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9 **UNITED STATES DISTRICT COURT**  
10 **DISTRICT OF NEVADA**

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12  
13 **SECURITIES AND EXCHANGE  
COMMISSION,**

14 **Plaintiff,**

15 **vs.**

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

19 **Defendants.**

Case No.

**COMPLAINT**

**(Filed Under Seal)**

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2:21-cv-01298-JAD-BNW

1 Plaintiff Securities and Exchange Commission (“SEC”), alleges as follows  
2 against Defendants Profit Connect Wealth Services, Inc. (“Profit Connect”), Joy Irene  
3 Carson Kovar (“J. Kovar”) and Brent Carson Kovar (“B. Kovar”) (collectively,  
4 “Defendants”).

### 5 INTRODUCTION

6 1. Since at least May 2018 through the present, J. Kovar and her recidivist  
7 son, B. Kovar, have raised at least \$12 million from over 277 investors throughout  
8 the country through their company, Profit Connect. The SEC brings this emergency  
9 enforcement action against Defendants to stop their ongoing offering fraud and to  
10 freeze the funds held by Defendants, which rightfully belong to investors. As set forth  
11 below, Defendants have misappropriated millions of dollars that they received from  
12 investors for, among other things, their own personal use.

13 2. Defendants promised investors that their money would be invested in  
14 securities, bitcoin and other cryptocurrencies based on recommendations made by an  
15 “Artificial intelligence supercomputer.” Profit Connect claims that its supercomputer  
16 consistently generates enormous returns, which in turn allows Profit Connect to  
17 guarantee investors fixed returns of 20%-30% per year with monthly compounding  
18 interest.

19 3. However, Profit Connect is a fraud. The majority of funds received by  
20 Profit Connect did not come from any investments or profits generated by a  
21 “supercomputer.” Instead, over 90% of Profit Connect’s funds came from investors.  
22 After receiving investors’ money, Defendants did not use these funds to trade  
23 securities, invest in foreign currencies, buy cryptocurrencies, or do any of the things  
24 that Profit Connect promised its investors it would do with their money. Instead,  
25 Defendants misused investor money by, among other things, transferring millions of  
26 dollars to J. Kovar’s personal bank account, paying millions of dollars to promoters  
27 who brought investors to the Profit Connect website to invest, and making payments  
28 to other investors in a Ponzi-like fashion.





1 temporary, preliminary, and permanent injunctions, disgorgement of ill-gotten gains  
2 derived from the conduct alleged in the Complaint plus prejudgment interest thereon,  
3 and civil penalties pursuant to Section 20(d) of the Securities Act [15 U.S.C. § 77t(d)]  
4 and Section 21(d)(3) of the Exchange Act [15 U.S.C. §§ 78u(d)(3)], and such other  
5 relief that the court may deem appropriate.

6 12. Venue is proper in this district pursuant to Section 22(a) of the Securities  
7 Act [15 U.S.C. § 77v(a)] and Section 27(a) of the Exchange Act [15 U.S.C. §  
8 78aa(a)] because Profit Connect is a Nevada corporation with its principal place of  
9 business located in this district, because J. Kovar and B. Kovar reside in this district,  
10 and because many of the acts and transactions constituting violations of the federal  
11 securities laws occurred within the district, including, but not limited to,  
12 misappropriation of investor funds through transactions at banks located within this  
13 district.

#### 14 **BACKGROUND**

##### 15 **A. Defendants Raised Money from Investors through the Offer and** 16 **Sale of “Supercomputer Seat” Wealth Builder Accounts**

17 13. Profit Connect claims that it uses “proprietary A[rtificial] intelligence”  
18 and a “supercomputer” “to deliver higher than average returns, without the risk  
19 exposure to the current stock market.”

20 14. Profit Connect claims that it trades in “Forex, Stock and asset markets”  
21 and this activity “helps to diversify its income stream from the company’s main  
22 income source of Blockchain Mining.”

23 15. Profit Connect tells investors that they have the opportunity to invest by  
24 opening a “Wealth Builder Supercomputer Seat APR account.”

25 16. When investors open an account with Profit Connect, they are  
26 purchasing a Wealth Builder supercomputer “seat” which represents “cycle time on  
27 our supercomputer system,” according to Profit Connect.

28 17. Profit Connect states that after opening a wealth builder account, a

1 representative will call the investor to answer any questions and to provide the  
2 investor with a “custom wealth builder spreadsheet” that is updated monthly.

3 18. As set forth in further detail below, Profit Connect’s claims about the use  
4 of investor funds, safety of investor funds and its profits are all false.

5 **B. Defendants Promote Profit Connect Through its Website and on**  
6 **Various Social Media Platforms through “Agents and Affiliates”**

7 **1. The Profit Connect Website**

8 19. Profit Connect encourages investors to invest their money through its  
9 website located at <https://profitconnect-wealthservices.com/>.

