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10 *Attorneys for Receiver*  
*Geoff Winkler of American Fiduciary Services*

11  
12 **UNITED STATES DISTRICT COURT**

13 **DISTRICT OF NEVADA**

14 SECURITIES AND EXCHANGE  
COMMISSION,

15 Plaintiff,

16 v.

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

19 Defendants.  
20

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

**THIRD STATUS REPORT OF GEOFF  
WINKLER, RECEIVER FOR PROFIT  
CONNECT WEALTH SERVICES, INC.,  
AND PETITION FOR INSTRUCTIONS**

**[Hearing Requested]**

21  
22 Geoff Winkler of American Fiduciary Services, LLC, the permanent receiver for Profit  
23 Connect Wealth Services, Inc., and any subsidiaries and affiliates (together, "Profit Connect")  
24 submits his third status report regarding the receivership pursuant to Local Rule 66-4(b).

25 **I. SUMMARY OF PROFIT CONNECT BUSINESS OPERATIONS**

26 Profit Connect was incorporated on May 2, 2018, in the state of Nevada. Joy Kovar was  
27 the President and Treasurer, her son Brent Kovar was the Director, and Mark Wildes was the  
28 Secretary. Ms. Kovar owns nearly all of Profit Connect and Mr. Wildes and Eric Garrison are

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1 owners of a small percentage of the company. The late Donald Sabisch (also known as Eddie  
2 Kona) and Mr. Garrison have been mentioned by Mr. Kovar as founders and, in the case of Mr.  
3 Sabisch, an employee of Profit Connect. For practical purposes, Mr. Kovar was primarily  
4 responsible for managing the day-to-day operations of Profit Connect, despite almost all corporate,  
5 legal, and financial documents and accounts being in the name of Ms. Kovar.

6 Profit Connect conducted business in a warehouse facility located at 6955 Speedway Blvd,  
7 T101 & T102, Las Vegas, NV 89115 and a retail office space located at 6569 Las Vegas Blvd S.  
8 C-165, Las Vegas, NV 89119. They stored office equipment and additional assets at a third  
9 location, the “Pasadena Data Center,” located at 2770 E. Walnut Street, Pasadena, CA 91107,  
10 although this location was never in operation, despite statements to the contrary. Additionally,  
11 Profit Connect kept a mailbox at a UPS store located at 4262 Blue Diamond Rd., Ste 102-373, Las  
12 Vegas, NV 89139.

13 Profit Connect advertised as a business that primarily mined cryptocurrency, as well as  
14 validated credit card transactions, while engaging with Star Link, Elon Musk, Berkshire Hathaway,  
15 and other notable persons and businesses. They promoted building and running “Super  
16 Computers” that were cooled using magnetic fields, dielectric (mineral) oil, and liquid nitrogen  
17 within cylinders, allegedly allowing them to overclock their mining computers to verify blockchain  
18 transactions faster than anyone else using their custom-made mining algorithms. They promoted  
19 their success on their website and social media, guaranteeing investors a 20%-30% return for  
20 purchasing computer seat time with zero risk. They assured their investors their funds were FDIC-  
21 insured and encouraged customers to become agents who would then make commissions off their  
22 referrals who started a “Wealth Builder” account.

23 Despite these assertions, there is no evidence that Profit Connect ever performed validation  
24 services for credit card processing companies or any of the other companies listed throughout their  
25 marketing materials. Profit Connect was, however, attempting the business of mining  
26 cryptocurrency, with mining activities commencing about one week before the start of the  
27 temporary receivership. This observation was contradictory to what Profit Connect had told  
28 investors and agents, which is that they had been mining for years and were very successful. Profit

1 Connect mined approximately \$300 in total cryptocurrency when operations ended with the  
2 commencement of the permanent receivership. This is a gross figure and does not account for the  
3 cost of computers, labor, or electricity. The custom algorithm that Profit Connect touted as a  
4 difference-maker ultimately did not work and they ended up buying widely-available, off-the-shelf  
5 standard mining software. During the period of the temporary receivership, the receiver's team of  
6 computer experts coordinated extensively with Profit Connect's IT professionals but were unable  
7 to produce a proof-of-concept model that would be able to cool the mining computers in such a  
8 way that provided any competitive advantage in the cryptocurrency mining space. Ultimately, the  
9 business was deemed non-viable.

