

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

SECURITIES AND EXCHANGE COMMISSION, :

Plaintiff, :

v. :

TODAYS GROWTH CONSULTANT INC. :
(dba THE INCOME STORE) :

and :

KENNETH D. COURTRIGHT, III, :

Defendants. :

Civil Action No. 1:19-CV-08454

RECEIVER’S TWENTIETH STATUS REPORT

Melanie E. Damian, the court-appointed receiver (“Receiver”) in the above-captioned enforcement action (“SEC Enforcement Action”), submits her twentieth status report. This interim report sets forth the Receiver’s activities and efforts to fulfill her duties under the Appointment Order [ECF No. 19] for the period from October 1, 2024, through December 31, 2024 (the “Reporting Period”).

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I. INTRODUCTION

Since her appointment on December 30, 2019, the Receiver, with the assistance of her retained professionals, has worked diligently to fulfill her duties and obligations as set forth in the Appointment Order.

Specifically, the Receiver pursued claims to recover funds that Defendant Today's Growth Consultant Inc. ("TGC") had improperly transferred to various third-parties, insiders, and affiliates of the Defendants, including financial institutions and entities that facilitated the fraud that is the subject of the SEC Enforcement Action, and the professionals whose negligence caused damages to TGC and its creditors, including the defrauded investors. To date, the Receiver recovered nearly \$13.5 million from various third-parties, insiders, and affiliates of Defendants.

As a result of those and other recoveries, including from the sale of TGC's assets, by the Receiver, on or around December 5, 2023, the Estate made the Court-approved initial monetary distributions totaling approximately \$7.4 million (in addition to having distributed over \$7.8 million in digital assets to investors).

During this Reporting Period, the Receiver continued to prosecute the two remaining ancillary actions against third parties, insiders, and/or affiliates of TGC. In one such action, the Court has taken under advisement the Receiver's unopposed motion for summary judgment against the four remaining merchant cash advance companies ("MCAs") and motion to strike the MCAs' experts, which were fully briefed during a prior reporting period. In the other remaining ancillary action, the Court entered findings of fact and conclusions of law, determining that all payments from TGC to William Courtright and his company Courtright Consulting, Inc. after a certain date were voidable fraudulent transfers and directing the parties to submit a joint report confirming the amount that TGC transferred to those Defendants after that date. In the joint report, while the parties agreed that TGC had transferred more than \$1.3 million to Defendants after that

date, Defendants argued that a significant portion of those transfers should not be voided. The Court then directed the parties to brief the issues underlying Defendants' arguments. That briefing was completed during this Reporting Period. As soon as the Court determines the amount to be voided and enters a final judgment against Defendants, the Receiver will begin collection efforts against Mr. Courtright and his company.

II. PROCEDURAL BACKGROUND

The Appointment Order entered on December 30, 2019, directs the Receiver to file with the Court within thirty (30) days after the end of each calendar quarter her report and recommendations regarding the status and activities of the Receivership Estate and TGC's business operations during the prior calendar quarter. *See* ECF No. 19. In particular, the Receiver's quarterly status reports are required to include: (1) a summary of the operations of the Receiver; (2) a summary of cash on hand, accrued administrative expenses, and the amount of unencumbered funds in the Estate; (3) a schedule of the Estate's receipts and disbursements; (4) a description of all known assets of the Estate; (5) a description of liquidated and unliquidated claims held by the Estate; (6) a list of all known creditors of the Estate; (7) a status of Creditor Claims Proceedings (once commenced); and (8) the Receiver's recommendations for a continuation or discontinuation of the receivership. *See* ECF No. 19 at pp. 21-22. Accordingly, the Receiver hereby files her twentieth status report detailing the status of the receivership during the fourth quarter of 2024.

III. STATUS AND ACTIVITIES OF THE RECEIVERSHIP

During the Reporting Period, the Receiver, with the assistance of her professionals, continued to fulfill all duties and obligations as set forth in the Appointment Order. In particular, the Receiver focused her attention and resources on:

- (A) responding to inquiries from, and addressing issues raised by, investors who participated in the Court-approved claims process regarding the monetary distributions and/or the status of the SEC Enforcement Action, the criminal proceeding against Courtright, and the Receivership; and
- (B) briefing outstanding post-trial issues regarding the amount of the final judgment on the Receiver's claims against William Courtright and his company Courtright Consulting, Inc. following the trial in January 2024.