10 20. The Profit Connect website guarantees investors that in return for  
11 investing a lump sum, they will receive fixed annual returns of 20% to 30%,  
12 depending on the amount invested, and monthly compound interest.

13 21. Profit Connect also advertises on its website that it has a “monthly  
14 subscription” option in which an investor deposits a set amount each month, ranging  
15 from \$50 to \$1,000, with guaranteed returns of 15% to 20% per year.

16 22. On its website, Profit Connect actively encourages investors to use  
17 money from their retirement funds to invest with Profit Connect and includes step-by-  
18 step instructions directing investors how to form a self-directed IRA.

19 23. Profit Connect advertises a “Wealth Builder Home Equity” account on  
20 its website with a minimum investment of \$100,000 and a 48-month term, which  
21 Profit Connect claims will result in a 20% fixed annual return with “compound  
22 monthly APR.” Profit Connect advertises this account to investors who want to  
23 invest using a “50% home equity lien” and “50% USD funds.”

24 24. Profit Connect also offers an 18 year “Wealth Builder Youth” account  
25 that it targets to “Parents, Grandparents, Family and Friends that want to give a gift of  
26 success.” Profit Connect promises 20% fixed annual returns and “compound monthly  
27 APR” for investors who open this type of account.

28 25. Profit Connect states on its website that it “internally trades on the New

1 York Stock Exchange, NASDAQ, Japan Exchange Group and Shanghai Stock  
2 Exchange using Ai and experienced traders.”

3 26. The Profit Connect website claims that the Wealth Builder “APR is  
4 Fixed and Locked-in” and “the APR is not affected by the stock market, foreign  
5 exchange currency market or the asset market.” This is because, Profit Connect  
6 contends, it “utilizes multiple streams of revenue, so if one income area experiences a  
7 slow down the other profit streams make up the difference.”

8 27. Profit Connect tells investors that Wealth Builder accounts “are not  
9 affected by the current market volatility” because the “supercomputer system guides  
10 the use of Profit Connect internal funds to be focused on long and short positions in  
11 foreign currency, stocks, block-chain calculations, venture capital services and real  
12 estate opportunities.”

13 28. Profit Connect promises investors on its website that its offerings  
14 include its “famous peace of mind money back guarantee” and represents that its  
15 “financial reserves are significantly higher than all of its Seat purchaser’s deposits  
16 combined.”

17 29. The Profit Connect website tells investors that their funds are invested in  
18 sectors chosen by the Profit Connect “supercomputer” and the profits are then  
19 “deposit[ed] into [a] FDIC-NCUA Insured Profit Connect Cumulative Business  
20 Account” at Bank of America, Chase, Wells Fargo and/or Navy Federal Credit  
21 Union. The Profit Connect website includes purported official logos for each of these  
22 banks and Profit Connect refers to these financial institutions as “our banking  
23 association.”

24 30. The Profit Connect website has a chart showing that investors are not  
25 charged any fees for management, operating expenses, or other expenses.

26 31. As the founder, president and treasurer of Profit Connect, and the person  
27 with sole signatory authority over all of the bank accounts in the name of Profit  
28 Connect until very recently, J. Kovar controls Profit Connect. On information and

1 belief, J. Kovar had ultimate authority over the content of Profit Connect’s website  
2 and the misstatements made to investors through its website.

3 32. As detailed below, B. Kovar has made misrepresentations similar to  
4 those on the Profit Connect website in a YouTube video promoting Profit Connect to  
5 potential investors that is currently accessible to the public.

6 **2. “Agents and Affiliates” were Paid Commissions to Promote**  
7 **Profit Connect**

8 33. In addition to its website, Profit Connect relies on promoters who tout  
9 Profit Connect and its substantial fixed returns using their social media platforms.

10 34. Profit Connect has a separate website devoted to the purported 1000+  
11 “successful worldwide agents and affiliates,” which is located at [https://profitconnect-](https://profitconnect-agent.com/)  
12 [agent.com/](https://profitconnect-agent.com/).

13 35. The Profit Connect website for agents and affiliates states that they are  
14 paid up to 20% for referrals and can receive additional bonuses based on factors such  
15 as the number of referrals and monthly sales volume.

16 36. Profit Connect’s bank records reflect that from May 2018 through April  
17 12, 2021, over \$3 million, or approximately 26% of the funds from investors in Profit  
18 Connect, were used to pay those who promoted Profit Connect.

19 37. These “agents and affiliates” who promote Profit Connect often use their  
20 social media platforms to publicize the Profit Connect wealth builder accounts on  
21 YouTube, Facebook, Instagram, Twitter and LinkedIn.

22 38. Promoters often post an excerpt or screenshot from the Profit Connect  
23 website on their social media showing 20%-30% fixed and guaranteed returns (with  
24 monthly compounding interest) and they direct their followers to the Profit Connect  
25 website.