10 Profit Connect retained outside sales agents ("Agents") who marketed the Profit Connect  
11 business. To become an Agent of Profit Connect, a person would usually pay \$49 per month, and  
12 this provided them with a webpage, business cards, an ID card, and a phone extension. The Agent  
13 structure of Profit Connect was comparable to other multilevel marketing businesses in that Agents  
14 could have up to five levels of Agents working underneath them, generating commissions for  
15 everyone in the referral line every time a new customer invested. Agents were quoted on Facebook  
16 telling followers, "[w]e brought in another \$12 Million yesterday which makes a total of \$171  
17 Million in 18 months, and we still have another \$72 Million committed!!" Profit Connect  
18 promoted content saying "Profit Connect has achieved the status of Business Advantage Platinum  
19 Honors tier member with Bank of America, which is their highest level of account accolades and  
20 benefits. This account status is a result of Profit Connects financial success as proven by  
21 maintaining high account balances." At the time of the receivership, Brent Kovar stated that he  
22 thought they had 1,000-2,000 agents, but records reveal that number is closer to 650, with only  
23 about 150 ever being paid commissions, pending final analysis in the Receiver's accounting. Most  
24 investments in Profit Connect were made by sending checks, wiring funds, or bringing cash to one  
25 of their locations. Some investors agreed to Profit Connect's offering of putting a lien on their real  
26 property in exchange for purchased computer seat time.

27 Additionally, Mr. Kovar continued to expand his vision for Profit Connect without a proven  
28 business concept. This included partnering with casinos to install cylinders with supercomputer

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1 rigs in their pools which would heat the pools, and mining cryptocurrency at the same time.  
2 Secondly, he tried to lease thousands of additional square feet of retail space to train employees in  
3 the “Wealth Builder Mortgage” product and provide space for a growing team of international  
4 agents. He also purchased raw land in Searchlight, Nevada, with the plan of building three million  
5 square feet located next to a solar farm and dangle installed cylinders with supercomputers from  
6 houseboats in Lake Mohave. The land was purchased in Profit Connect’s name with the additional  
7 intent to build houses on the Searchlight properties to provide housing to employees. Mr. Kovar  
8 tried to purchase the remaining parcels in Searchlight but was delayed due to water and septic  
9 issues in the area. At the time of the receivership, they were negotiating a repair in order to  
10 effectuate the purchase of the additional properties and had already signed earnest money  
11 agreements. Lastly, Mr. Kovar purchased a house that he and Ms. Kovar were living in and claimed  
12 that it would be a prototype for houses to be built in Searchlight.

13 Profit Connect had a total of 21 employees on the payroll as of July 2021. Employees in  
14 the warehouse were responsible for operating heavy machinery, building tanks and rigs, using  
15 hand tools, stocking supplies, troubleshooting development issues, unloading trucks, storing  
16 delivered goods, and picking up materials. Employees that were responsible for administrative and  
17 marketing tasks included producing promotional videos, new client development, creating  
18 graphics, operating machinery, making investor spreadsheets, checking mail, answering phones,  
19 paying bills, processing payroll, scanning in checks, and cleaning. Finally, there was a small group  
20 of IT employees that was responsible for keeping internal systems running, assembling computers,  
21 working on the mining algorithm, and running cooling tests using the dielectric oil and pool  
22 chillers.

23

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

25 **1. The Receiver’s Investigative and Marshalling Operations**

26 The Securities and Exchange Commission initiated this action against Profit Connect, Ms.  
27 Kovar, and Mr. Kovar on July 8, 2021, when it filed an ex parte complaint and motion for  
28 temporary restraining order seeking, among other things, the freezing of defendants’ assets and the

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1 appointment of a receiver over Profit Connect. The Court granted the ex parte temporary  
2 restraining order, in part, by allowing the asset freeze to proceed but set the motion for a hearing  
3 on the other matters for July 26, 2021.

4 On July 23, 2021, the Defendants stipulated to modify the temporary restraining order to  
5 appoint Geoff Winkler as the temporary receiver, giving him limited powers. The Temporary  
6 Receiver immediately deployed his team to Profit Connect's locations and imaged Profit  
7 Connect's electronic records, interviewed its principals and employees, reviewed books and  
8 records, and observed Profit Connect's business. The Temporary Receiver ensured all bank and  
9 cryptocurrency accounts were frozen and obtained records that enabled him to determine the  
10 activity within the cryptocurrency account.

