

**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 TENTH STATUS REPORT

Melanie E. Damian, the court-appointed receiver (“Receiver”) in the above-captioned enforcement action (“SEC Enforcement Action”), submits her tenth 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 April 1, 2022 through June 30, 2022 (the “Reporting Period”).

TABLE OF CONTENTS

I.	INTRODUCTION	3
II.	PROCEDURAL BACKGROUND.....	5
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>	8
	B. <i>Collecting Net Proceeds of Auction Sale of Websites, Domains, and Related Assets and Negotiating Broker Fee</i>	9
	C. <i>Responding to Investor Inquiries Regarding Court-Approved Claims Process</i>	9
	D. <i>Pursuing Recovery Claims Against Third Parties, Affiliates, and Insiders</i>	10
	E. <i>Formulating and Pursuing Claims Against TGC’s Former Professionals</i>	11
	F. <i>Assistance of Receiver’s Forensic Accountant and Tax Consultant</i>	12
	G. <i>Courtright’s Criminal Proceeding</i>	13
IV.	CASH ON HAND AND ACCRUED EXPENSES OF ESTATE	14
V.	DISBURSEMENTS OF ESTATE.....	15
VI.	KNOWN PROPERTY OF THE RECEIVERSHIP ESTATE.....	15
VII.	KNOWN CREDITORS OF THE RECEIVERSHIP ESTATE	17
VIII.	RECOMMENDATION FOR CONTINUATION OF RECEIVERSHIP AND CONCLUSION.....	17

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 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 claims process and timing of investor distributions, the status and condition of TGC’s websites and revenues generated therefrom, the results of the sales of TGC’s websites and 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 worked to reduce the Estate’s monthly operating expenses to more efficiently administer and preserve the value of the Estate. To achieve this, the Receiver, among other things, reduced and eliminated unnecessary data storage costs and third-party subscription services associated with data hosting and domain renewal as well maintaining day-to-day IT operations with the Receiver’s in-house team including control of TGC’s email accounts, cloud storage, and domain management.

With respect to the sale of the Estate's websites, domains and related assets, the Receiver worked to complete the transfer of those digital assets to buyers and received approximately \$450,000 in net sale proceeds, after payment of commissions to the Court-approved digital asset broker, Right of The Dot. The Receiver also utilized online digital asset brokers, including Afternic, to market for sale the remaining domains of the Estate that have limited value and were not connected to operating websites and not sold in the online auctions of the websites. Given the minimal commissions and involvement of the Receiver's professionals, this is the most cost-effective method for selling these remaining domains.

Further, during the Reporting Period, the Receiver's counsel responded to requests for documents and access to TGC records from counsel for Courtright in the criminal action against Courtright, attended hearings in that action, and worked with the Receiver's IT vendors to provide access to the Estate's Relativity databases of TGC records and provide copies of forensic images of certain hard drives not maintained on Relativity.

Finally, the Receiver continued to litigate the Estate's claims against third-parties, insiders, and affiliates of the Defendants who 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 perpetrate the fraud that is the subject of this enforcement action and receivership. In particular, the Receiver continued to advance the recovery actions, engage in discovery, and pursue expeditious resolutions of the Receiver's claims, including through settlement conferences before Magistrate Judges. And, the Receiver pursued TGC's malpractice claims against its former attorneys and accountants and engaged in preliminary settlement discussions with those professionals and their insurance carriers.

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 that was generated 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 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 of the Estate. *See* ECF Nos. 81, 101, 115, 127, 160, 172, 184, 202.

III. STATUS AND ACTIVITIES OF THE RECEIVERSHIP AND SUMMARY OF TGC'S OPERATIONS

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;

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

- (B) collecting the net proceeds of the auction sales of the Estate's websites, domains, and related digital assets and negotiating a reduced commission to the broker for those sales;
- (C) 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;
- (D) 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 fraud that is the subject of the SEC Enforcement Action;
- (E) investigating and pursuing claims against TGC's former attorneys and accountants by obtaining and analyzing said professionals' files and documents related to work performed for TGC, formulating malpractice claims, drafting complaints, and engaging in preliminary settlement negotiations with these professionals and their insurance carriers;
- (F) working with her forensic accountant to analyze the account reconstructions and TGC's books and records and account statements to confirm the commingling of investor funds with TGC's minimal website revenues, trace investor funds transferred to TGC and subsequently to third-parties, insiders, and affiliates, generate transferee reports, and perform damages calculations to support the Receiver's claims against such transferees and other parties who facilitated the fraud, and assisting the Receiver to analyze the work performed by, and formulate her professional malpractice claims against, TGC's former accountant; 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.

A. 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

During the Reporting Period, to reduce monthly operating expenses, 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 domains that previously experienced errors while also searching TGC's preserved data for related content including social media accounts to transfer same to buyers. The Receiver continued to reduce monthly operational costs by discontinuing payment for ownership renewal fees associated with the Estate's numerous domains as the value of the remaining domains no longer supported payment of these significant fees.