26 39. For example, on April 16, 2021, one of the major promoters of Profit  
27 Connect posted a Facebook message with an excerpt from the Profit Connect website  
28 featuring the 20%-30% guaranteed return. The post stated the following: “I just



1 really wish all my friends and family, whom I love and care for greatly, would open  
2 their minds enough in order to allow themselves to take advantage of this amazing  
3 platform!!!! It's not a new concept anymore, it has a 28 month proven track record  
4 with major partners like Tesla & Berkshire Hathaway!!! You're only hurting  
5 yourself by ignoring it."

6 40. Another major promoter of Profit Connect posted the following on  
7 Twitter on October 23, 2019: "Yep, it's official!! We have now taken possession of  
8 our new 27,600 Sq Ft Data Center. If you would like to know more about what we  
9 do, take look at this video, and feel free to message me." There is a link to a  
10 YouTube video about Profit Connect as part of this post.

11 41. Another post on Facebook from a Profit Connect promoter, dated April  
12 28, 2021, states "[w]hen the company you've been working with since the day they  
13 started just over 2 years ago, surpasses \$1 Billion in sales in its first 27 months, you  
14 know you're in the right place, at the right time, working with the right people!!!!" In  
15 response to a question about whether this post referred to a parent company or to  
16 [Profit Connect] Wealth Services, the Facebook author responded "Solely WS, which  
17 is what I'm referring to launched 27 months ago."

18 42. In a video dated October 8, 2020, that is currently accessible to the  
19 public at [www.youtube.com/watch?v=zqoAvTeggcM](http://www.youtube.com/watch?v=zqoAvTeggcM), a promoter for Profit Connect  
20 tells potential investors about the company and says, among other things, that "[o]n  
21 the wealth builder," there is "an any time money back guarantee . . . that means that  
22 any time that you need your money back, you can, in fact, say, 'Give me my money  
23 back,' and we will return it to you, no question[s] asked."

24 43. In a video dated March 24, 2021, that is currently accessible to the  
25 public at [www.youtube.com/watch?app=desktop&v=k35FiZhg7W4](http://www.youtube.com/watch?app=desktop&v=k35FiZhg7W4), a promoter of  
26 Profit Connect touts Profit Connect to potential investors. In that video, the promoter  
27 refers to Bank of America, Chase, Wells Fargo and Navy Federal Credit Union and  
28 claims that "these banks vetted us amazingly deeply . . . they put us through the

1 ringer.” He adds that “they wouldn’t stamp their name on our project and our  
2 website, and give us approval, and give us FDIC if they weren’t going to vet us  
3 tremendously well.” He adds that investments in Profit Connect are “safe and secure  
4 with FDIC insurance.”

5 **3. B. Kovar Assists the Profit Connect “Agents and Affiliates”**  
6 **and Solicits Investors on YouTube**

7 44. B. Kovar has been the sole director of Profit Connect since April 2019  
8 and has been identified on social media platforms as its CEO.

9 45. As of May 2021, B. Kovar was added as a signatory to four Profit  
10 Connect bank accounts, including the bank account that receives investor funds.

11 46. From May 2018 through April 2021, at least three deposits from two  
12 investors who invested a combined amount of over \$693,000 in Profit Connect  
13 included the comment “Attn. Brent” when wiring money to Profit Connect.

14 47. B. Kovar appears in a promotional video dated February 20, 2019. This  
15 YouTube video remains accessible to the public using following internet link:

16 <https://www.youtube.com/watch?v=2hBfYCjkTeE>

17 48. On this video, B. Kovar states that “Profit Connect ... is an artificial  
18 intelligence company.” He states that Profit Connect began using artificial  
19 intelligence and supercomputers to mine bitcoin, which “created a fair amount of  
20 wealth,” funded Profit Connect, and paid the salaries of its employees.

21 49. On this YouTube video, B. Kovar states that Profit Connect has recently  
22 decided to “offer [its artificial intelligence technology] to the public as a computer  
23 seat which has a fixed interest rate. So whether bitcoin goes up or bitcoin goes down,  
24 you still make the same percentage. If you’re in the 20 percent package, of course  
25 you are fixed at 20...”

26 50. B. Kovar claims in the video that Profit Connect can offer such high  
27 returns because the supercomputer “sees what’s happening ahead of time...” and  
28 “gets out of the trade before it loses money.”

1           51. On this YouTube video, B. Kovar holds up an object and states “I have a  
2 mining card here to show you what they look like” and claims that Profit Connect  
3 uses artificial intelligence to “only decode [those mining cards] off the block chain  
4 that actually have transactions” which makes them “much, much more efficient.”

