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10 *Geoff Winkler of American Fiduciary Services*

11 **UNITED STATES DISTRICT COURT**
12 **DISTRICT OF NEVADA**

13
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

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

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

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

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

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

19 Since the completion of the Investigation and Forensic Accounting Report (ECF No. 111)
20 in August 2022, the Receiver and his team have identified third-party recovery opportunities and
21 analyzed the accounting to determine the recommended claims process. A hearing on June 13th,
22 2023, began the 90-day claims process. Anyone intending to make a claim against the receivership
23 estate was required to file a claim no later than September 11, 2023 (the "Claims Bar Date"), or
24 their claims may be forever barred. The Receiver finished the receipt of the audit of claims in a
25 previous reporting period.

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

1 Per the Order Granting Motion for Order in Aid of Receivership Approving Interim
 2 Distribution (ECF No. 222), the Receiver prepared and distributed \$8,000,000 of the funds on
 3 hand, less the reserved funds per the Court, to allowed claimants on December 20th, 2024. No
 4 other interim distributions have been made.

5 The Receiver is actively working with claimants whose distributions have not cleared the
 6 bank or otherwise have questions on distributions.

7 Additionally, the Receiver, following the instructions laid out in the Order Preliminarily
 8 Approving Receiver’s Settlement with Bank of America (ECF No. 242), noticed claimants of the
 9 pending settlement agreement with Bank of America. The Receiver fielded questions from
 10 claimants regarding their rights and options in the settlement per the notice. More details on this
 11 pending settlement can be found below.

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

SEC v. Profit Connect Wealth Services, Inc. et al	
Summary Cash Flow Statement	
July 1, 2025 - September 30, 2025	
<i>Cash at Beginning of Period</i>	2,330,050
<i>Cash Inflows</i>	
Third-Party Litigation Income	780
Interest Income	3,020
<hr/>	
Total Cash Inflows	3,800
<i>Cash Outflows</i>	
Disbursements to Investors	-
Receiver Fees and Expenses	(39,190)
Receiver's Attorney and Other Professional Fees	(41,358)
Third-Party Litigation Expenses	-
<hr/>	
Total Cash Outflows	(80,548)
Cash at End of Period	2,253,302

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SEC v. Profit Connect Wealth Services, Inc. et al
Summary Balance Sheet
September 30, 2025

<i>Assets</i>	
EWB Account	2,253,302
Real Property	-
Professional Liability Litigation**	1,000,000
Third Party Litigation**	2,206,710
Total Assets	5,460,012
<i>Liabilities</i>	
Total Remaining Claims	14,127,355
Accrued Professionals	480,340
Total Liabilities	14,607,695
<i>Equity</i>	
Retained Earnings	(9,147,683)
Total Equity	(9,147,683)

** 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 \$2,253,302 in cash belonging to Profit Connect. The total value of assets is estimated to be \$5,460,012 inclusive of the above-mentioned cash. Specifically, there is an estimated \$1,000,000 in professional liability litigation and \$2,206,710 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, 2025 through September 30, 2025, is attached to this report as **Exhibit A**.

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

Note that the Receiver has switch banks from East West Bank to Metropolitan Commercial Bank in the Reporting Period. In addition to the foregoing, please see **Exhibit B**.