During the previous reporting period, the Receiver listed for sale and sold additional domains through the third-party broker service, Afernic, generating an additional \$1,800 in sale proceeds for the Estate. During the Reporting Period, the Receiver continued to monitor and respond to numerous price inquiries regarding the listed domains from potential buyers through the Afernic service, and the Receiver re-evaluated and strategically set individual prices for each domain utilizing valuation resources provided by digital asset experts.

The Receiver and her professionals also worked on finalizing the transfer of any remaining domains and related content including related social media accounts to buyers, addressing issues that arose in connection with such transfers to the buyers, and further reducing costs by discontinuing any unnecessary data preservation and storage services formerly associated with preserving and managing the Estate's digital assets.

B. Collecting Net Proceeds of Auction Sale of Websites, Domains and Related Assets and Negotiating Broker Fee

As outlined in her prior status reports, the Receiver's previous sales with the assistance of her retained digital asset broker, Right of the Dot, LLC, resulted in the sale of approximately 890 websites/domains, which generated gross sales proceeds totaling \$565,598.66 for the Estate.² During the Reporting Period, the Receiver negotiated a significant reduction in the digital broker's fees for such sales, resulting in the Estate receiving \$445,000.00 in net sale proceeds.

C. 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).

During the Reporting Period, the Receiver continued to receive and respond to email inquiries from investors regarding the claims process and the status and timing of the monetary distributions as well as processing late claims from investors and updating investor contact information.

As previously reported, pursuant to her final determinations of investor claims, the Receiver approved claims for monetary distribution to investors totaling approximately

² These amounts represent all sales of websites/domains to date, including through online auction sales and direct private sales to third parties. These amounts do not include sales through Afternic.

\$70,128,469.32, 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, 33 investors elected to receive one or more of the websites that TGC had assigned to them and forfeit their right to monetary distributions from the Estate. Pursuant to the approval of these claims, the Receiver transferred 69 websites to the 33 investors and satisfied \$7,890,102.70 in monetary claims against the Estate.

Further, 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' inquiries regarding (i) the Court-approved claims process and the eventual monetary distribution plan, (ii) submitting untimely claim forms, (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.

D. Pursuing Recovery Claims Against Third Parties, Affiliates, and Insiders

During the Reporting Period, the Receiver and her counsel continued to pursue the Estate's claims against third-parties, affiliates, and insiders, including gathering evidence to support those claims and litigating the actions brought against such parties during prior reporting periods, including conducting discovery and participating in settlement conferences with Magistrate

Judges.³ During the Reporting Period, the Receiver continued to receive installment settlement payments from parties with whom the Receiver previously reached a resolution of the Estate's claims. **See Exhibit A.**

Finally, during the Reporting Period, the Receiver and her counsel continued to work with third-parties, affiliates, and insiders to investigate each of their involvements with TGC and/or Courtright and to evaluate their ability to assist the Receiver in her pursuit of claims against other third-parties, affiliates, and insiders who received significant transfers from TGC and/or facilitated the fraud perpetrated by TGC and Courtright.

E. Formulating and Pursuing Claims Against TGC's Former Professionals

During the Reporting Period, the Receiver continued to investigate and formulate the Estate's malpractice claims against TGC's former professionals. In particular, the Receiver continued to request, obtain, and analyze documents and information from TGC's former attorneys and accountants related to the services and advice they had provided to TGC in order to fully develop and pursue the Estate's claims within the time period set forth in the Tolling Agreements with those professionals.⁴ On May 27, 2022, the Receiver filed her Complaint against one of TGC's former counsel in the Northern District of Illinois in the case styled, *Damian v. SmithAmundsen, LLC*, Case No. 1:22-CV-2830. Further, the Receiver continued to discuss and seek expeditious resolutions of the Estate's claims against TGC's other former counsel and its

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.

⁴ Pursuant to the Court's November 5, 2020 Order [ECF No. 103], the Receiver is pursuing those claims on a contingency fee basis to minimize the expense to the Estate.

former accountants, including settlement discussions with said professionals and their insurance carriers. In the event the Receiver does not reach a settlement with those professionals in the near future, she will commence formal litigation against them.

F. 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, at the Receiver's request, Kapila provided fraudulent transfer detail schedules, other analyses and support for litigation and settlement conferences, and critical expert advice and analyses for the Receiver's recovery actions against third-parties, insiders, and affiliates, including conducting a Ponzi analysis of TGC's operations so the Receiver can invoke the Ponzi presumption to significantly ease her burden of proof for her actual fraudulent transfer claims, performing a tracing analysis of investor funds in and out of TGC's accounts and an analysis of the commingling of investor funds with website revenues during the varying time periods relevant to each recovery action, preparing multiple damages models and calculations for the actions against Heartland Bank, the merchant cash advance companies, and TGC's former professionals, preparing an analysis of mortgage loan payments from TGC to Heartland Bank, and assisting the Receiver to analyze TGC's accounting files and formulate her malpractice claims against TGC former accountants.

For the Receivership Estate, during the Reporting Period, the tax professionals at Kapila analyzed and reconciled the Estate's financial records, including those related to the sale of the

various assets of the Estate since the inception of the Receivership, and prepared tax returns and other tax filings for 2021.

