

**IN THE UNITED STATES DISTRICT COURT
FOR THE 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.

Case No. 19-cv-08454

**Judge Andrea R. Wood
Magistrate Judge Jeffrey Cummings**

**STIPULATION AND ORDER
IMPOSING PRELIMINARY INJUNCTION FREEZING ASSETS
AND GRANTING OTHER RELIEF**

WHEREAS, on December 27, 2019, plaintiff U.S. Securities and Exchange Commission ("SEC") commenced this action by filing a Complaint (Docket 1), and an emergency *ex parte* motion for a temporary restraining order freezing assets and seeking other ancillary relief against defendants Todays Growth Consultant Inc. d/b/a The Income Store ("TGC") and Kenneth D. Courtright, III ("Courtright") (collectively, "Defendants") and the appointment of a receiver over defendant TGC (Docket 12);

WHEREAS, on December 30, 2019, the Court granted the SEC's motion after consideration of (i) the SEC's Complaint, (ii) the SEC's motion and accompanying memorandum of law, and (iii) the Declarations of Jeffrey R. Anderson, Thomas Kentner, Gregg Parnell, and Patrick L. Feeney, and the accompanying exhibits (Docket 19 and 20);

WHEREAS, on December 30, 2019, the Court appointed Melanie E. Damian, of Damian & Valori LLP, as receiver for Defendant TGC (“Receiver”) (Docket 19);

WHEREAS, the SEC requested that its motion also be deemed a motion for entry of a preliminary injunction under Rule 65 of the Federal Rules of Civil Procedure (Docket 20);

WHEREAS, in its Complaint, the SEC alleged that, since at least January 2017, Defendants were engaged in a fraud involving the offer and sale of investment contracts called Consulting Performance Agreements, and operated a Ponzi-like scheme by diverting newly-raised investor funds to pay existing investors, and defendant Courtright misappropriated funds from the company for his personal use, in violation of the antifraud and registration provisions of the federal securities laws (Docket 1);

WHEREAS, on January 30, 2020, the Receiver filed an Initial Report which made a number of initial observations and recommendations to the Court, including, based on the Receiver’s review of the books and records of Defendant TGC, that Defendant TGC was a Ponzi scheme and that Defendant TGC’s website partners/investors were paid from new investor funds and loans not website revenues as stated in Defendant TGC’s investment contracts (Docket 45);

WHEREAS, on February 7, 2020, the SEC filed the Supplemental Declaration of Patrick L. Feeney in further support of its motion for entry of a preliminary injunction order;

WHEREAS, the Receiver on behalf of Defendant TGC, by agreeing to this Order, does not admit or deny the truth of specific allegations set forth in the SEC’s Complaint, except as to personal and subject matter jurisdiction, and venue, which are admitted;

WHEREAS, the Receiver on behalf of Defendant TGC waives the entry of findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure;

WHEREAS, the Receiver on behalf of Defendant TGC agrees that the Receiver will not oppose the enforcement of this Order on the ground, if any exists, that it fails to comply with Rule 65 of the Federal Rules of Civil Procedure, and hereby waives any objections based thereon;

WHEREAS, the Receiver on behalf of Defendant TGC waives the right, if any, to appeal from the entry of the Order;

WHEREAS, the Receiver on behalf of Defendant TGC enters voluntarily into this Stipulation, and acknowledges that no promises of immunity, threats, or assurances have been made by the SEC or by its members, officers, agents, or representatives to induce the Receiver to consent on Defendant TGC's behalf to the entry of this Order;

WHEREAS, the Court is authorized to grant the relief set forth in the Order pursuant to the Federal Rules of Civil Procedure, its general equitable authority, and also pursuant to Section 20(b) of the Securities Act of 1933 ("Securities Act") [15 U.S.C. § 77t(b)] and Section 21(d) of the Securities Exchange Act of 1934 ("Exchange Act") [15 U.S.C. § 78u(d)];

WHEREAS, the Receiver on behalf of Defendant TGC agrees to the entry of this Order for Preliminary Injunction, and that the Order shall remain in effect until this Court's determination of the merits of this action or until otherwise modified.

I.

