

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

SECURITIES AND EXCHANGE COMMISSION,	:	
	:	
Plaintiff,	:	
	:	
v.	:	
	:	Civil Action No. 1:19-CV-08454
TODAY’S GROWTH CONSULTANT INC.	:	
(dba THE INCOME STORE)	:	
	:	
and	:	
	:	
KENNETH D. COURTRIGHT, III,	:	
	:	
Defendants.	:	

RECEIVER’S THIRTEENTH STATUS REPORT

Melanie E. Damian, the court-appointed receiver (“Receiver”) in the above-captioned enforcement action (“SEC Enforcement Action”), submits her thirteenth status report concerning the status of the Receivership, established pursuant to the Court’s Temporary Restraining Order Freezing Assets and Imposing Other Emergency Relief [ECF No. 20] (“TRO”) and Order Appointing Receiver (“Appointment Order”) [ECF No. 19]. This interim report sets forth the Receiver’s activities and efforts to fulfill her duties under the Appointment Order for the period from January 1, 2023, through March 31, 2023 (the “Reporting Period”).

TABLE OF CONTENTS

I.	INTRODUCTION	3
II.	PROCEDURAL BACKGROUND.....	4
III.	STATUS AND ACTIVITIES OF THE RECEIVERSHIP AND SUMMARY OF TGC’S OPERATIONS	6
	A. <i>Maintaining, Reducing Expenses, and Marketing for Sale Remaining Assets of the Estate, Transferring Assets Related to Websites to Purchasers, and Resolving Issues with Certain Transferred Digital Assets</i>	7
	B. <i>Responding to Investor Inquiries Regarding Court-Approved Claims Process</i>	8
	C. <i>Pursuing Recovery Claims Against Third Parties, Affiliates, and Insiders</i>	10
	D. <i>Assistance of Receiver’s Forensic Accountant and Tax Consultant</i>	14
	E. <i>Courtright’s Criminal Proceeding</i>	15
IV.	ESTATE’S CASH ON HAND, EXPENSES AND DISBURSEMENTS.....	16
V.	KNOWN PROPERTY OF THE RECEIVERSHIP ESTATE.....	17
VI.	KNOWN CREDITORS OF THE RECEIVERSHIP ESTATE	18
VII.	RECOMMENDATION FOR CONTINUATION OF RECEIVERSHIP AND CONCLUSION.....	19

I. INTRODUCTION

Since her appointment on December 30, 2019, the Receiver, with the assistance of her retained professionals, including her lead counsel, local counsel, and forensic accountants, has worked diligently to continue to fulfill her duties and obligations as set forth in the Appointment Order and to preserve the assets and records of the Receivership Estate (“Receivership Estate” or “Estate”). In particular, the Receiver took control of all known assets of Defendant Today’s Growth Consultant Inc. d/b/a The Income Store (“TGC”), including but not limited to the many websites and domains owned by TGC, its business operations, and all other known assets. And the Receiver worked on identifying and marshaling all other assets of TGC, including without limitation funds held in bank accounts, funds transferred to or in the possession of third parties, and other personal property of TGC. The Receiver and her counsel also communicated with investors and answered inquiries regarding, among other things, the status of the SEC Enforcement Action, the Court-approved claims process and timing of initial investor distributions, the results of the sales of TGC’s websites, domains and related digital assets, and the Receiver’s efforts to recover assets from third-parties, insiders, and affiliates for the benefit of the Estate.

During the Reporting Period, the Receiver developed and proposed a monetary distribution plan providing for a *pro rata* distribution to all investor claimants holding an allowed claim and electing a monetary distribution.

Moreover, the Receiver worked to transfer the few remaining digital assets associated with the websites and domains the Estate had sold during a prior reporting period. And, the Receiver continued to utilize the online digital asset broker, Afternic, to market for sale the remaining domains of the Estate.

Further, during the Reporting Period, the Receiver's counsel continued to respond to requests for documents and access to TGC records from counsel for Courtright in the criminal action against Courtright, attended hearings in that action to answer questions from or provide updates to the Court, and worked with the Receiver's IT vendors to provide access to the Estate's records maintained on the Relativity document management platform and/or copies of records from forensic images of certain hard drives not maintained on Relativity. And, the Receiver's counsel worked on gathering and producing to the SEC documents in response to its Fourth Request for Production of Documents to TGC and various documents which the Receiver had obtained from third parties in response to Subpoenas.