IV. OTHER ITEMS TO REPORT

A. Current and Proposed Litigation

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

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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 pending in the United States District Court, Northern District of Texas, Lubbock Division and assigned Case No. 5:23-cv-00074-C (the “Texas Action”). The Defendants in the Texas Action were Jeffrey Nicholas, Troy Sutton and Allianz Life Financial Service, LLC (“Allianz”). This Court approved settlement agreements with Mr. Sutton and Allianz and the Receiver was prepared to go to trial on his claims relating to Mr. Nicholas on July 14, 2025. On eve of trial the Receiver was able to reach a settlement with Mr. Nicholas under which he agreed to pay the Receiver \$500,000 in two installments, with the first \$200,000 due within two days of approval of the agreement and the \$300,000 balance due within 12 months of approval. The Court approved the settlement by order entered on August 29, 2025 (ECF No. 252). Unfortunately, Mr. Nicholas failed to timely pay the first installment. The Receiver has submitted the stipulated judgment Mr. Nicholas agreed could be entered if he defaulted to the court supervising the Texas Action and is waiting for entry of it. Mr. Nicholas filed written objection to its entry but the Receiver expects that the objection will be overruled. Assuming that it is and if an alternative payment schedule cannot be agreed to, then the Receiver is likely to take steps to enforce the stipulated judgment after it is entered.

2. Legal Malpractice Claim

The Receiver initiated claims in the Eighth Judicial District of Clark County Nevada, known as Case No. A-23-880842 against Dale A. Hayes, Jr., Hayes Wakayama LLC, the Hayes Law Firm, the Hayes Law Firm LLC, and Hayes Wakayama Juan (“Hayes Litigation”). Discovery is currently underway. Both the Receiver and Mr. Hayes have been deposed and the Receiver is attempting to resolve the matter. The parties participated in a mediation on October 2, 2025. Unfortunately, Mr. Hayes failed to appear in person for the mediation and a settlement was not reached. Notwithstanding, attempts to resolve this matter are ongoing. Trial is set on a five-week stack to begin on April 20, 2026.

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3. Claims Against Former Employees and Promoters

On July 23, 2025, the Receiver filed a Motion for Order in Aid of Receivership Authorizing Receiver to Pursue Clawback Actions Against Former Promoters and Employees of Profit Connect (“Promoter Motion”) (ECF No. 244).

On August 15, 2025, the Receiver filed his complaint for fraudulent transfers against twenty promoters and/or employees of Profit Connect in Case No. 25-cv-01522. Since the filing of the Complaint, the Receiver has reached tentative settlement agreements with three of the Defendants and has responded to three motions to dismiss.¹ The Receiver intends to seek defaults against the parties that have been served and failed to timely respond and will actively litigate the claims against the remaining defendants.

B. Future Litigation and Clawback Actions

The Receiver continues to evaluate additional avenues to recover funds for the Estate including potential targets for litigation.

1. Proceedings Against a Financial Institution

The Court approved the Receiver’s retention of special litigation counsel to investigate and potentially pursue claims against a financial institution. That action has been resolved and the settlement approved on a final basis, and payment is expected during the fourth quarter of 2025.

2. 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 one of these disputes, with a third tentatively settled and in the documentation stage. To date, the Receiver has received in excess of \$558,000 from resolution of claims against credit card companies, not including the settlement with Bank of America. One potential claim against Chase Bank remains pending. There is a tolling agreement

¹ In situations in which the Receiver’s proposed settlement is not the full amount that was transferred, a motion will be filed seeking court approval of the same.

1 in place through October 31, 2025 which will likely be extended, and the Receiver is waiting for
2 a response to a settlement offer.

3 **3. Future Third Party Litigation and Clawback Actions**

4 The Receiver continues to evaluate additional avenues to recover funds for the
5 Receivership Estate.

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

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

11 **VI. CONCLUSION**

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

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

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

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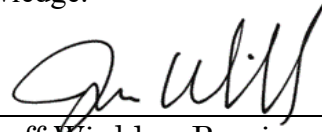
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1 4. Providing such other and further relief as the Court deems necessary and
2 appropriate.

3 DATED THIS 31ST DAY OF OCTOBER, 2025

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



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Geoff Winkler, Receiver

Submitted by
GREENBERG TRAUIG, LLP

/s/ Kara B. Hendricks

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

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CERTIFICATE OF SERVICE

I hereby certify that, on the 31st **day of October, 2025**, a true and correct copy of the foregoing was filed electronically via the Court’s CM//ECF system. Notice of filing will be served on all parties by operation of the Court’s CM/ECF system, and parties may access this filing through the Court’s CM/ECF system.