A. *The Court-Approved Claims Process and Responding to Investor Inquiries*

As previously reported, the Receiver administered a Court-approved Claims Process during which she made final determinations on all claimants' claims, including late-filed and amended claims, approving those claims for monetary distributions from the Estate. The Receiver's Amended Monetary Distribution Plan provided for a *pro rata* distribution of funds to claimants holding Allowed Claims totaling \$72,357,553.80, providing a 9.94% recovery to those claimants.¹ During a prior reporting period, the Estate made the initial monetary distribution by sending \$7,399,346.38 to investors and employee/independent contractors holding Allowed Claims, which included allowed late-filed claims. *See* ECF Nos. 283 (Motion to Amend Monetary Distribution Plan), 283-1 (Exhibit A), and 295 (Order).

The Court approved an additional 15 late-filed and/or amended claims against the Estate, totaling \$2,280,581.46, as described in the Receiver's Motion to Amend Court-Approved Monetary Distribution Plan [ECF No. 318], which was granted by this Court [ECF No. 325]. The Receiver then made the same 9.94% initial distribution totaling \$206,164.90 to those claimants

¹ The subordinated creditor claim in the amount of \$760,552.17 and the \$7.8 million in claims that were satisfied through the return of investor websites are not included in the total Allowed Claims amount. Also, claims totaling \$310,195.96, which were satisfied through the class action styled *PLB Investments LLC, et al. v. Heartland Bank and Trust Company*, 1:20-cv-1023 (N.D. Ill.), were withdrawn and are not included in the Allowed Claims total.

with allowed late claims and amended claims, as provided in Exhibit A to that Motion [ECF No. 318-1]. The Receiver also processed a late monetary claim for a claimant with a net loss of \$10,911 because this claimant required assistance understanding the claims process and did not request the appropriate relief when he initially filed his claim. The Receiver believes she should allow this late claim and will ask the Court to approve this claim in her motion to approve the final distribution to all claimants.

During the Reporting Period, the Receiver continued to regularly communicate with investors through the email accounts, telephone number, and Receivership website established to provide information to, and address the questions and concerns of, investors. In particular, through the email accounts established for the Receivership (IncomeStore@dvllp.com and IncomeStoreClaims@dvllp.com) and the telephone number set up soon after the commencement of the Receivership, the Receiver's professionals responded to investors' communications regarding (i) updated investor contact information, (ii) Courtright's criminal conviction and collection of restitution, (iii) the timing of the final distribution and termination of the Receivership, and (iv) the status of the SEC Enforcement Action and Receivership in general.

B. Pursuing Recovery Claims Against Merchant Cash Advance Companies and an Insider of TGC

During the Reporting Period, the Receiver and her counsel continued to await the Courts' rulings on dispositive motions and entry of final judgment following the bench trial in the two remaining recovery actions (for fraudulent transfers and aiding and abetting Courtright's fraud and breach of fiduciary duties) commenced during prior reporting periods in this District, including

the action against several MCAs that TGC had utilized and the action against William Courtright, the brother of Courtright and an insider of TGC, along with William Courtright's company.²

In particular, in the action against the MCAs, Case No. 1:21-cv-01792 (the "MCA Recovery Action"), pending in this District, the Receiver continues to await the Court's rulings on the Receiver's unopposed motion for summary judgment against four MCAs (EIN Cap, Inc., BMF Capital, LLC, World Global Capital, LLC, and FundKite, LLC) and the Receiver's unopposed motion to strike those MCAs' purported experts, which the Court took under advisement during the eighteenth reporting period. *See* Case No. 1:21-cv-01792 at ECF Nos. 136, 171, 172, and 186. The Receiver's claims against the other four MCAs were resolved during prior reporting periods through settlement agreements and consent final judgments, two of those MCAs (AKF, Inc. and Fox Capital Group, Inc.) paid a total of \$85,000 pursuant to Court-approved settlements, and Consent Final Judgments were entered against the other two MCA, including Defendants Alpha Capital Source, Inc. in the amount of \$118,770 and High Five Capital Group, LLC in the amount of \$1,090,494, representing the full amounts of the net gains they had received from TGC. *See* Case No. 1:21-cv-01792 at ECF Nos. 178 and 179.