Finally, the Receiver continued to litigate the Estate's claims against third-parties, insiders, and affiliates of the Defendants who had improperly received significant recoverable transfers from TGC without providing reasonably equivalent value in exchange therefor and/or facilitated and assisted TGC and its principal Defendant Kenneth D. Courtright, III ("Courtright") to operate TGC as an alleged Ponzi scheme. And, the Receiver continued to pursue her claims against TGC's former attorneys and accountants. In particular, the Receiver advanced the actions she had commenced against the foregoing parties, engaged in discovery, and explored expeditious resolutions of the Receiver's claims. During the Reporting Period, the Receiver reached a settlement with Heartland Bank, subject to Court approval, and filed a Motion to approve that settlement, which is pending before this Court. And, the settlement that the Receiver had reached with one former counsel for TGC during the prior reporting period was approved by the Court during the Reporting Period. *See* ECF Nos. 239 and 250.

II. PROCEDURAL BACKGROUND

The Appointment Order entered on December 30, 2019, among other things, 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.

On January 30, 2020, as required under the Appointment Order, the Receiver filed her Initial Status Report, which described, among other things, the Receiver's activities and efforts to fulfill her obligations under the Appointment Order during the first thirty (30) days of the receivership. *See* ECF No. 45. Importantly, in her Initial Status Report, the Receiver concluded that TGC's business records confirm the allegations as set forth in the SEC's Complaint [ECF No. 1]. *See* EFC No. 45. Specifically, because TGC's revenue from all of the websites each month was significantly less than the monthly payment obligations to the investors and are thus not sufficient to cover both monthly payments to investors as well as TGC's monthly overhead expenses, the Receiver concluded that the long-term costs associated with maintaining and preserving the digital assets of TGC was not in the best interest of the Receivership Estate.¹ *See*

¹ Indeed, since her appointment, the Receiver has detailed in her quarterly status reports the significant expenses associated with merely maintaining the assets, including retaining a skeletal group of IT professionals and the ongoing carrying costs of the domains and websites and eventually, as a cost-saving measure, eliminating the outside IT group and moving the remaining

id. Based on this conclusion and the Receiver's analysis of the equities of all interested parties, including the investors, the receipts, and expenses of TGC's operations and of the Receivership Estate, and likely recoveries of the Estate, the Receiver outlined her proposal to promptly seek Court approval for a claims process and partial distribution plan which provided for, among other things, the transfer of websites to investors electing to receive them in lieu of monetary distributions. *See id.* On February 28, 2020, the Receiver filed her Claims Process Motion. *See* ECF No. 53. The Court granted the Receiver's Claims Process Motion on November 30, 2020 [ECF No. 109] and the Receiver implemented the plan as set forth therein.

The Receiver's subsequent status reports detailed, among other things, the Receiver's continued efforts to carry out her duties and obligations as set forth in the Appointment Order including, without limitation, her efforts to preserve, maintain, and recover the assets and pursue claims of the Estate. *See* ECF Nos. 81, 101, 115, 127, 160, 172, 184, 202, 220, 233, 242 (supplementing 233), and 247.

III. STATUS AND ACTIVITIES OF THE RECEIVERSHIP

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

- (A) maintaining, reducing expenses for, and marketing for sale remaining digital assets of the Estate, transferring social media accounts related to websites to purchasers, and resolving issues with certain transferred digital assets;
- (B) responding to inquiries from, and addressing issues raised by, investors who participated in the Court-approved claims process regarding the digital assets they received in lieu of monetary distributions and/or the status of the SEC Enforcement Action and the Receivership;

day-to-day operations to the Receiver's in-house team. *See* ECF Nos. 45, 81, 101, 115, 127, 160, 172, 184, 202, 220, 233, and 247.