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

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INDEX OF EXHIBITS	
EXHIBIT	DESCRIPTION
A	STANDARDIZED FUND ACCOUNTING REPORT
B	EAST WEST BANK AND METROPOLITAN COMMERCIAL BANK ACCOUNT INFORMATION

GREENBERG TRAURIG, LLP
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EXHIBIT A

EXHIBIT A

STANDARDIZED FUND ACCOUNT 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 07/01/2025 to 09/30/2025

FUND ACCOUNTING (See instructions)				
		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 07/01/2025):	2,330,049.85		
	<i>Increases in Fund Balance:</i>			
Line 2	Business Income	-		
Line 3	Cash and Securities (in transit)	-		
Line 4	Interest/Dividend Income	3,020.02		
Line 5	Business Asset Liquidation	-		
Line 6	Personal Asset Liquidation	-		
Line 7	Third-Party Litigation Income	780.02		
Line 8	Miscellaneous - Other	-		
	Total Funds Available (Lines 1 - 8):		3,800.04	2,333,849.89
	<i>Decreases in Fund Balance:</i>			
Line 9	Disbursements to Investors	-		
Line 10	Disbursements for Receivership Operations			
Line 10a	<i>Disbursements to Receiver or Other Professionals</i>	80,547.85		
Line 10b	<i>Business Asset Expenses</i>	-		
Line 10c	<i>Personal Asset Expenses</i>	-		
Line 10d	<i>Investment Expenses</i>	-		
Line 10e	<i>Third-Party Litigation Expenses</i>	-		
	1. Attorney Fees	-		
	2. Litigation Expenses	-		
	<i>Total Disbursements for Receivership Operations</i>		80,547.85	
Line 10f	<i>Tax Administrator Fees and Bonds</i>		-	
Line 10g	<i>Federal and State Tax Payments</i>		-	
	Total Disbursements for Receivership Operations			80,547.85
Line 11	Disbursements for Distribution Expenses Paid by the Fund:			
Line 11a	<i>Distribution Plan Development Expenses:</i>			
	1. Fees:			
	Fund Administrator.....	-		
	Independent Distribution Consultant (IDC).....	-		
	Distribution Agent.....	-		
	Consultants.....	-		
	Legal Advisers.....	-		
	Tax Advisers.....	-		
	2. Administrative Expenses	-		
	3. Miscellaneous	-		
	<i>Total Plan Development Expenses</i>		-	
Line 11b	<i>Distribution Plan Implementation Expenses:</i>			
	1. Fees:			
	Fund Administrator.....	-		
	IDC.....	-		
	Distribution Agent.....	-		
	Consultants.....	-		
	Legal Advisers.....	-		
	Tax Advisers.....	-		
	2. Administrative Expenses	-		
	3. Investor Identification:			
	Notice/Publishing Approved Plan.....	-		
	Claimant Identification.....	-		
	Claims Processing.....	-		
	Web Site Maintenance/Call Center.....	-		
	4. Fund Administrator Bond	-		
	5. Miscellaneous	-		
	6. Federal Account for Investor Restitution (FAIR) Reporting Expenses	-		
	<i>Total Plan Implementation Expenses</i>		-	
	Total Disbursements for Distribution Expenses Paid by the Fund			-
Line 12	Disbursements to Court/Other:			
Line 12a	<i>Investment Expenses/Court Registry Investment System (CRIS) Fees</i>	-		
Line 12b	<i>Federal Tax Payments</i>	-		
	Total Disbursements to Court/Other:		-	
	Total Funds Disbursed (Lines 9 - 11):			80,547.85
Line 13	Ending Balance (As of 09/30/2025):			2,253,302.04
Line 14	Ending Balance of Fund - Net Assets:			
Line 14a	<i>Cash & Cash Equivalents</i>		2,253,302.04	
Line 14b	<i>Investments</i>		-	
Line 14c	<i>Other Assets or Uncleared Funds</i>		3,206,709.90	
	Total Ending Balance of Fund - Net Assets			5,460,011.94