11 On August 6, 2021, following another stipulation of the parties, the Court converted the  
12 temporary restraining order to a preliminary injunction and appointed the Temporary Receiver as  
13 the Permanent Receiver of Profit Connect. See Receivership Order (ECF No. 26.) The Receiver  
14 and his team spent an additional week at the Las Vegas location overseeing the operations and  
15 attempting to find a solution that would allow Profit Connect to continue to operate legally and  
16 profitably to maximize return to investors. Mr. Kovar, Ms. Kovar, investors, agents and the Profit  
17 Connect employees were cooperative with the Receiver and his team. A business plan for Profit  
18 Connect was not completed prior to the receivership and was requested of Mr. Kovar by the  
19 Receiver, upon arrival. Extensive interviews were conducted with the employees and certain  
20 Agents. The Receiver held a staff meeting to inform employees about the receivership and the case  
21 and what to expect, in addition to answering any questions at that time.

22 A few employees requested to meet with the Receiver outside of the Profit Connect  
23 facilities so they could speak candidly. The Receiver and his team met with these individuals to  
24 better understand their concerns and gather additional information that benefited the receivership  
25 estate. The Receiver, his staff, and the Forensic IT team spent several weeks collecting and  
26 reviewing data, communicating with Profit Connect parties, observing operations, and  
27 documenting assets and information. After determining that there was no viable business to  
28 continue operating, the Receiver terminated the employees and closed the offices, only retaining a

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1 few employees on a contract basis to assist with the wind-down of operations and preparation for  
2 the sale of the personal property.

3 The Receiver and his team canceled services, consolidated locations and moved all assets  
4 from the Pasadena location and the Las Vegas retail store to the warehouse to complete the  
5 inventory of all personal property. Following the completion of the inventory and receiving court  
6 approval, the Receiver and his team held a virtual auction for all personal property from the retail  
7 store, the Pasadena location, the North Las Vegas home, and the Speedway warehouse which  
8 ended on December 15th. The auction concluded with a net profit of \$1,259,817, far exceeding  
9 initial expectations. The Receiver's push to quickly seek Court approval for the sale of the personal  
10 property maximized the value of those assets by selling them in the same model year they were  
11 purchased, and before new models were produced. This, combined with the current international  
12 microchip shortage, allowed the Receiver to exceed all expectations for the auction and ultimately  
13 will allow him to return more money back to investors. This prompt sale also allowed the Receiver  
14 to turn the building back over to the landlord in December and thereby reduce the monthly cost to  
15 the estate by over \$25,000 per month.

16 During this reporting period, the Receiver concentrated on liquidating Profit Connect's real  
17 property. The receiver retained Braun International Real Estate Company as his real estate broker  
18 to list and sell the real property owned by Profit Connect in North Las Vegas, Nevada and  
19 Searchlight, Nevada, with the goal to maximize the sale price and reduce the cost to the estate for  
20 maintaining the properties and paying property taxes. The Receiver accepted an offer of \$555,000  
21 for the home located at 7043 Calvert Cliffs Avenue, North Las Vegas, NV. The offer accepted was  
22 above the listing price and closing is anticipated to commence in May of 2022. The eight parcels  
23 of Searchlight land are listed for sale and marketing will increase in Q2 of 2022.

24 In addition, the Receiver entered into a provisional settlement agreement with former  
25 Profit Connect employee Ramona Uriarte for transfers from Profit Connect in the approximate  
26 amount of \$387,786.94 to facilitate her purchase of certain residential real property located at  
27 7138 Calvert Cliffs Street, North Las Vegas, Nevada 89084. Ms. Uriarte has agreed to repay the  
28 \$387,786.94 along with a total of \$8,000 in interest payments in the amount of \$2,000 per

1 month, to account for her continued use of Profit Connect funds. The Receiver's counsel filed a  
 2 motion seeking approval of the provisional settlement (ECF No. 84) and the Court entered the  
 3 order approving it on May 5, 2022.

4 The ongoing investigation by the Receiver and his team has led to additional assets being  
 5 identified during this reporting period. A cryptocurrency account was identified, seized, and  
 6 liquidated for \$58,400. Two additional financial institution accounts were found. The combined  
 7 balance of \$41,224 was transferred into the receivership estate. Additionally, an insurance claim  
 8 against Profit Connect's Businesses Owners Policy was received for the maximum policy  
 9 amount of \$25,000.