- (C) continuing to litigate pending recovery actions against third-parties, insiders, and affiliates of TGC who received significant transfers from TGC without providing reasonably equivalent value, and/or facilitated and assisted TGC and Courtright to commit the alleged fraud that is the subject of the SEC Enforcement Action;
- (D) obtaining Court approval of a settlement of the Receiver's claims against one former counsel for TGC and pursuing the Receiver's claims against another former counsel and a former accountant for TGC;
- (E) Continuing settlement negotiations with a financial institution, finalizing a settlement agreement and proposed bar order, and presenting the agreement and bar order to the Court for preliminary approval and seeking approval of the form and procedures for noticing interested parties and setting of objection deadline and final hearing;
- (F) working with her forensic accountant to analyze the reconstructions of accounts of TGC and perform damages calculations and other analyses to support the Receiver's claims against third parties, insiders, affiliates, and former professionals of TGC; and
- (G) working with IT professionals to provide access to the Estate's Relativity databases of TGC records and copies of forensic images of other TGC records to Defendant Courtright in response to his requests in the pending criminal matter, *United States of America v. Kenneth D. Courtright*, Case No. 20-CR-77, and gathering and producing documents to the SEC in response to its Fourth Request for Production of Documents to TGC and its request for copies of documents the Receiver received in response to Subpoenas to third parties.

A. *Marketing for Sale Remaining Assets of the Estate, Transferring Assets Related to Websites to Purchasers, and Resolving Issues with Certain Transferred Digital Assets*

During the Reporting Period, the Receiver and her counsel continued to maintain and market for sale the Estate's remaining digital assets and worked to finalize the transfer of purchased websites and domains and all content related to those websites and domains.

As previously reported, the Receiver listed for sale and sold additional domains through the third-party broker service, Afternic. During the Reporting Period, the Receiver' counsel continued to monitor and respond to numerous price inquiries regarding the listed domains from

potential buyers through the Afternic service, and, utilizing free valuation tools provided by Afternic's digital asset experts, the Receiver re-evaluated and strategically set individual prices for each domain. During the Reporting Period, the Receiver sold four domains for a total amount of \$2,500.00.

B. Responding to Investor Inquiries Regarding Court-Approved Claims Process

As previously reported, in accordance with this Court's Memorandum and Opinion Order granting the Receiver's Claims Process Motion [ECF No. 109], on December 15, 2020, the Receiver sent Claims Packages to 832 potential claimants (including government taxing agencies) via email and another 24 Claims Packages via U.S. Mail or Federal Express. Shortly after sending out the Claims Packages, the Receiver and her professionals began receiving, organizing, and processing completed claim forms that claimants had sent to the Receiver's email address established for the claims process (IncomeStoreClaims@dvl1p.com).

Pursuant to her Final Determinations of all claimants' claims, the Receiver approved claims for monetary distributions to investors totaling approximately \$70,328,469.32, to former employees totaling approximately \$12,780.60, and to creditors totaling approximately \$1,118,248.04 (\$760,552.17 of which is subordinated to the claims of investors pursuant to an agreed order). Of the 472 claims from investors, 32 investors elected to receive one or more of the websites that TGC had assigned to them and forfeit their right to monetary distributions or significantly reduce their monetary distributions from the Estate. Pursuant to the approval of these claims, the Receiver transferred 68 websites to the 32 investors thereby reducing the total monetary claims against the Estate by \$7,873,540.20.

In the event the Court approves the settlement that the Receiver reached with Heartland Bank and Trust ("HBT") during the Reporting Period (discussed below) and the Estate receives the

settlement proceeds, the Estate will have sufficient funds to make an interim monetary distribution totaling nearly \$7 million. Therefore, on March 13, 2023, the Receiver filed her Motion to Approve Monetary Distribution Plan [ECF No. 254] proposing to make a distribution to those investor claimants who elected a monetary distribution. The Receiver's proposed Monetary Distribution Plan provides for a *pro rata* distribution of funds to claimants holding allowed claims totaling \$70,372,812.33, providing a 9.94% recovery to those claimants.²

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) the Court-approved claims process and the status and timing of the eventual monetary distributions, (ii) updated investor contact information, (iii) transferring websites, domains, and corresponding social media channels to investors pursuant to their elections to received same in lieu of monetary distributions in the claims process, (iv) the assets of the Estate sold at the online auction sale and directly to third parties and the results of the sales, and (v) the SEC Enforcement Action and Receivership in general.