5           52. On this YouTube video, B. Kovar states that Profit Connect has recently  
6 expanded beyond mining bitcoin and now engages in trading currencies, trading  
7 cryptocurrency, and trading securities on the New York Stock Exchange. B. Kovar  
8 adds that “[s]o, we have several different ways that Profit Connect Wealth Services is  
9 creating money.” B. Kovar represents that “these are all the different places that the  
10 money actually goes” and “the money goes to work immediately.”

11           53. B. Kovar states on this YouTube video that Profit Connect wealth  
12 builder accounts not only pay a fixed interest rate, but the interest compounds  
13 monthly, which B. Kovar claims is “the secret weapon of wealth.”

14           54. B. Kovar states on this video that Profit Connect is engaged in the same  
15 business activities as large banks, except that Profit Connect has decided to share its  
16 “huge returns” with investors and “give it back to the person that is actually putting  
17 the money in.” As such, B. Kovar claims that Profit Connect is a “disrupter” in the  
18 banking industry just as Uber disrupted the taxi industry “because it’s about time that  
19 people should share in those high interest rates.”

20           55. B. Kovar tells investors on this YouTube video that they can move  
21 money from their 401(k) retirement account and transfer their retirement funds to a  
22 Profit Connect wealth builder account. B. Kovar adds that a Profit Connect  
23 representative “can help you with all of that of where it needs to be transferred.”

24           56. B. Kovar also represents on this YouTube video that “of course there’s  
25 no fees in this” unlike a “mutual fund or hedge funds or any of these indexes ...  
26 where most of your interest is taken in fees.”

27           57. B. Kovar tells investors on this video that “[i]f you would like to opt out,  
28 you can do that in any quarter” and then “all of your money would then be sent

1 directly back to you, the original deposit that you put in for the seat as well as all the  
2 compound interest.” Profit Connect can repay investors at any time, B. Kovar claims,  
3 because “[i]t stays your money the entire time” and “[y]ou don’t lose any of it.”

4 58. B. Kovar also states on this video that because Profit Connect uses  
5 artificial intelligence to leverage investments, “you don’t have to do anything. You  
6 just have to enjoy life and let the time go by.”

7 59. On this video, B. Kovar directs investors to the Profit Connect website  
8 for additional information about Profit Connect.

9 60. On this YouTube video promoting Profit Connect, B. Kovar failed to  
10 disclose the judgment entered against him in the Sky Way Global offering fraud case,  
11 and introduces himself solely as “Brent,” without providing his last name.

### 12 **C. Defendants are Misappropriating Money from Investors**

13 61. Investors send money to Profit Connect primarily by wire and check to a  
14 checking account in the name of Profit Connect at Bank of America with the account  
15 number ending in 8677 (hereinafter “the Profit Connect Investor Account.”). On  
16 receipt, the Profit Connect investor money is pooled in the Profit Connect Investor  
17 Account.

18 62. The Profit Connect Investor Account was opened by J. Kovar in May  
19 2018.

20 63. J Kovar was the only person with signatory authority over the Profit  
21 Connect Investor Account until May 21, 2021.

22 64. On or about May 21, 2021, B. Kovar was added as a signatory to the  
23 Profit Connect Investor Account.

24 65. When B. Kovar was added as a signatory to the Profit Connect Investor  
25 Account on or about May 21, 2021, B. Kovar was identified as “president” and J.  
26 Kovar was identified as “CEO” on the bank signatory forms.

27 66. Profit Connect’s bank records from May 2018 through June 2021 reflect  
28 that it received no revenue. For example, the Profit Connect bank accounts do not

1 reflect incoming funds from investment or brokerage accounts that would result from  
2 profitable stock trades. Instead, the only significant source of funds coming in to  
3 Profit Connect – over 90% of funds – came from investors.

4 67. Instead of using investor money as represented, Profit Connect’s bank  
5 records demonstrate that Defendants misappropriated the majority of investor funds  
6 through a variety of means, including the following:

- 7 a. over \$3 million of investor funds was used to make payments to  
8 various promoters who solicited investors in Profit Connect using  
9 their social media platforms;
- 10 b. approximately \$1 million went to other individuals associated  
11 with Profit Connect, including individuals who have been issued  
12 credit cards in the name of Profit Connect;
- 13 c. as of April 12, 2021, J. Kovar had used at least \$1.679 million of  
14 investor funds for her own use, including for credit card  
15 purchases, in-person cash withdrawals, and an automobile;
- 16 d. very recent bank records show that between April 21, 2021 and  
17 June 9, 2021, J. Kovar made ten transfers of at least \$120,000  
18 each from the Profit Connect Investor Account to her own  
19 personal bank account – for a total of more than \$1.2 million in  
20 less than two months;
- 21 e. over \$250,000 went to charges for photography, apparel and a  
22 charity related to B. Kovar;
- 23 f. at least \$629,000 was used to repay other investors;
- 24 g. at least \$440,000 was used to purchase a residential home in  
25 January 2021 which B. Kovar facilitated by signing the grant  
26 deed;
- 27 h. \$1.6 million of investor funds went to make payments on a  
28 number of different credit cards, including a credit card in the

1 name of Profit Connect. These credit card charges included  
2 almost \$353,000 charged on the Profit Connect credit card  
3 assigned to B. Kovar for expenses related to restaurants, grocery  
4 stores, Amazon and Costco between June 9, 2020 and April 8,  
5 2021. On April 2, 2021 alone, B. Kovar charged over \$23,500 at  
6 Costco.