In the recovery action against William Courtright and Courtright Consulting, Inc., Case No. 1:21-cv-01694 (the "William Courtright Action), pending in this District, the Court entered its Findings of Fact and Conclusions of Law. *See id.* at ECF No. 120. The Court determined that all payments that William Courtright and Courtright Consulting, Inc. received from TGC after November 3, 2017, were not received in good faith and, as such, the transfers were fraudulent in

² As detailed in the Receiver's prior Status Reports, to preserve the minimal funds in the Receivership Estate at the time, the Receiver and her counsel did not bill the Estate for the formulation and litigation of these recovery claims. Rather, on September 16, 2020, the Receiver filed her Motion for Approval of Contingency Fee Arrangement for such claims. *See* ECF No. 99. And, on November 5, 2020, the Court granted that Motion. *See* ECF No. 103.

violation of the Illinois Uniform Fraudulent Transfer Act and may be recovered by the Receiver. *See id.* The Court then ordered the parties to confer regarding the amount Defendants received from TGC after November 3, 2017, and submit a joint report as to that amount by October 17, 2024. *See id.* at 121.

During this Reporting Period, the parties filed the joint report in which the parties agreed to the amount Defendants received after November 3, 2017 (exceeding \$1.3 million), but Defendants argued that the amount should be reduced. *See id.* at 121. The Court directed the parties to brief their disputes as to the amount of voidable transfers. All such briefing was completed during this Reporting Period and the parties await the Court's determination. *See id.* at 124-126. Upon entry of the final judgment establishing the voidable transfer amount, the Receiver will seek to collect the judgment amount from William Courtright and Courtright Consulting, Inc.

Upon the conclusion of these two remaining ancillary actions and reasonable efforts to collect the judgment amounts from the Defendants and/or sell the judgments, the Receiver will seek Court authority to make a final distribution to claimants with allowed claims after payment of the Court-approved outstanding fees and costs of the Receiver and her professionals. Thereafter, the Receiver will file a motion to terminate the receivership and discharge the Receiver.

IV. ESTATE'S CASH ON HAND, EXPENSES, AND DISBURSEMENTS

As of the end of the Reporting Period (December 31, 2024), the Estate held a total of \$1,286,401.32 in cash on hand, comprising, among other things, the net proceeds of the sale of the Estate's digital assets, and settlement funds received from third-parties, insiders, affiliates, and former professionals of TGC against whom the Receiver pursued claims. *See* Standardized Fund Accounting Report reflecting starting and ending balances, and receipts and disbursements, of the Receiver's fiduciary account, attached hereto as **Exhibit A**. The Receiver deposited such funds in her fiduciary account for the Receivership Estate at City National Bank in Miami, Florida.

On March 2, 2022, the Court entered the parties' Stipulation and Order Concerning Receiver's Interim Fee Applications that, among other things, set forth the timing and procedure for payment of the Receiver's and her professionals' outstanding administrative fees and further governing the protocol for application and payment of the Receiver's and her professionals' administrative fees set forth in all future fee applications. *See* ECF No. 191. In conformance with these procedures, during the Reporting Period, on November 13, 2024, the Receiver filed her Nineteenth Interim Application for an Order Approving and Authorizing Payment of Fees and Expenses of Receiver and Her Professionals [ECF No. 341] (the "19th Fee Application"), seeking approval and payment of certain fees and costs incurred during the third quarter of 2024. On November 25, 2024, this Court entered an order granting the 19th Fee Application [ECF No. 344].

During the next reporting period, the Receiver will file her Twentieth Interim Application for an Order Approving and Authorizing Payment of Fees and Expenses of Receiver and Her Professionals, seeking approval and payment of the fees and costs incurred by certain of the Receiver's professionals in connection with fulfilling the Receiver's duties under the Court's Orders during this Reporting Period.