² The total Allowed Claim Amount does not include the \$760,552.17 allowed creditor claim that has been subordinated to investor claims by agreed order. It also excludes the \$7.8 million in claims that were satisfied through the return of investor websites. The Receiver also expects that claims totaling \$310,195.96 will be withdrawn upon dismissal of the class action styled *PLB Investments LLC, et al. v. Heartland Bank and Trust Company*, 1:20-cv-1023 (N.D. Ill.), which will ultimately provide additional funds for the Estate and distribution to investor claimants.

C. Pursuing Recovery Claims Against Third Parties, Affiliates, Insiders, Professionals, and Financial Institutions

During the Reporting Period, the Receiver and her counsel continued to litigate the Estate's actions against third-parties, affiliates, and insiders, commenced during prior reporting periods, including by conducting discovery, working with her retained expert to finalize and serve expert witness reports, and preparing and responding to dispositive motions, in accordance with applicable pre-trial scheduling orders.³

Moreover, the Court entered an Order granting the Receiver's Motion to Approve Settlement and Release Agreements with Certain Professionals and to Authorize Payment of the Contingency Fee and Costs to Receiver's Counsel [ECF No. 231], approving the settlement in the amount of \$974,094.00 between the Estate and a firm that had provided legal services to TGC. *See* ECF No. 250. Accordingly, the Receiver collected the settlement payment and disbursed the Court-approved fees and costs. The balance of the settlement amount remains in the Estate's fiduciary account awaiting approval of the Receiver's proposed monetary distribution to claimants.

Further, during the Reporting Period, the Receiver continued to pursue the Estate's claims for breach of the Illinois Fiduciary Obligations Act, aiding and abetting Courtright's breaches of fiduciary duties, facilitating TGC and Courtright's alleged fraud and recovery of fraudulent

³ As detailed in the Receiver's prior Status Reports, to preserve the minimal funds in the Receivership Estate, 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. Additionally, pursuant to the parties' Stipulation and Order Concerning the Receiver's Payment of Expenses in the Ancillary Actions [ECF No. 228], the fees and expenses of the Receiver and Lead Counsel incurred in administering the Estate will not be paid from the net recoveries in the contingency fee cases until the conclusion of the receivership when, as part of the Receiver's final accounting, the Receiver will seek payment and reimbursement from the Estate of all outstanding fees and costs of the Receiver and her professionals (including all fees held back since the inception of the receivership), subject to a cost benefit analysis and final review by the SEC and the Court.

transfers against Heartland Bank & Trust Company (“Heartland Bank”), Case No. 1:20-cv-07819, pending in the United States District Court for the Northern District of Illinois. In particular, the Receiver continued to engage in fact discovery, attended a mediation and negotiated the principle terms of a settlement, and after the mediation continued settlement negotiations and prepared and finalized a settlement agreement between the Receiver and Heartland Bank, in conjunction with a settlement between certain TGC investors who had commenced a separate action against Heartland Bank. The settlement between the Receiver and Heartland Bank, which is subject to this Court’s approval, proposes to resolve all claims brought by the Receiver and to bar all potential claims that may be asserted by TGC’s investors and other creditors against Heartland Bank in exchange for a \$9 million payment by the Bank to the Estate. Accordingly, the Receiver filed a Motion to Approve the Settlement with Heartland Bank [Case No. 1:20-cv-07819, ECF No. 256] together with the proposed Settlement Agreement (Exhibit A thereto) and a proposed approval and bar Order (Exhibit B thereto), which motion is pending before this Court. If approved, as explained above, this settlement will allow the Receiver to send a monetary distribution of at least \$7 million to all investor claimants. On March 16, 2023, the Court held a preliminary hearing on the Receiver’s Motion. After the hearing, pursuant to the Court’s instructions, the Receiver submitted to the Court a proposed Order preliminarily approving the proposed settlement and bar order, setting a final hearing to approve the same, and setting deadlines for the Receiver to serve notice of the settlement and bar order on all interested parties and for interested parties to file objections. Thereafter, given that the preliminary approval and scheduling order had not been entered, the Receiver submitted an updated proposed order adjusting certain deadlines but keeping the same final hearing date. The Receiver is prepared to send notice (including a description) of the settlement and bar order, and the preliminary approval and scheduling order, to all interested

parties (including investor claimants and other creditors of the Estate) as soon as the Court enters the preliminary approval and scheduling order.