7 68. Because Profit Connect has virtually no source of funds other than  
8 investors, the money misused by Defendants came almost exclusively from investors.

9 69. Profit Connect's bank records shows that none of the investor funds was  
10 used for investment purposes as represented by Defendants, including as represented  
11 by B. Kovar on his YouTube video or on the Profit Connect website. The following  
12 are two examples that show the flow of investor funds:

13 a. In March 2021, the Profit Connect Investor Account received  
14 \$1,841,227.31 in deposits. At least \$1,745,269.66 of the deposits  
15 (94.7%) were from individuals who appear to be investors.  
16 \$90,648 of these deposits (4.9%) were from other individuals or  
17 entities.

18 i. The funds described above were used in the following  
19 ways:

- 20 1. \$568,637 (approximately 46%) was used to pay to  
21 individuals associated with Profit Connect and  
22 virtually all of this money – \$519,400 – was paid to J.  
23 Kovar;
- 24 2. \$172,340 (approximately 14%) was used to make  
25 payments for credit cards;
- 26 3. \$67,657 (approximately 5%) was used to pay  
27 individuals who appear to be investors; and
- 28 4. \$54,340 (approximately 4%) was used to make

1 payments to those who promote Profit Connect to  
2 investors.

3 b. On March 9, 2021, an individual who appears to be an investor  
4 sent a wire in the amount of \$193,000 to the Profit Connect  
5 Investor Account with a reference stating: "Super Computer Seat  
6 time." As set forth below, there were no disbursements or  
7 transfers that relate to investing activities from the date of this  
8 deposit through March 31, 2021.

9 i. From March 9, 2021, when \$193,000 was wired to the  
10 Profit Connect Investor Account, through the end of March  
11 2021, these investor funds were disbursed as follows:

- 12 1. \$458,000 was transferred directly to the personal  
13 bank account of J. Kovar;
- 14 2. \$200,000 was paid to an entity that provides  
15 HVAC/plumbing services;
- 16 3. \$134,237 was used to pay credit cards, including  
17 those associated with the J. Kovar, B. Kovar and with  
18 Profit Connect;
- 19 4. \$44,400 was paid to other individuals;
- 20 5. \$42,240 was paid to individuals who promote Profit  
21 Connect to investors;
- 22 6. \$24,333 was paid to individuals associated with  
23 Profit Connect, including those who have received a  
24 Profit Connect credit card for their use;
- 25 7. \$10,000 was used to pay for legal services; and
- 26 8. \$2,649 was used to make payments to individuals  
27 who appear to be investors.

28 70. In addition to being the only ones with signatory authority over the

1 Profit Connect Investor Account, J. Kovar and B. Kovar were actively involved in the  
2 movement and misappropriation of investor funds. For example,

- 3 a. The Profit Connect Investor Account was accessed on over 3,000  
4 occasions between May 27, 2020 through at least April 11, 2021  
5 through a logon ID that includes the name “jkovar” and, on at  
6 least 2,614 of those instances, the Profit Connect Investor Account  
7 was accessed through an internet account in the name of “Joy  
8 Kovar.”
- 9 b. The Profit Connect Investor Account was accessed on over 23,000  
10 occasions, from May 16, 2018 through at least April 12, 2021,  
11 using a logon ID named “profitconnect” and, on over 100 of those  
12 instances, the Profit Connect Investor Account was accessed  
13 through an internet account in the name of “Profit Connect” that  
14 listed “Brent Kovar” as the customer contact person.
- 15 c. On at least 17 occasions between October 18, 2018 and July 7,  
16 2020, J. Kovar made cash withdrawals to purchase cashier’s  
17 checks for a total of \$428,905. Additionally, J. Kovar withdrew  
18 over \$72,000 in cash withdrawals from the Profit Connect  
19 Investor Account, through teller and ATM transactions.
- 20 d. Some of the transfers from the Profit Connect Investor Account to  
21 J. Kovar’s personal account appear to be for the benefit of B.  
22 Kovar because they contained a credit notation stating “Brent  
23 Kovar.”

24 **D. Defendants Made Materially False and Misleading Statements**

25 **1. Defendants’ Misrepresentations about How Investor Funds**  
26 **Will Be Used by Profit Connect**

27 71. Through the Profit Connect website and the YouTube video featuring B.  
28 Kovar, Defendants have made, and continue to make numerous materially false and



1 misleading statements and omissions regarding key aspects of the investment  
2 including, among other things, the use of investor funds.