V. KNOWN PROPERTY OF THE RECEIVERSHIP ESTATE

As of the end of the Reporting Period (December 31, 2024), the Receiver was in possession, custody, or control of the following assets of the Receivership Estate:

- \$1,286,401.32 in cash on hand in the Receiver's fiduciary account;
- 6 domain names. As the domain names expire, the Receiver has elected not to renew them in order to save the costs associated with maintaining them, marketing them for sale, and finalizing the sale transactions, all of which are estimated to exceed the value of the domains;
- Claims against EIN Cap, Inc., BMF Capital, LLC, FundKite, LLC, and World Global Capital, LLC, Case No. 21-cv-01792; Venue in the United States District Court for the Northern District of Illinois;

- Forthcoming Judgment against William Courtright and Courtright Consulting, Inc.; Case No. 2:20-cv-01012; Venue in the United States District Court for the Northern District of Illinois;
- Judgment against High Five Group, LLC in the amount of \$1,090,494, plus interest;
- Judgment against Alpha Capital Source, Inc. in the amount of \$118,770, plus interest;
- Judgment against Legacy Families in the amount of \$154,038.50, plus interest; and
- Judgment against JDS Consulting in the amount of \$121,409.65, plus interest.

VI. KNOWN CREDITORS OF THE RECEIVERSHIP ESTATE

As detailed above, the Receiver has allowed claims totaling \$74,638,135.30, including late and amended claims against the Receivership Estate. Claimants holding allowed claims are comprised of investors, creditors, employees, and independent contractors of TGC that participated in the Receivership Estate's claims process by filing a claim for a monetary distribution and/or for turnover of their digital assets.

During prior reporting periods, the Receiver made an initial distribution to those claimants totaling \$7,398,322.47, providing those claimants with a 9.94% recovery in addition to the distribution of more than \$7 million in digital assets to claimants electing turnover of websites, content, and social media pages instead of monetary distribution.

VII. RECOMMENDATION FOR CONTINUATION OF RECEIVERSHIP AND CONCLUSION

The Receiver recommends the Receivership continue so she may litigate to conclusion the Estate's claims against the MCAs, obtain a final judgment against insiders William Courtright and his company, seek to collect on the judgments that are entered in those actions as well as the

judgments entered against other Defendants, and/or explore the potential sale of any judgments on which collection proves to not be cost-effective to maximize the value of the Estate's assets for the benefit of the investors and creditors of the Estate. Further, the Receiver intends to make the final distributions to allowed claimants in accordance with the Monetary Distribution Plan, as amended, and any further order of this Court, after which she will move to terminate the receivership and discharge the Receiver.

The Receiver will continue to perform all other duties as mandated by the Appointment Order and update the Court on a quarterly basis as to the status and activities of the Receivership.

Respectfully submitted this 20th day of January 2025.

Respectfully submitted,

/s/ Kenneth Dante Murena

Kenneth Dante Murena, Esq.

Florida Bar No. 147486

DAMIAN VALORI CULMO

1000 Brickell Avenue, Suite 1020

Miami, Florida 33131

Telephone: (305) 371-3960

Facsimile: (305) 371-3965

Email: kmurena@dvllp.com

Counsel for Melanie E. Damian,

Court-Appointed Receiver

General Admission to N.D. Ill.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing was served via electronic transmission via this Court's CM/ECF filing system on January 20, 2025, on all counsel or parties who have appeared in the above-styled action.

/s/Kenneth Dante Murena

Kenneth Dante Murena, Esq.

Counsel for Melanie E. Damian,

Court-Appointed Receiver

Melanie E. Damian, Esq., as Receiver
DAMIAN & VALORI, LLP
1000 Brickell Avenue, Suite 1020
Miami, Florida 33131

STANDARDIZED FUND ACCOUNTING REPORT

CIVIL – RECEIVERSHIP FUND FOR SEC v. TODAY'S GROWTH CONSULTANT, INC, ET AL.