During the Reporting Period, the Receiver also advanced the Estate's claims for recovery of fraudulent transfers, unjust enrichment, and aiding and abetting Courtright's alleged fraud and breaches of fiduciary duties against Cody Neer and Bucks of America, Inc., Case No. 8:21-cv-1999, pending in the United States District Court for the Middle District of Florida, Tampa Division. Those defendants were vendors of websites and website development and management services, used in furtherance of the alleged fraudulent scheme, which failed to provide reasonably equivalent value in exchange for the more than \$2.4 million in fraudulent transfers they received from TGC. During the Reporting Period, the Court denied the parties motions for summary judgment and set the case for trial. *See* Case No. 8:21-cv-1999, ECF No. 64. The Receiver and her counsel then focused on preparing for trial.

In addition, the Receiver continued to pursue the Estate's claims for recovery of fraudulent transfers, breaches of contracts, and aiding and abetting Courtright's alleged fraud against certain merchant cash advance companies, including EIN Cap, Inc., Alpha Capital Source, Inc., BMF Capital, LLC, Fundkite, LLC, AKF, Inc., World Global Capital, LLC, Fox Capital Group, Inc., High Five Group, LLC, and Sutton Funding NY, Inc., Case No. 1:21-cv-01792, pending in the United States District Court for the Northern District of Illinois. Those defendants provided cash advances to TGC and then improperly swept investor funds, rather than TGC's revenues, to repay themselves. All deadlines in that case were abated while the Court considered the Defendants' Motion to Sever the suit into eight separate lawsuits. *See* Case No. 1:21-cv-01792, ECF No. 95. During the Reporting Period, the Court denied that Motion allowing the lawsuit to proceed against

all Defendants. *See id.* at ECF No. 112. The Court then scheduled a status conference for April 20, 2023 to set all case deadlines, and the Receiver has been permitted to proceed with discovery.

The Receiver also advanced the Estate's claims for recovery of fraudulent transfers, aiding and abetting Courtright's alleged breaches of fiduciary duties, and unjust enrichment against William Courtright and Courtright Consulting, Inc., Case No. 2:20-cv-01012, pending in the United States District Court for the Northern District of Illinois. The Receiver seeks to recover the nearly \$2.3 million that those defendants were paid, and other damages based on the significant investor losses resulting from their efforts, to lure in investors to TGC. During the Reporting Period, the parties completed fact and expert discovery and agreed upon deadlines for filing dispositive motions and responses thereto.

During the Reporting Period, the Receiver also pursued the Estate's claims for recovery of fraudulent transfers against Pepperdine University, Case No. 1:21-cv-02371, pending in the United States District Court for the Northern District of Illinois. The Receiver sought to recover the payments that TGC had made to Pepperdine University for the tuition of Kenneth and Kerri Courtright and their daughter. During the Reporting Period, the Receiver's counsel completed fact and expert discovery, resumed settlement discussions, and scheduled and prepared for a settlement conference by the Magistrate Judge, which was held after the close of the Reporting Period. That settlement conference resulted in a favorable settlement of the Receiver's claims which the Receiver is presenting to the Court for approval by separate motion filed contemporaneously herewith.

The Receiver also continued to pursue the Estate's claims for recovery of fraudulent transfers against Messiah Lutheran, Case No. 1:20-cv-07817, pending in the United States District Court for the Northern District of Illinois. Messiah Lutheran is a church that received transfers of

funds from TGC without providing any value in return. During the Reporting Period, the Receiver's expert witness was deposed by defendant's counsel and the expert disclosure deadline expired, but defendant's counsel suggested it might seek leave to disclose a rebuttal. At a status hearing before the Magistrate Judge held after the Reporting Period, defendant's counsel requested leave to disclose a rebuttal expert, the Receiver's counsel objected to this request as untimely, and the Court set deadlines for the parties to brief the arguments. *See* Case No. Case No. 1:20-cv-07817, ECF No. 91.