3 72. As set forth above, the Profit Connect website and video with B. Kovar  
4 state, among other things, that investor funds will be used immediately for trading on  
5 the New York Stock Exchange, for mining bitcoin and to invest in cryptocurrencies,  
6 as directed by Profit Connect's supercomputer, which utilizes artificial intelligence.

7 73. Profit Connect's bank records show that from May 2018 to April 12  
8 2021, none of the investor money has ever been transferred out of the Profit Connect  
9 Investor Account for any legitimate investment purpose, including for stock or forex  
10 trading, or cryptocurrency.

11 74. For example, there are no transfers out of the main investor account to  
12 any brokerage firms that conduct trading on the stock exchanges and over 90% of the  
13 money coming in to the Profit Connect bank accounts came from investors.

14 75. Although more than \$12 million in investor funds was raised by Profit  
15 Connect between May 2018 and the present, the majority of those funds was diverted  
16 to Defendants for their personal use or to pay promoters who lured investors to invest  
17 in Profit Connect, as detailed above.

18 76. Defendants also falsely state that there are no fees charged to investors  
19 by Profit Connect and they do not disclose to investors that a significant percentage  
20 of their money will be used to pay promoters for bringing in investors.

21 77. The above misrepresentations and omissions as to the use of investor  
22 proceeds were material to investors and potential investors. It would be material to a  
23 reasonable investor to know that their funds were not being used for the stated  
24 purpose, but misappropriated by Defendants.

25 **2. Defendants' False and Misleading Statements about the**  
26 **Profits Generated by Profit Connect**

27 78. The Profit Connect website repeatedly claims that the Wealth Builder  
28 annual returns are "Fixed and Locked-in" and Profit Connect tells investors there is

1 no market volatility because the supercomputer can predict market events and “if one  
2 income area experiences a slow down the other profit streams make up the  
3 difference.”

4 79. As set forth above, B. Kovar made repeated representations regarding  
5 the profitability of Profit Connect and he offered detailed explanations regarding how  
6 Profit Connect could offer such large returns.

7 80. Defendants’ representations about the profitability of Profit Connect were  
8 false. Profit Connect bank accounts do not show any revenue or profits being  
9 generated.

10 81. Representations about the amount of profits investors would receive,  
11 especially where funds were invested for the purpose of building an educational fund  
12 or planning for retirement, would be important to investors.

13 **3. Defendants’ False and Misleading Statements about the Safety**  
14 **of Investor Funds**

15 82. Profit Connect repeatedly assures investors on its website that their  
16 funds are safe and guaranteed, just as B. Kovar promised investors they could receive  
17 a return of their funds (with interest) at any time on his YouTube video.

18 83. Profit Connect attracts investors with its “famous peace of mind money  
19 back guarantee” and assures them that it has financial reserves that are significantly  
20 higher than all of the money it has obtained from investors.

21 84. These representations are false. As of March 2021, Profit Connect had  
22 less than 20% of the total investor funds raised in its bank accounts and could not  
23 possibly return all investor funds.

24 85. Profit Connect tells investors on its website that their profits are  
25 “deposit[ed] into [a] FDIC-NCUA Insured Profit Connect Cumulative Business  
26 Account” at Bank of America, Chase, Wells Fargo and/or Navy Federal Credit  
27 Union.

28 86. However, bank records for accounts in the name of Profit Connect at

1 Navy Federal Credit Union and at JP Morgan Chase show that no investor funds were  
2 ever deposited into those accounts and these accounts never received more than the  
3 initial \$250 that was deposited when the accounts were opened. Wells Fargo has  
4 indicated that it is unable to locate any bank accounts in the name of “Profit Connect  
5 Wealth Services, Inc.”

6 87. Although investor funds were deposited into an account in the name of  
7 Profit Connect at Bank of America, most of those funds were transferred out or used  
8 for, among other things, Defendants’ personal use (as detailed above).

9 88. Defendants omitted to state material facts that were necessary to render  
10 their representations regarding the safety and security of an investment in Profit  
11 Connect not misleading.

12 89. These omissions include that Profit Connect did not have more funds  
13 than the principal it received from investors (as Defendants claimed) and that Profit  
14 Connect could not actually return investors’ principal upon request (as Defendants  
15 claimed).

16 90. The misrepresentations about the safety and security of an investment in  
17 Profit Connect were material to investors and to prospective investors because a  
18 reasonable investor would want to know whether an investment was safe and secure.