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 07/01/2025 to 09/30/2025

OTHER SUPPLEMENTAL INFORMATION:		Detail	Subtotal	Grand Total
Line 15	Disbursements for Plan Administration Expenses Not Paid by the Fund:			
<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	-		
	Total Plan Development Expenses Not Paid by the Fund	-		
<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	-		
	Total Plan Implementation Expenses Not Paid by the Fund	-		
<i>Line 15c</i>	<i>Tax Administrator Fees & Bonds Not Paid by the Fund</i>			
	Total Disbursements for Plan Administration Expenses Not Paid by the Fund			-
Line 16	Disbursements to Court/Other Not Paid by the Fund			
<i>Line 16a</i>	<i>Investment Expenses/CRIS Fees</i>		-	
<i>Line 16b</i>	<i>Federal Tax Payments</i>		-	
	Total Disbursements to Court/Other Not Paid by the Fund:			-
Line 17	DC & State Tax Payments			-
Line 18	No. of Claims:			
<i>Line 18a</i>	<i># of Claims Received This Reporting Period</i>	-		
<i>Line 18b</i>	<i># of Claims Received Since Inception of Fund</i>	485		
Line 19	No. of Claimants/Investors:			
<i>Line 19a</i>	<i># of Claimants/Investors Paid This Reporting Period</i>	-		
<i>Line 19b</i>	<i># of Claimants/Investors Paid Since Inception of Fund</i>	417		

Receiver: **Geoff Winkler**

By: 

Geoff Winkler
 (printed name)

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

Date: October 31, 2025

EXHIBIT B

EXHIBIT B

EAST WEST BANK AND METROPOLITAN BANK ACCOUNT REGISTERS

EAST WEST BANK RECEIVERSHIP ACCOUNT (A/E 0015) AND METROPOLITAN COMMERCIAL BANK (A/E 9099)
 JULY 1, 2025 - SEPTEMBER 30, 2025

<i>Date</i>	<i>Type</i>	<i>Amount</i>	<i>Payee</i>	<i>Memo</i>
7/2/2025	Deposit	100.00	Mark Kageyama	Litigation and Settlements
7/2/2025	Deposit	180.02	Jocelyn Morris Payment Plan	Litigation and Settlements
7/11/2025	Deposit	300.00	John Morris Jr Payment Plan	Litigation and Settlements
7/29/2025	Expense Adjustment	-300.00	Davis Wright	Other Professional Fees
7/31/2025	Interest Earned	989.98	East West Bank	Interest Income
8/14/2025	Receipt Adjustment	2,331,319.85	Transfer Credit from East West Bank	Transfer
8/14/2025	Expense Adjustment	-2,331,319.85	East West Bank	Transfer
8/29/2025	Interest Earned	718.56	Metropolitan Commercial Bank	Interest Income
9/18/2025	Deposit	100.00	Mark Kageyama	Litigation and Settlements
9/18/2025	Outgoing wire	-24,864.30	Technology Concepts & Design, Inc.	Other Professional Fees
9/18/2025	Outgoing wire	-39,189.87	Geoff Receiver Winkler	Receiver Fees and Expenses
9/18/2025	Outgoing wire	-4,874.94	Raines Feldman Littrel LLP	Attorney to the Receiver Fees and Expenses
9/18/2025	Outgoing wire	-11,318.74	GREENBERG TRAURIG	Attorney to the Receiver Fees and Expenses
9/29/2025	Deposit	100.00	Mark Kageyama	Litigation and Settlements
9/30/2025	Interest Earned	1,311.48	Metropolitan Commercial Bank	Interest Income