Further, the Receiver continued to pursue the Estate's claims for professional malpractice against SmithAmundsen, LLC, Case No. 1:22-cv-02830, pending in the United States District Court for the Northern District of Illinois. In that case, Amended Complaint was dismissed without prejudice on January 19, 2023 [Case No. 1:22-cv-02830, ECF No. 55], and the Receiver filed her Second Amended Complaint on February 10, 2023 [*id.* at ECF No. 57]. Thereafter, on March 10, 2023, the defendant filed its Motion to Dismiss Second Amended Complaint [*id.* at ECF No. 63]. And, on March 29, 2023, the Receiver filed her Response to that Motion [*id.* at ECF No. 69].

Finally, the Receiver advanced the Estate's claims for professional malpractice, aiding and abetting Courtright's alleged breaches of fiduciary duty, unjust enrichment, and recovery of fraudulent transfers against Core Financial, Case No. 1:22-cv-4671, pending in the United States District Court for the Northern District of Illinois. During the Reporting Period, both parties served discovery requests and their responses thereto and began scheduling depositions for late May and early June 2023. And, the parties conferred and agreed to attend a mediation on May 18, 2023.

D. Assistance of Receiver's Forensic Accountant and Tax Consultant

During the initial reporting period, the Receiver retained Kapila Mukamal ("Kapila") as her forensic accountant and tax consultant to assist her to fulfill her duties under the Appointment

Order. Kapila assisted the Receiver with an in-depth investigation of TGC's former business operations, accounting and banking records, and transactions involving investors, creditors, third-parties, insiders, and affiliates.

During the Reporting Period, Kapila provided valuable support to the Receiver in both the enforcement action as the Receiver's retained forensic accountant and tax consultant as well as critically important advice and analysis as the Receiver's retained expert witness⁴ in the Estate's recovery actions against former professionals, third-parties, insiders, affiliates, and financial institutions ("Ancillary Actions"). In particular, Kapila prepared various analyses as requested by the Receiver and her counsel and continued to provide tax and litigation support services to the Receiver and counsel as follows:

- Reviewed and analyzed records from Bill.com and incorporated the information into the consolidated reconstruction of TGC's many accounts.
- Provided litigation support in the Heartland Bank Ancillary Action and prepared various analyses as requested by the Receiver's counsel.
- Prepared for, attended, and provided testimony in depositions for certain Ancillary Actions.

E. Courtright's Criminal Proceeding

During a prior reporting period, the Receiver received requests from Courtright's counsel in the criminal proceeding styled *United States of America v. Kenneth D. Courtright*, Case No. 20-

⁴ Pursuant to the parties' Stipulation and Order Concerning the Receiver's Payment of Expenses in the Ancillary Actions [ECF No. 228] and the Court's Order granting same [ECF No. 229], the Receiver was authorized to retain Kapila as her expert witness in the Ancillary Actions *nunc pro tunc* to January 1, 2022. Further, the Receiver's Lead Counsel, Damian & Valori, LLP agreed to advance payment for all reasonable expenses incurred in connection with the Ancillary Actions, including the expenses of Kapila or any other retained expert(s) to manage the expenses of the Estate. *See* ECF No. 228.

CR-77, to produce copies of certain of TGC's documents and data which the Receiver forensically imaged and preserved after her appointment. During the prior reporting period, the Receiver's counsel attended status hearings in the criminal proceeding to provide information and answer questions regarding the Receiver's providing access to and copies of various records of the Estate in response to Courtright's requests, while ensuring, consistent with the Court's ruling, that the Estate does not bear the financial burden of the production and access requests. And, the Receiver's counsel worked with the Receiver's IT professionals to provide access to the Estate's Relativity platform and copies of forensically imaged hard drives to Courtright's counsel.⁵ During the Reporting Period, the Receiver's counsel assisted Courtright's counsel in obtaining access to email records of several TGC employees. Additionally, Courtright's counsel issued a subpoena directed to the Receiver seeking an array of documents pertaining to the Ancillary Actions and other matters. The Receiver and her counsel located and, on March 3, 2023, furnished extensive documentation responsive to certain requests and objected to other requests.