10 During this reporting period, the Receiver has collected \$1,387,659.71, and paid  
 11 \$325,154.52 in expenses of the receivership estate. The breakdown of these cash flows and the  
 12 current balance sheet are as follows:

<b>SEC v. Profit Connect Wealth Services, Inc. et al</b>	
<b>Summary Cash Flow Statement</b>	
<b>March 31, 2022</b>	
<b><i>Cash at Beginning of Period</i></b>	<b>7,844,307</b>
<b><i>Cash Inflows</i></b>	
Auction Proceeds	1,259,817
Asset Recovery Cryptocurrency	58,400
Asset Recovery Bank Funds	41,224
Insurance Claim	25,000
Settlement Interest Payment	2,000
Personal Equipment Purchase	1,219
<b><i>Total Cash Inflows</i></b>	<b>1,387,659.71</b>
<b><i>Cash Outflows</i></b>	
Payments to Professionals	(324,425)
Asset Expenses	(5,294)
Warehouse Expense*	4,564
<b><i>Total Cash Outflows</i></b>	<b>(325,154.52)</b>
<b><i>Cash at End of Period</i></b>	<b>8,906,812</b>
* Includes refund of employment taxes	

**SEC v. Profit Connect Wealth Services, Inc. et al**  
**Summary Balance Sheet**  
**March 31, 2022**

<i>Assets</i>	
EWBK Account	8,906,812
Real Property**	1,600,000
Professional Liability Litigation**	5,000,000
Third Party Litigation**	3,200,000
<b>Total Assets</b>	<b>18,706,812</b>
<i>Liabilities</i>	
April 2022 Accounts Payable	30
Q1 2022 Professionals Payments	277,877
Accrued Professionals	140,939
<b>Total Liabilities</b>	<b>418,847</b>
<i>Equity</i>	
Net Cash Investors**	23,692,505
Retained Earnings	(5,404,540)
<b>Total Equity</b>	<b>18,287,965</b>

\*\* Accounts are estimated values and are subject to change as more information is available and the Receiver completes his forensic account.

As noted in the previous reports (ECF Nos. 52, 72), the Receiver's fees and those of his legal professionals have been necessitated, in no small part, by the nature of the entity in receivership. Specifically, Profit Connect had no books and records, including books of account. It had no functioning accounting department, including no person properly handling accounts receivables and payables. The Receiver has had to recreate, and is still in the process of recreating, accounting records by reconstructing the entity's financials using financial statements and offsetting financial records. The majority of these statements and records have had to be procured through subpoenas served on financial institutions. The subpoenas have necessitated work from the legal professionals, both in terms of issuing the subpoenas, but also in terms of negotiation and enforcement.

Despite the Receivership Order and the principles underlying a federal equity receivership, the Receiver has discovered multiple lawsuits filed by investors to recoup their investments ahead



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1 of other investors. One investor refused to either dismiss or stay his lawsuit pending the  
2 receivership, requiring the Receiver’s counsel to file a motion to enjoin the investor's lawsuit under  
3 the All Writs Act. Upon receiving a copy of the motion, the investor promptly dismissed his  
4 lawsuit. The Receiver is also aware of a putative class action that is being formed by a certain set  
5 of investors and counsel. The Receiver and his counsel have had to engage with counsel leading  
6 these anticipated and pending lawsuits to preserve the assets of the receivership estate.

7 Nevertheless, the Receiver’s work during the reporting period continues to add value to the  
8 estate, as he has identified potential claims that belong to the receivership estate by gathering  
9 information, issuing subpoenas, and reviewing books and records. Based on his continuing  
10 investigation, the Receiver anticipates there may be further litigation to clawback fraudulently  
11 transferred funds and/or seek damages related to Profit Connect.

12 Indeed, Stroz Friedberg has collected and processed over 20 Terabytes of data. The costs  
13 associated with Stroz Friedberg’s efforts at the beginning of the case, when the documents were  
14 being collected and processed, will ultimately result in lower receiver and attorney fees because  
15 the receiver’s team and counsel can conduct strategic searches to eliminate irrelevant data and  
16 narrow the review universe.

17 At bottom, the efforts of the Receiver and his team during the reporting period will pave  
18 the way for additional recoveries to be obtained by the estate.

19 **2. The Receiver’s Finance and HR Operations**

20 As noted in the previous reports (ECF Nos. 52, 72), Profit Connect has no identifiable  
21 accounting books and records, or processes and procedures normally in place to effectuate the  
22 typical financial and accounting activities of a business. During the period covered by this Third  
23 Report, the Receiver continued his efforts to investigate the accounting operations of the entities  
24 in receivership to fulfill his tax reporting obligations, to investigate and locate assets of the estate,  
25 and to complete his forensic accounting report. To date, the Receiver’s team has compiled over  
26 15,889 transactions from 28 identified accounts, which he is working with various vendors and  
27 financial institutions to reconcile.

28

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1 **III. INVENTORY OF ASSETS AND ESTIMATE VALUE (LR 66-4(b)(2))**

2 As of the date of this Report, the Receiver is holding over \$8.9 million in cash belonging  
3 to Profit Connect. The standardized fund accounting report for the period through March 31, 2022,  
4 is attached to this report as Exhibit A.