19 **E. Defendants are engaged in a Scheme to Defraud**

20 91. Defendants committed, and are committing, deceptive acts in  
21 furtherance of their fraud. Among other things, and as more fully alleged above,  
22 Defendants:

- 23 a. misappropriated investor funds from the Profit Connect Investor  
24 Account (for which J. Kovar and B. Kovar are the only two  
25 signatories) for their personal use;
- 26 b. used investor funds to pay other investors, in a Ponzi-like fashion;
- 27 c. paid promoters – using investor funds – to hype Profit Connect on  
28 various social media platforms (including Facebook, Instagram,

1                   LinkedIn, Twitter and YouTube) and to bring in additional  
2                   promoters;

3                   d.       gave potential and current investors the false appearance that  
4                   Profit Connect’s business was real, and that it was in fact mining  
5                   bitcoin to generate consistently high and fixed returns through,  
6                   among other things, the representations made on the Profit  
7                   Connect website and on the YouTube video featuring B. Kovar;

8                   e.       structured and marketed the Wealth Builder Investment accounts  
9                   as long-term investments, such as the educational wealth builder  
10                  account aimed at grandparents and parents that has an 18 year  
11                  term, to prolong their fraud and minimize the risk of their fraud  
12                  collapsing and being discovered; and

13                  f.       made and disseminated the materially false and misleading  
14                  statements described above.

15                  **F.       Defendants Acted with Scienter**

16                  92.       Defendants knew, or were reckless in not knowing, that Profit Connect  
17                  did not make the investments it represented to investors, including trading securities  
18                  and cryptocurrencies, and instead investor funds were misused and misappropriated  
19                  by Defendants.

20                  93.       Defendants further acted unreasonably in making representations to the  
21                  contrary.

22                  94.       Defendants knew, or were reckless in not knowing, that Profit Connect  
23                  could not provide investors with the large guaranteed returns of up to 30% that it  
24                  promised, especially where Profit Connect’s only real source of funds came from  
25                  investors and it did not generate any revenue or profits.

26                  95.       Defendants knew, or were reckless in not knowing, that Profit Connect  
27                  could not make good on its “peace of mind” promise that investors could receive their  
28                  money back at any time given that Defendants had misused and misappropriated

1 investor funds.

2 96. Defendants knew, or were reckless in not knowing, that investor funds  
3 were not in safe and insured bank accounts located at the banks listed on its website  
4 and that Profit Connect did not have substantially more funds than those provided by  
5 investors, as it claimed.

6 97. Defendants knew, or were reckless in not knowing, that they were  
7 misappropriating investor funds and they acted unreasonably in making  
8 representations to the contrary, including that Profit Connect did not charge any fees  
9 to investors.

10 98. As Profit Connect's officers and directors and the only individuals with  
11 signatory authority over the Profit Connect Investor Account, J. Kovar's and B.  
12 Kovar's states of mind are imputed to Profit Connect.

13 **G. The Wealth Builder Accounts Offered by Profit Connect are**  
14 **Securities**

15 99. Defendants offered and sold investments that are "securities" in the form  
16 of investment contracts as defined in Section 2(a)(1) of the Securities Act and Section  
17 3(a)(10) of the Exchange Act [15 U.S.C. §§ 77b(a)(1) and 79c(a)(10)].

18 100. The investments were part of a common enterprise because both  
19 investors and Profit Connect were to make money through Profit Connect's  
20 investments, because Profit Connect pooled all investor funds into one bank account  
21 (the Profit Connect Investor Account), and because Profit Connect used some of  
22 those funds to make payments to investors.

23 101. Profit Connect investors were passive investors with no involvement in  
24 Profit Connect's investment activity.

25 102. Investors relied entirely on the efforts of Profit Connect, which claimed  
26 that investor money would be invested in sectors determined by Profit Connect's  
27 proprietary "supercomputer."

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1           **H. Defendants’ Misrepresentations Are “In the Offer or Sale” and “In**  
2           **Connection with the Purchase or Sale” of the Securities**

3           103. The misstatements and omissions alleged herein were made by  
4 Defendants in order to induce investors to place their money in a Wealth Builder  
5 Account offered by Profit Connect.

6           104. For example, the misstatements and omissions described above were  
7 made in YouTube videos and through other social media, which directed potential  
8 investors to the Profit Connect website.

9           105. Through the Profit Connect website, Defendants offered and sold  
10 securities in the form of a “supercomputer seat” investment account and provided a  
11 link that allowed investors to set up a Wealth Builder Account with the click of a  
12 button.

13           106. The misstatements and omissions alleged above were made on the Profit  
14 Connect website that was reviewed by investors at the time they were deciding  
15 whether to invest in Profit Connect and were made to induce investors to invest their  
16 money with Profit Connect.

17           107. Bank records indicate that at least 277 investors sent more than \$12  
18 million to invest in a Profit Connect supercomputer seat account since its formation  
19 in May 2018.

20           **I. J. Kovar Is a Control Person of Profit Connect**

21           108. J. Kovar had control over Profit Connect during the relevant period.