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

As of the end of the Reporting Period (March 31, 2023), the Estate held a total of \$1,067,953.33 in cash on hand, comprising, among other things, the net proceeds of the sale of the Estate's digital assets, funds generated from TGC's business operations (including residual website revenue deposited in TGC's operating accounts), and settlement funds received from third-parties, insiders, affiliates, and former counsel for 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

⁵ The IT professionals issued invoices directly to Courtright's counsel and the Receiver's counsel is assisting those professional to obtain payment from Courtright or his counsel as agreed.

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 had 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 February 14, 2023, the Receiver filed her Twelfth Interim Application for an Order Approving and Authorizing Payment of Fees and Expenses of Receiver and Her Professionals [ECF No. 248] (the "12th Fee Application"), seeking approval and payment of certain fees and costs incurred during the fourth quarter of 2022. On March 23, 2023, the Court granted the Receiver's 12th Fee Application. *See* ECF No. 261. Pursuant to the Court's Order, the Receiver disbursed a total of \$4,305.86 to the Receiver's Illinois counsel and forensic accountant.

During the next reporting period, the Receiver will file her Thirteenth 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 (March 31, 2023), the Receiver was in possession, custody, or control of the following assets of the Receivership Estate:

- \$ 1,067,953.33 in cash on hand in the Receiver's fiduciary account and TGC's operating accounts.

- Fewer than 130 domain names (precise value currently unknown).
- Claims and Judgments against third-parties, insiders, affiliates, professionals, and a financial institution for fraudulent transfers, aiding and abetting fraud and breach of fiduciary duty, legal and accounting malpractice, and other claims, including the following:
 - Claims against Heartland Bank & Trust Company; Case No. 1:20-cv-07819; Venue in the United States District Court for the Northern District of Illinois (\$9 million settlement pending Court approval);
 - Claims 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;
 - Claims against Messiah Lutheran Church; Case No. 1:20-cv-07817; Venue in the United States District Court for the Northern District of Illinois;
 - Claims against Pepperdine University; Case No. 1:21-cv-02371; Venue in the United States District Court for the Northern District of Illinois (\$170,000 settlement pending Court approval);
 - Claims against EIN Cap, Inc., Alpha Capital Source, Inc., BMF Capital, LLC, FundKite, LLC, AKF, Inc., World Global Capital, LLC, Fox Capital Group, Inc., High Five Group, LLC, and Sutton Funding NY, Inc.; Case No. 21-cv-01792; Venue in the United States District Court for the Northern District of Illinois;
 - Claims against Cody Neer and Bucks of America, Inc.; Case No. 8:21-cv-1999; Venue in the United States District Court for the Middle District of Florida, Tampa Division (trial scheduled for May 5, 2023);
 - Claims against SmithAmundsen, LLC; Case No. 1:22-cv-02830; Venue in the United States District Court for the Northern District of Illinois;
 - Claims against Core Financial; Case No. 1:22-cv-4671; Venue in the United States District Court for the Northern District of Illinois;

- Judgment against Legacy Families in the amount of \$154,038.50; and
- Judgment against JDS Consulting in the amount of \$121,409.65.

VI. KNOWN CREDITORS OF THE RECEIVERSHIP ESTATE

As detailed above, the Receiver allowed \$70,328,469.32 in investor claims, \$1,118,248.04 (\$760,552.17 of which is subordinated to the claims of investors pursuant to an agreed order) in creditor claims, and \$12,780.60 in employee claims, which remain outstanding as of this filing.

VII. RECOMMENDATION FOR CONTINUATION OF RECEIVERSHIP AND CONCLUSION

The Receiver recommends the Receivership continue so she may continue to litigate to conclusion the Estate's claims against third-parties, insiders, affiliates, and former professionals, obtain Court approval of, and collect the settlement proceeds pursuant to, the settlements with Pepperdine University and Heartland Bank, preserve and maximize the value of the Estate's assets for the benefit of the investors and creditors of the Estate, finalize the transfer and sale of the remaining digital assets, and make initial and final distributions to allowed claimants as the Court may approve.

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 1st day of May, 2023.

Respectfully submitted,

/s/ Kenneth Dante Murena

Kenneth Dante Murena, Esq.