5 Aside from the cash, the major assets remaining in this case consist of real properties and  
6 claims against certain parties. The real property consists of a home purchased by Profit Connect  
7 located at 7043 Calvert Cliffs Avenue, North Las Vegas, NV. As noted in Section II of this status  
8 report, the home is under contract for the above-listing price of \$555,000 and will be sold in the  
9 next reporting period. In addition, Profit Connect owns eight parcels of raw land in Searchlight,  
10 Nevada. The Searchlight parcels are listed for sale and marketing efforts will increase in the next  
11 quarter.

12 The Receiver has also determined that Profit Connect holds several liens against homes  
13 across the United States. The liens appear to have been given by investors who were told that they  
14 could invest in Profit Connect by giving Profit Connect a lien against their residence for a particular  
15 amount, with the amount secured by the lien then being invested in Profit Connect. To the extent  
16 that no cash changed hands, the Receiver will seek Court authority to release these liens so that  
17 title can be fully reconveyed to the homeowners.

18  
19 **IV. SCHEDULE OF RECEIVER'S RECEIPTS AND DISBURSEMENTS (LR 66-  
20 4(b)(3))**

21 In addition to the foregoing, please see Exhibit A.  
22

23 **V. LIST OF KNOWN CREDITORS WITH ADDRESSES AND AMOUNT OF  
24 CLAIMS (LR 66-4(b)(4))**

25 LR 66-4 requires that the Receiver file a list of all known creditors with their addresses and  
26 the amounts of their claims. The Receiver has compiled a list of trade creditors from his ongoing  
27 investigation although he cannot yet vouch for its comprehensive accuracy. In connection with  
28 the Second Receivership Report (ECF No. 72), the Receiver requested entry of an order excusing

1 him from including investor names and addresses on proof of service filed with the Court. At the  
2 hearing, the Court approved that request until the procedure for filing claims is implemented and  
3 the Court orders otherwise. The Receiver submitted the order on the status report on March 7,  
4 2022 as document number 83, but the Court has not entered the order as of the filing of this Report.

## 5 6 **VI. OTHER ITEMS TO REPORT**

### 7 **1. Current and Future Litigation**

8 As noted above, multiple investors have filed actions in an effort to recoup their losses.  
9 The Court's receivership order (ECF No. 26) prohibits this. For instance, on September 30, 2021,  
10 Jeffrey Nicholas filed a lawsuit styled *Jeffrey Nicholas v. Troy Sutton*, Case No. 5:21-cv-00208-H  
11 in the Northern District of Texas, alleging that Troy Sutton, as a Profit Connect agent, negligently  
12 induced Mr. Nicholas and others into making Profit Connect investments. After Receiver's  
13 counsel moved to enjoin Mr. Nicholas's lawsuit (ECF No. 55), Mr. Nicholas dismissed his action  
14 and the Receiver withdrew his motion (*see* ECF No. 57). There was yet another investor lawsuit  
15 filed in Texas state court making similar allegations, albeit this time against Mr. Nicholas.  
16 Following discussion with filing counsel, the Receiver's counsel understands that lawsuit has been  
17 discontinued.

18 During his investigation, the Receiver has uncovered a number of fraudulent transfers from  
19 Profit Connect to various persons and entities. The Receiver has started to take action to claw  
20 back these transfers. On November 4, 2021, the Receiver's counsel filed a complaint seeking to  
21 claw back over \$500,000 in investor funds fraudulently transferred to former Profit Connect  
22 employee and agent William Roshak, along with his current wife and ex-wife. The action is styled  
23 *Geoff Winkler, as receiver v. William Roshak, et al.*, Case No. 21-cv-02000 and is pending before  
24 this Court. The pleadings are closed, initial disclosures have been made, and the parties have a  
25 settlement conference scheduled before Magistrate Judge Weksler on May 24, 2022.

26 As noted in the previous report (ECF No. 72), Mr. Kovar transferred approximately  
27 \$50,000 in investor funds to a local car dealership in connection with the purchase of a 2021 RAM  
28 1500 Bighorn truck for Jocelyn Morris's benefit and use. Ms. Morris relinquished the truck to the

1 receivership estate without the need for litigation. The truck was included in the personal property  
2 auction. In consideration of Jocelyn’s cooperation and the down-payment Jocelyn made on the  
3 truck, the Receiver agreed to ask the Court to authorize a \$1,000 payment to Jocelyn. The Court  
4 granted the request at the hearing on the Receiver’s previous report but has not yet entered the  
5 proposed written order approving the report (submitted as ECF No. 83.)