22           109. J. Kovar was the founder of Profit Connect and from its inception in  
23 May 2018 until April 2019, J. Kovar held all corporate offices since she served as its  
24 president, treasurer, secretary and director.

25           110. In April 2019, she added her son B. Kovar as a director of Profit  
26 Connect and added another individual as the secretary of Profit Connect, while J.  
27 Kovar remained its president and treasurer.

28           111. J. Kovar was the sole signatory until very recently on all of the Profit

1 Connect bank accounts, including the main account at Bank of America, the accounts  
2 described above located at Navy Federal Credit Union and the accounts described  
3 above located at JP Morgan Chase. J. Kovar thus received the investor funds and  
4 controlled those funds.

5 112. J. Kovar thus exercised control over Profit Connect and its general  
6 operations and activities.

7 **FIRST CLAIM FOR RELIEF**

8 **Fraud in Connection with the Purchase or Sale of Securities**

9 **Violations of Section 10(b) of the Exchange Act and Rule 10b-5(b)**

10 **[15 U.S.C. § 78j(b) and 17 C.F.R. § 240.10b-5(b)]**

11 **(Against All Defendants)**

12 113. The SEC realleges and incorporates by reference in this claim for relief  
13 all of the allegations set forth above, as if they were fully set forth herein.

14 114. In the course of Profit Connect's securities offering, Defendants made  
15 material misrepresentations and omissions about, among other things, the profits  
16 generated by Profit Connect, the safety of the investment and how investor funds  
17 would be used.

18 115. By engaging in the conduct described above, Defendants, and each of  
19 them, directly or indirectly, in connection with the purchase or sale of a security, and  
20 by the use of means or instrumentalities of interstate commerce, of the mails, or of  
21 the facilities of a national securities exchange, knowingly or recklessly, made untrue  
22 statements of a material fact or omitted to state a material fact necessary in order to  
23 make the statements made, in the light of the circumstances under which they were  
24 made, not misleading.

25 116. By engaging in the conduct described above, Defendants have violated,  
26 and unless restrained and enjoined will continue to violate, Section 10(b) of the  
27 Exchange Act [15 U.S.C. § 78j(b)] and Rule 10b-5(b) thereunder [17 C.F.R. § 240.10b-  
28 5(b)].











1 by personal service or otherwise, and each of them, from violating Section 17(a) of  
2 the Securities Act [15 U.S.C. §77q(a)], and Section 10(b) of the Exchange Act [15  
3 U.S.C. §§ 78j(b)] and Rule 10b-5 thereunder [17 C.F.R. § 240.10b-5].

4 **III.**

5 Enter conduct-based injunctions against J. Kovar and B. Kovar, preliminarily  
6 and permanently enjoining each from directly or indirectly, including but not limited  
7 to, through any entity owned or controlled by them, participating in the issuance,  
8 purchase, offer, or sale of any security in an unregistered offering provided, however,  
9 that such injunction shall not prevent them from purchasing or selling securities for  
10 their own personal accounts.

11 **IV.**

12 Issue, in a form consistent with Fed. R. Civ. P. 65, a temporary restraining  
13 order and a preliminary injunction freezing the assets of Defendants, requiring  
14 accountings from each of the Defendants, prohibiting each of the Defendants from  
15 destroying documents, and granting expedited discovery.

16 **V.**

17 Order defendants Profit Connect and J. Kovar to jointly and severally disgorge  
18 all ill-gotten gains from the violations alleged in this Complaint, and order them to  
19 pay prejudgment interest on their ill-gotten gains.

20 **VI.**

21 Order defendant B. Kovar to disgorge all ill-gotten gains from the violations  
22 alleged in this Complaint, and order him to pay prejudgment interest on his ill-gotten  
23 gains.

24 **VII.**

25 Order Defendants to pay civil penalties under Section 20(d) of the Securities  
26 Act [15 U.S.C. § 77t(d)] and Section 21(d)(3) of the Exchange Act [15 U.S.C. §  
27 78u(d)(3)].

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1 **VIII.**

2 Retain jurisdiction of this action in accordance with the principles of equity and  
3 the Federal Rules of Civil Procedure in order to implement and carry out the terms of  
4 all orders and decrees that may be entered, or to entertain any suitable application or  
5 motion for additional relief within the jurisdiction of this Court.

6 **IX.**

7 Grant such other and further relief as this Court may determine to be just and  
8 necessary.

9  
10 Dated: July 8, 2021

/s/ Kathryn C. Wanner

11 Kathryn C. Wanner<sup>1</sup>  
12 Teri M. Melson  
13 Attorneys for Plaintiff  
14 SECURITIES AND  
15 EXCHANGE COMMISSION  
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28 <sup>1</sup> Appearing pursuant to Local Rule IA 11-3 as an attorney employed by and  
representing the SEC, a United States agency.