Florida Bar No. 147486

DAMIAN & VALORI LLP

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

*Admitted Pro Hac and General Admission
to Northern District of Illinois*

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 May 1, 2023, 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 1/1/2023 to 3/31/2023

		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 1/1/2023):	\$ -	\$ -	\$1,091,523.88
	Increases in Fund Balance:			
Line 2	Business Income	\$ -	\$ -	\$ -
Line 3	Cash and Securities [1]	\$ 3,958.07	\$ 3,958.07	\$ 3,958.07
Line 4	Interest/Dividend Income [1]	\$ 39.24	\$ 39.24	\$ 39.24
Line 5	Business Asset Liquidation		\$ -	\$ -
Line 6	Personal Asset Liquidation	\$ -	\$ -	\$ -
Line 7	Third-Party Litigation Income	\$ -	\$ -	\$ -
Line 8	Miscellaneous - Other	\$ -	\$ -	\$ -
	Total Funds Available (Lines 1-8):			\$ 1,095,521.19
	Decreases in Fund Balance:			
Line 9	Disbursements to Investors			
Line 10	Disbursements for Business Operations [1]	\$ 23,262.00	\$ 23,262.00	\$ 23,262.00
Line 10a	Disbursements to Receiver or Other Professionals [1]	\$ 4,305.86	\$ 4,305.86	\$ 4,305.86
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			\$ 27,567.86
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	\$ -	\$ -	\$ -

EXHIBIT A

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)			\$ 27,567.86
Line 13	Ending Balance (As of March 31, 2023)			\$ 1,067,953.33
Line 14	Ending Balance of Fund – Net Assets:			
Line 14a	Cash & Cash Equivalents			\$ 1,067,953.33
Line 14b	Investments			\$ -
Line 14c	Other Assets or Uncleared Funds			
	Total Ending Balance of Fund – Net Assets			\$ 1,067,953.33

[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 Che From		Amount
1/25/2023	Click Alpha LLC	\$ 1,000.00
2/15/2023	Click Alpha LLC	\$ 1,500.00
2/14/2023	Amazon Services LLC	\$ 14.10
2/14/2023	Amazon Services LLC	\$ 3.12
2/14/2023	Amazon Services LLC	\$ 48.76
2/14/2023	Amazon Services LLC	\$ 113.92
2/14/2023	Amazon Services LLC	\$ 34.96
2/14/2023	Amazon Services LLC	\$ 372.98
2/14/2023	Amazon Services LLC	\$ 65.62
2/14/2023	Amazon Services LLC	\$ 173.04
2/14/2023	Amazon Services LLC	\$ 8.14
2/14/2023	Amazon Services LLC	\$ 321.82
2/14/2023	Amazon Services LLC	\$ 37.27
2/14/2023	Amazon Services LLC	\$ 32.11
2/24/2023	Amazon Services LLC	\$ 37.11
2/28/2023	Amazon Services LLC	\$ 165.38
2/28/2023	Amazon Services LLC	\$ 29.74
Total		\$ 3,958.07

City National Bank Interest

Date	Explanation	Amount
1/31/2023	interest	\$ 13.06
2/28/2023	interest	\$ 12.48
3/31/2023	interest	\$ 13.70
Total		\$ 39.24
GRAND TOTAL OF RECEIPTS		\$ 3,997.31

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

Date	Payable	Amount	Description
1/17/2023	Teris	\$ 6,564.00	
1/17/2022	Deteked	\$ 2,945.00	
1/24/2023	Teris	\$ 402.50	7759-a
1/24/2023	Teris	\$ 157.50	7759-b
2/10/2023	Teris	\$ 6,644.00	
2/27/2023	Secretary of State	\$ 75.00	
3/6/2023	Teris	\$ 6,474.00	
Total		\$ 23,262.00	

Professional Fee DE 251 2/28/23

2/28/2023	Rachlis Duff & Peel	\$ 472.00	9/30/2022
2/28/2023	Kapila Mukamal	\$ 243.80	9/30/2022
Total		\$ 715.80	

Professional Fee DE 261 3/24/23

3/24/2023	Rachlis Duff & Peel	\$ 1,786.00	12/31/2022
3/24/2023	Kapila Mukamal	\$ 1,804.06	12/31/2022
Total		\$ 3,590.06	
Total professional fees		\$ 4,305.86	

GRAND TOTAL EXPENSES \$ 27,567.86