6 The Receiver anticipates filing further clawback actions as his investigation progresses, as  
7 well as damages actions for the role certain parties played in perpetuating the Profit Connect fraud.  
8 The Receiver expects to file a motion in the near term seeking approval to retain counsel in Texas  
9 on a contingency fee basis to pursue an action against certain Agents of Profit Connect.

10  
11 **VIII. RECOMMENDATION OF THE RECEIVER (LR 66-4(b)(5))**

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

16  
17 **IX. CONCLUSION AND PETITION FOR FURTHER INSTRUCTIONS**

18 Assuming the Court authorizes the Receiver to undertake the actions recommended herein,  
19 as well as to continue those actions provided for in the Appointment Order and any subsequent  
20 orders, the Receiver proposes to submit a further interim reports to this Court, addressing his  
21 progress, findings, final conclusions, and additional recommendations, approximately every 90  
22 days.

23 Accordingly, and based on the foregoing, the Receiver respectfully requests that the Court  
24 enter an order in the form attached hereto as Exhibit B:


- 25 1. Accepting this Third Status Report;
- 26 2. Authorizing the Receiver to continue to administer the Receivership Entities and  
27 their estate in accordance with the terms of the Appointment Order;
- 28

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1 3. Authorizing the Receiver to undertake the recommendations presented herein,  
2 including a continued engagement of those professionals he deems necessary for the proper  
3 administration of the Receivership Entities and their estate; and

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

6  
7 I, Geoff Winkler, verify under penalty of perjury that the statements made in the foregoing report  
8 are true and correct to the best of my knowledge.

9  
10 

11 \_\_\_\_\_  
12 Geoff Winkler, Receiver

13 Dated: May 6, 2022

14 SMILEY WANG-EKVALL, LLP

15 By: /s/ Kyra E. Andrassy  
16 Kyra E. Andrassy, Esq.  
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# EXHIBIT "A"

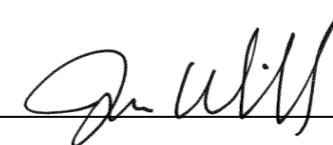
**STANDARDIZED FUND ACCOUNTING REPORT for SEC v. Profit Connect Wealth Services, Inc. et al.**  
**Receivership; Civil Docket No. 2:21-cv-01298-JAD-BNW**  
**Reporting Period from 08/06/2021 to 09/30/2021**

<b>FUND ACCOUNTING (See instructions)</b>				
		<b>Detail</b>	<b>Subtotal</b>	<b>Grand Total</b>
<b>Line 1</b>	<b>Beginning Balance (As of 01/01/2022):</b>	7,844,306.86		
	<b>Increases in Fund Balance:</b>			
<b>Line 2</b>	<b>Business Income</b>	-		
<b>Line 3</b>	<b>Cash and Securities (in transit)</b>	-		
<b>Line 4</b>	<b>Interest/Dividend Income</b>	-		
<b>Line 5</b>	<b>Business Asset Liquidation</b>	1,359,440.71		
<b>Line 6</b>	<b>Personal Asset Liquidation</b>	1,219.00		
<b>Line 7</b>	<b>Third-Party Litigation Income</b>	27,000.00		
<b>Line 8</b>	<b>Miscellaneous - Other</b>	-		
	<b>Total Funds Available (Lines 1 - 8):</b>		1,387,659.71	<b>9,231,966.57</b>
	<b>Decreases in Fund Balance:</b>			
<b>Line 9</b>	<b>Disbursements to Investors</b>			
<b>Line 10</b>	<b>Disbursements for Receivership Operations</b>			
<i>Line 10a</i>	<i>Disbursements to Receiver or Other Professionals</i>	(324,425.17)		
<i>Line 10b</i>	<i>Business Asset Expenses</i>	(729.35)		
<i>Line 10c</i>	<i>Personal Asset Expenses</i>	-		
<i>Line 10d</i>	<i>Investment Expenses</i>	-		
<i>Line 10e</i>	<i>Third-Party Litigation Expenses</i>	-		
	1. Attorney Fees	-		
	2. Litigation Expenses	-		
	<b>Total Disbursements for Receivership Operations</b>		(325,154.52)	
<i>Line 10f</i>	<i>Tax Administrator Fees and Bonds</i>		-	
<i>Line 10g</i>	<i>Federal and State Tax Payments</i>		-	
	<b>Total Disbursements for Receivership Operations</b>			<b>(325,154.52)</b>
<b>Line 11</b>	<b>Disbursements for Distribution Expenses Paid by the Fund:</b>			
<i>Line 11a</i>	<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	-		
	<b>Total Plan Development Expenses</b>		-	
<i>Line 11b</i>	<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	-		
	<b>Total Plan Implementation Expenses</b>		-	
	<b>Total Disbursements for Distribution Expenses Paid by the Fund</b>			<b>-</b>
<b>Line 12</b>	<b>Disbursements to Court/Other:</b>			
<i>Line 12a</i>	<i>Investment Expenses/Court Registry Investment System (CRIS) Fees</i>	-		
<i>Line 12b</i>	<i>Federal Tax Payments</i>	-		
	<b>Total Disbursements to Court/Other:</b>		-	
	<b>Total Funds Disbursed (Lines 9 - 11):</b>			<b>(325,154.52)</b>
<b>Line 13</b>	<b>Ending Balance (As of 03/31/2022):</b>			<b>8,906,812.05</b>
<b>Line 14</b>	<b>Ending Balance of Fund - Net Assets:</b>			
<i>Line 14a</i>	<i>Cash &amp; Cash Equivalents</i>		8,906,812.05	
<i>Line 14b</i>	<i>Investments</i>		-	
<i>Line 14c</i>	<i>Other Assets or Uncleared Funds</i>		9,800,000.00	
	<b>Total Ending Balance of Fund - Net Assets</b>			<b>18,706,812.05</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 08/06/2021 to 09/30/2021**