INJUNCTION FROM VIOLATIONS OF SECTION 5 OF THE SECURITIES ACT

IT IS HEREBY ORDERED that, pending final disposition of this action or until further Order of the Court, Defendant TGC is restrained and enjoined from violating Section 5 of the Securities Act [15 U.S.C. § 77e] by, directly or indirectly, in the absence of any applicable exemption:

- (a) Making use of any means or instruments of transportation or communication in interstate commerce, or of the mails, to sell a security through the use or medium of any prospectus or otherwise, unless a registration statement is in effect as to such security;
- (b) Carrying or causing to be carried through the mails or in interstate commerce, by any means or instruments of transportation, any security for the purpose of sale or for delivery after sale, unless a registration statement is in effect as to such security; or
- (c) Making use of any means or instruments of transportation or communication in interstate commerce, or of the mails, to offer to sell or offer to buy through the use or medium of any prospectus or otherwise any security, unless a registration statement has been filed as to such security, or while the registration statement is the subject of a refusal order or stop order or (prior to the effective date of the registration statement) any public proceeding or examination under Section 8 of the Securities Act [15 U.S.C. § 77h].

IT IS FURTHER ORDERED, as provided in Federal Rule of Civil Procedure 65(d)(2), that the foregoing paragraph also binds the following who receive actual notice of this Order by personal service or otherwise, including facsimile transmission, mail, overnight delivery service, or electronic mail: (a) Defendant TGC's current or former officers, agents, servants, employees, and attorneys-in-fact; and (b) other persons in active concert or participation with Defendant TGC or its current or former officers, agents, servants, employees, and attorneys-in-fact.

II.

INJUNCTION FROM VIOLATIONS OF SECTION 17(a) OF THE SECURITIES ACT

IT IS HEREBY ORDERED that, pending final disposition of this action or until further Order of the Court, Defendant TGC is restrained and enjoined from violating Section 17(a) of the Securities Act [15 U.S.C. § 77q(a)] by, directly or indirectly, in connection with the offer or sale of any security, through the use of any means or instruments of transportation or communication in interstate commerce, or use of the mails:

- (a) Employing any device, scheme, or artifice to defraud;
- (b) Obtaining money or property by means of any untrue statement of a material fact or any omission of a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
- (c) Engaging in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

IT IS FURTHER ORDERED, as provided in Federal Rule of Civil Procedure 65(d)(2), that the foregoing paragraph also binds the following who receive actual notice of this Order by personal service or otherwise, including facsimile transmission, mail, overnight delivery service, or electronic mail: (a) Defendant TGC's current or former officers, agents, servants, employees, and attorneys-in-fact; and (b) other persons in active concert or participation with Defendant TGC or its current or former officers, agents, servants, employees, and attorneys-in-fact.

III.

INJUNCTION FROM VIOLATIONS OF SECTION 10(b) OF THE EXCHANGE ACT

IT IS HEREBY ORDERED that, pending final disposition of this action or until further Order of the Court, Defendant TGC is restrained and enjoined from violating Section 10(b) of the Securities Exchange Act of 1934 (the "Exchange Act") [15 U.S.C. § 78j(b)] and Rules 10b-5(a), (b), and (c) thereunder [17 C.F.R. § 240.10b-5(a), (b), (c)], by, directly or indirectly, in connection with the purchase or sale of any security, through the use of the means or instrumentalities of interstate commerce, or of the mails, or of any facility of any national securities exchange:

- (1) Employing any device, scheme, or artifice to defraud;
- (2) Making any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading; or
- (3) Engaging in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.

IT IS FURTHER ORDERED, as provided in Federal Rule of Civil Procedure 65(d)(2), that the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise including facsimile transmission, mail, overnight delivery service, or electronic mail: (a) Defendant TGC's current or former officers, agents, servants, employees, and attorneys-in-fact; and (b) other persons in active concert or participation with Defendant TGC or its current or former officers, agents, servants, employees, and attorneys-in-fact.

IV.

