea of a way that we should do something, please get that to us. We would love to hear that. As we've said, on our website, there's an opportunity there where you can sign up. But also, if you have questions, you can send those questions to contact@profitconnect-receivership.com. That information is on the website, or you can call our office. If you know of any assets that you don't believe that we know about or you're just not sure about, please reach out to us.

Oftentimes investors and other parties are some of our best sources of recovery, because they know about stuff that we don't know about. To the extent that you have some of this information, or even know of something, please do feel free to reach out to us. If you have an idea on the best way of selling some of the assets, if you think you have a better way of doing something, please do reach out to us because we are happy to listen and to take any advice or any input that you have. Otherwise, we will continue to move forward in the best interest of the investors. Like I said, we anticipate filing our first quarterly report at the end of October. In the interim, you'll be seeing some other motions being filed, including motions for authorization to sell personal property and a few other things.

I encourage you to continue to read the documents that are available to you. I encourage you to get on the website and register so we have your most recent contact information.

If you have any questions as a result of this call, if for some reason I have confused you and made the situation worse, then please do reach out to us and give us an opportunity to help you understand and allow us to work together. If you do have questions or want to speak with me individually, you're welcome to do so. Again, reach out to our office, or to contact@profitconnect-receivership.com, and we will get right back to you as soon as possible.

I appreciate you taking the time to have this call today, and for your patience and understanding, that this is unfortunately a long process with multiple different steps involved. We are doing things in the way that we think is the best way to do them to accomplish our goals of getting money back into the hands of investors. If you have questions about that, again please do reach out. And don't hesitate to call.

I appreciate your time and thank you very much for indulging us. Have a good day.