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>	Tax Administrator Fees & Bonds Not Paid by the Fund			
	<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>	DC & State Tax Payments			-
<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	-		
<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: April 29, 2022**



EXHIBIT A

**SECURITIES AND EXCHANGE COMMISSION v. PROFIT CONNECT WEALTH SERVICES, INC. ET AL.**  
**JANUARY 1, 2022 - MARCH 31, 2022 (1Q 2022)**

Receivership Bank Account Activity					
Date	Type	Amount	Name	Description	Ledger Category
01/04/2022	Check	(814.44)	Pridestaff	Auction Labor	Other Expenses
01/04/2022	Check	(2,081.26)	Clark County Treasurer	Parcel #124-21-116-010	Taxes - State
01/04/2022	Check	(165.00)	Stone Creek North HOA	7043 Calvert Cliffs St, NLV	Other Expenses
01/04/2022	Check	(143.78)	Clark County Treasurer	Parcel #243-34-101-006	Taxes - State
01/04/2022	Check	(425.41)	Clark County Treasurer	Parcel #243-27-801-006	Taxes - State
01/04/2022	Check	(217.34)	Clark County Treasurer	Parcel #243-27-701-004	Taxes - State
01/04/2022	Check	(650.95)	Clark County Treasurer	Parcel #243-34-201-014	Taxes - State
01/04/2022	Check	(150.22)	Clark County Treasurer	Parcel #243-34-301-007	Taxes - State
01/04/2022	Check	(190.81)	Clark County Treasurer	Parcel #243-34-201-002	Taxes - State
01/04/2022	Deposit	1,259,817.06	James G. Murphy Co.	Net auction proceeds	Proceeds from Auction
01/05/2022	Wire	(35.00)	ADP Inc.	Processing fee	Other Expenses
01/10/2022	Check	(55.00)	Nevada Department of Motor Vehicles	Replacement title for Haulmark Cargo	Other Expenses
01/10/2022	Check	(55.00)	Nevada Department of Motor Vehicles	Replacement title for CAN-AM Maverick	Other Expenses
01/10/2022	Check	(55.00)	Nevada Department of Motor Vehicles	Replacement title for CAN-AM Maverick	Other Expenses
01/10/2022	Check	(55.00)	Nevada Department of Motor Vehicles	Replacement title for CAN-AM Maverick	Other Expenses
01/10/2022	Check	(55.00)	Nevada Department of Motor Vehicles	Replacement title for BRP Queretaro	Other Expenses
01/14/2022	Check	(2,008.14)	Pridestaff	Auction Labor	Other Expenses
01/14/2022	Check	(44.79)	NV Energy	7043 Calvert Cliffs, NLV, NV 89084	Other Expenses
02/03/2022	Deposit	119.00	Mark Wildes	Personal equipment purchase	Liquidation of Personal Property
02/03/2022	Deposit	1,100.00	Stephanie Wildes	Personal property purchase	Liquidation of Personal Property
02/03/2022	Deposit	5,874.75	Stroz Friedberg	Refund	Consultant Compensation
02/03/2022	Deposit	930.67	NV Energy	Refund	Other Receipts
02/03/2022	Deposit	8,036.87	ADP Tax Filing Service	Refund of employer taxes	Other Receipts
02/07/2022	Check	(40.00)	Nevada Department of Motor Vehicles	Title replacement	Other Expenses
02/24/2022	Deposit	40,100.00	Microstamp	Funds from Microstamp	Other Receipts
03/01/2022	Check	(61.24)	NV Energy	7043 Calvert Cliffs, NLV, NV 89084	Other Expenses
03/01/2022	Deposit	25,000.00	The Hartford	Employee Dishonesty Claim	Insurance Proceeds/Settlements
03/03/2022	Check	(239,563.97)	Geoff Winkler, Receiver	Per court order dated 3/3/22 -- ECF 80	Receiver Compensation
03/03/2022	Check	(51,749.01)	Ballard Spahr, LLP	Per court order dated 3/3/22 -- ECF 80	Attorney Compensation
03/03/2022	Check	(15,315.25)	Smiley Wang-Ekvall	Per court order dated 3/3/22 -- ECF 80	Attorney Compensation
03/03/2022	Check	(23,671.69)	Stroz Friedberg, LLC	Per court order dated 3/3/22 -- ECF 80	Consultant Compensation
03/07/2022	Check	(143.78)	Clark County Treasurer	Parcel #243-34-101-006	Taxes - State
03/07/2022	Check	(425.41)	Clark County Treasurer	Parcel #243-27-801-006	Taxes - State
03/07/2022	Check	(217.34)	Clark County Treasurer	Parcel #243-27-701-004	Taxes - State
03/07/2022	Check	(650.95)	Clark County Treasurer	Parcel #243-34-201-014	Taxes - State
03/07/2022	Check	(150.22)	Clark County Treasurer	Parcel #243-34-301-007	Taxes - State
03/07/2022	Check	(190.81)	Clark County Treasurer	Parcel #243-34-201-002	Taxes - State
03/22/2022	Check	(615.00)	Vortex Industries, LLC	Invoice #17-1558507 - door repair	Other Expenses
03/29/2022	Deposit	2,000.00	Ramona Uriarte	March 2022 Interest Payment	Litigation and Settlements
03/30/2022	Deposit	1,123.50	MojoPay	Remaining funds in account	Liquidation of Personal Property
03/16/2022	Deposit	58,400.15	Coinbase	Cryptocurrency liquidation	Liquidation of Personal Property