Reporting Period 9/1/2024 to 12/31/2024

		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 9/1/2024):	\$ -	\$ -	\$1,283,832.28
	Increases in Fund Balance:			
Line 2	Business Income	\$ -	\$ -	\$ -
Line 3	Cash and Securities [1]	\$ 147.29	\$ 147.29	\$ 147.29
Line 4	Interest/Dividend Income [1]	\$ 10,065.98	\$ 10,065.98	\$ 10,065.98
Line 5	Business Asset Liquidation		\$ -	\$ -
Line 6	Personal Asset Liquidation	\$ -	\$ -	\$ -
Line 7	Third-Party Litigation Income	\$ -	\$ -	\$ -
Line 8	Miscellaneous - Other	\$ -	\$ -	\$ -
	Total Funds Available			\$ 1,294,045.55
	(Lines 1-8):			
	Decreases in Fund Balance:			
Line 9	Disbursements to Investors	\$ -	\$ -	\$ -
Line 10	Disbursements for Business Operations [1]	\$ 6,773.74	\$ 6,773.74	\$ 6,773.74
Line 10a	Disbursements to Receiver or Other Professionals - Contingency Fee Arrangement per Court Order dated November 5, 2020 [ECF No. 103]	\$ 870.49	\$ 870.49	\$ 870.49
Line 10b	Disbursements to Receiver or Other Professionals	\$ -	\$ -	\$ -
Line 10c	Personal Asset Expenses:	\$ -	\$ -	\$ -
Line 10d	Investment Expenses	\$ -	\$ -	\$ -
Line 10e	Third-Party Litigation	\$ -	\$ -	\$ -
Line 10f	Tax Administrator Fees and Bonds	\$ -	\$ -	\$ -
Line 10g	Federal and State Tax Payments	\$ -	\$ -	\$ -
	Total Disbursements for Receivership Operations			\$ 7,644.23
Line 11	Disbursements for Distribution Expenses Paid by the Fund:	\$ -	\$ -	\$ -
Line 11a	Distribution Plan Development Expenses:	\$ -	\$ -	\$ -

Line 11b	Distribution Plan Implementation Expenses:	\$ -	\$ -	\$ -
Line 12	Disbursements to Court/Other	\$ -	\$ -	\$ -
Line 12a	Investment Expenses/Court Registry Investment System (CRIS) Fees	\$ -	\$ -	\$ -
Line 12b	Federal Tax Payments	\$ -	\$ -	\$ -
	Total Disbursements to Court/Other			
	Total Funds Disbursed (Lines 9-11)			\$ 7,644.23
Line 13	Ending Balance (As of December 31, 2024)			\$ 1,286,401.32
Line 14	Ending Balance of Fund – Net Assets:			
Line 14a	Cash & Cash Equivalents			\$ 1,286,401.32
Line 14b	Investments			\$ -
Line 14c	Other Assets or Uncleared Funds			
	Total Ending Balance of Fund – Net Assets			\$ 1,286,401.32

[1] Funds were received into the Receivership accounts for Today's Growth Consultant, Inc at City National Bank. See Receipts attached hereto as Exhibit 1.

[1] Funds were disbursed to administer the receivership estate and its assets. See Expenses attached hereto as Exhibit 1.

Respectfully submitted,

Damian & Valori LLP
1000 Brickell Avenue, Suite 1020
Miami, Florida 33131
Telephone: 305-371-3960
Facsimile: 305-371-3965

/s/ Melanie E. Damian
Melanie E. Damian
Court-Appointed Receiver

Attachment 1 to Exhibit A to Receiver's Report**Sec v. Today's Growth Consultant, et al. - Receipts of Fiduciary Account**

Date of Check	From	Amount
10/30/2024	Sheet Music Plus	\$ 94.45
11/27/2024	Sheet Music Plus	\$ 52.84
Total		\$ 147.29

City National Bank Interest

Date	Explanation	Amount
10/31/2024	interest	\$ 3,608.49
10/31/2024	interest	\$ 1.27
11/30/2024	interest	\$ 3,192.25
11/30/2024	interest	\$ 1.15
12/31/2024	interest	\$ 3,261.60
12/31/2024	interest	\$ 1.22
Total		\$ 10,065.98

GRAND TOTAL OF RECEIPTS **\$ 10,213.27**

Sec v. Today's Growth Consultant, et al. - Expenses of Fiduciary Account

Date	Payable	Amount	
10/24/2024	Teris	\$ 3,149.37	Sep-24
11/26/2024	Teris	\$ 3,149.37	Oct-24
12/18/2024	Teris	\$ 475.00	Final invoice
		\$ 6,773.74	

Professional Fee

11/22/2024	Rachlis Duff & Peel LLC	\$ 352.80	thru 12/31/23
11/25/2024	Rachlis Duff & Peel LLC	\$ 258.40	thru 9/30/24
11/25/2024	Kapila Mukamal	\$ 259.29	thru 9/30/24
Total professional fees		\$ 870.49	

GRAND TOTAL EXPENSES **\$ 7,644.23**