ASSET FREEZE

IT IS HEREBY ORDERED that, pending final disposition of this action or until further Order of the Court, Defendant TGC and each of its financial and brokerage institutions, officers, agents, servants, employees, attorneys-in-fact, and those persons in active concert or participation with them who receive actual notice of this Order by personal service, facsimile service, telephonic notice, mail, overnight delivery, electronic mail, or otherwise, and each of them, shall hold and retain within their control, and otherwise prevent, any withdrawal, transfer, pledge, encumbrance, assignment, dissipation, concealment, or other disposal (including the use of any credit cards or any other incurring of debt) of any funds or other assets or things of value presently held by or under the control of any Defendant, whether held in their name or for their direct or indirect beneficial interest, in whatever form such assets may presently exist and wherever located including, but not limited to, all funds in the following accounts:

Account Title	Institution Name	Account Number
Todays Growth Consultant, Inc.	PNC Bank, NA	*****9755
Todays Growth Consultant, Inc.	PNC Bank, NA	*****9747
Todays Growth Consultant, Inc.	PNC Bank, NA	*****9763
Todays Growth Consultant, Inc.	PNC Bank, NA	*****9771
Todays Growth Consultant, Inc.	PNC Bank, NA	*****9798
Todays Growth Consultant, Inc.	PNC Bank, NA	*****0545

V.

ORDER PROHIBITING DESTRUCTION OF DOCUMENTS

IT IS HEREBY FURTHER ORDERED that, pending final disposition of this action or until further Order of the Court, Defendant TGC is enjoined and restrained, and any person or entity acting at the direction of or on behalf of them is enjoined and restrained from, directly or

indirectly, destroying, mutilating, concealing, transferring, altering, or disposing of, any documents, books, and records, or any other property or data of any kind, wherever located or stored, concerning in any way: (1) any matter described in the Complaint, (2) any securities offered for sale by Defendant TGC, including, but not limited to Consulting Performance Agreements, or (3) any communications with, between, or among either Defendant.

As used in this order, “document” has the broadest meaning permitted under the Federal Rules of Civil Procedure, and shall include any information stored in any medium from which information can be obtained, and includes electronically-stored information and information maintained on shared network files, computer hard drives, servers, DVDs, CD-ROMs, flash drives, thumb drives, laptops, digital recorders, netbooks, PDAs, other handheld/ smartphone devices, or on the cloud.

Defendant is ordered to act affirmatively to prevent the destruction of documents. This duty may necessitate: (1) quarantining certain documents to avoid its destruction or alteration; or (2) discontinuing the recycling of backup tapes or other storage media, and the deletion of emails, “trash,” “recycling,” “drafts,” “sent,” or “archived” folders.

Defendant is directed not to run or install any drive cleaning, wiping, encrypting, or defragmenting software on hard disks of computers that may contain documents.

VI.

DISCOVERY

IT IS FURTHER ORDERED that the expedited discovery schedule reflected in the Court’s Order dated December 30, 2019, shall no longer be in effect. For all discovery requests and subpoenas served as of the date of this Court, discovery timelines shall be governed by the

Standing Order relating to the Court's Mandatory Initial Discovery Pilot and the Federal Rules of Civil Procedure, unless those timelines are altered by agreement or by further Order of the Court.

VII.

OTHER RELIEF

A. Notice of this Order, may be accomplished by delivery of a copy of the Order or Notice by first class mail, overnight delivery, international express mail, facsimile, electronic mail, or personally, by agents or employees of Plaintiff, (i) upon the Defendants or their attorneys; and (ii) upon any bank, saving and loan institution, credit union, financial institution, transfer agent, broker-dealer, investment company, title company, commodity trading company, storage company, or any other person, partnership, corporation, or legal entity that may be subject to any provision of this Order.

B. Pursuant to Federal Rule of Civil Procedure 65(c), and 15 U.S.C. § 78u(d), no security or bond is required of the SEC.

C. This Order shall remain in full force and effect until further order of this Court.

STIPULATED AND AGREED TO:

/s/Suzanne J. Romajas
Suzanne J. Romajas
Michael J. Brennan
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-5971
RomajasS@sec.gov
BrennanMi@sec.gov

Date: March 2, 2020

Attorneys for Plaintiff

[SIGNATURES CONTINUED ON NEXT PAGE]

/s/Kenneth D. Murena

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Attorney for Receiver

Date: March 2, 2020

IT IS SO ORDERED.

Dated: March 2, 2020


Andrea R. Wood
ANDREA R. WOOD
UNITED STATES DISTRICT JUDGE