**Net Activity**                    **1,062,505.19**

# EXHIBIT "B"

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5  
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Admitted *Pro Hac Vice*  
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9 [kandrassy@swelawfirm.com](mailto:kandrassy@swelawfirm.com)

10 *Attorneys for Receiver*  
*Geoff Winkler of American Fiduciary Services*

11  
12 **UNITED STATES DISTRICT COURT**

13 **DISTRICT OF NEVADA**

14 SECURITIES AND EXCHANGE  
COMMISSION,

15 Plaintiff,

16 v.

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

20 Defendants.

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

**[PROPOSED] ORDER APPROVING  
THIRD STATUS REPORT OF GEOFF  
WINKLER, RECEIVER FOR PROFIT  
CONNECT WEALTH SERVICES, INC.,  
AND PETITION FOR INSTRUCTIONS**

21  
22 The court having reviewed the *Third Status Report of Geoff Winkler, Receiver for Profit*  
23 *Connect Wealth Services, Inc. and Petition for Instructions* and having held a hearing at which  
24 appearances were noted on the record, for the reason set forth on the record,

25 **IT IS HEREBY ORDERED AS FOLLOWS:**

26 1. The Third Status Report and the actions of the Receiver described therein are  
27 approved, and the Court finds that the receivership should continue pursuant to the *Order: (A)*  
28 *Granting Parties' Stipulation to Enter a Preliminary Injunction and Order for Related Relief (1)*

BALLARD SPAHR LLP  
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(702) 471-7000 FAX (702) 471-7070

1 *Freezing Assets, (2) Prohibiting the Destruction of Documents, (3) Appointing a Permanent*  
2 *Receiver, and (4) Permitting Joy Kovar to Open a Bank Account for Certain Income; (B) Setting*  
3 *Video Status Conference About the Receivership; and (C) Vacating Hearing on the SEC's Motions*  
4 *for a Preliminary [Injunction] and to Appoint a Permanent Receiver.*

5       2.       The Receiver is authorized to undertake the recommendations presented in the  
6 Third Status Report, including a continued engagement of those professionals he deems necessary  
7 for the proper administration of the Receivership Entities and their estate.

8               IT IS SO ORDERED.

9 \_\_\_\_\_  
10 DATED: \_\_\_\_\_

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