At the status hearing before this Court on March 2, 2022, during the prior reporting period, counsel for the Receiver notified the Court that the Receiver had been seeking expert assistance from Kapila in connection with her recovery action against third-parties, affiliates, and insiders and that she would be filing a motion to employ and authorize payment to Kapila as her expert for these actions. During the Reporting Period, the Receiver filed a motion for authorization to employ Kapila as the Receiver's expert witness in her recovery actions given Kapila's comprehensive understanding of TGC's financial condition and operations, analysis of TGC's books and records and account statements and preparation of detailed reconstructions of TGC's accounts, and critical advice and analyses it has provided to the Receiver related to the recovery actions, before and after their commencement. Kapila's knowledge of TGC's operations and finances analyses and the analysis it performed to date have been critical to the Receiver's formulating her claims and will be critical to establishing them in the recovery actions. Therefore, having Kapila serve as the Receiver's expert will significantly reduce the time necessary to prepare the expert reports, based on the extensive analyses Kapila has already performed, and the costs the Estate will incur in connection with the recovery actions and eliminate the need to retain a new expert, and significantly reduce the expert time and fees needed to support the Receiver's claims.⁵

G. Courtright's Criminal Proceeding

During the 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-

⁵ On July 27, 2022, the Court informed the parties during a status conference hearing that she would grant the Receiver's motion to employ Kapila as her expert witness in the recovery actions [ECF No. 213]. *See* ECF No. 215. However, a formal order has not yet been entered.

CR-77 to produce copies of certain of TGC's documents and grant access to the Estate's databases of TGC records which the Receiver forensically imaged and preserved after her appointment. The Receiver's counsel attended several status hearings in the criminal proceeding to discuss Courtright's requests and the procedure and timing for providing copies of TGC's records or access to TGC's databases while ensuring that the Estate is not required to bear the financial burden of the document and access requests. The Receiver's counsel then worked with the Receiver's IT professionals to grant the requested access to certain of the Estate's databases of TGC records and provide copies of forensically imaged hard drives to Courtright's counsel.⁶

IV. CASH ON HAND AND ACCRUED EXPENSES OF ESTATE

As of the end of the Reporting Period (June 30, 2022), the Estate held a total of \$463,405.12 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, and affiliates against whom the Receiver pursued fraudulent transfer claims. *See* Exhibit A. The Receiver deposited such funds in her fiduciary account for the Receivership Estate at City National Bank in Miami, Florida.

During the Reporting Period, the Receivership Estate incurred administrative expenses in the form of fees and costs of the Receiver and her professionals for the work they performed in connection with fulfilling the Receiver's duties under the Court's Orders. 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

⁶ The IT professionals have issued invoices directly to Courtright's counsel.

and payment of the Receiver's and her professionals' administrative fees set forth in all future fee applications. *See* ECF No. 191. The Receiver's future fee applications, including the application associated with the Receiver and her professionals' administrative fees and costs through the second quarter of 2022, will conform with the procedures set forth in the parties' Stipulation.

V. DISBURSEMENTS OF ESTATE

During the Reporting Period, the Receiver made disbursements totaling \$29,497.59 from TGC's operating accounts for expenses necessary to preserve the value of TGC's remaining digital assets and to preserve and maintain data related to TGC's former operations. Such expenses included operating the business in a limited capacity including reduced expenses associated with data preservation, domain hosting, and fees for bank account services and maintenance. *See* Exhibit A. The Receiver further made payments to data hosting professionals to assist in preserving, copying, and producing data and documents to opposing parties in the Receiver's actions against third-parties, insiders, and affiliates.

VI. KNOWN PROPERTY OF THE RECEIVERSHIP ESTATE

As of the end of the Reporting Period (June 30, 2022), the Receiver was in possession, custody or control of the following assets of the Receivership Estate:

- \$463,405.12 in cash on hand in the Receiver's fiduciary account and TGC's operating accounts.
- Approximately 2,000 domain names comprising the remaining digital assets of the Estate (precise value currently unknown).
- Trademarks (precise value currently unknown)

Claims against third-parties, insiders, and affiliates (precise value currently unknown, however, in total the Receiver seeks approximately \$35 million) including fraudulent transfer and/or aiding and abetting actions as well as malpractice actions against former professionals of TGC filed by the Receiver against the following parties:

- Heartland Bank & Trust Company; Case No. 1:20-cv-07819; Venue in the United States District Court for the Northern District of Illinois
- 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
- Don Shire Ministries, Joliet Catholic Academy, Legacy Families, and Messiah Lutheran Church; Case No. 1:20-cv-07817; Venue in the United States District Court for the Northern District of Illinois
 - On May 7, 2021, this Court entered an Order approving the Receiver's settlement with Don Shire Ministries in the amount of \$50,000. *See* ECF No. 130.
 - On November 17, 2021, this Court entered an Order approving the Receiver's settlement with Joliet Catholic in the amount of \$100,000. *See* ECF No. 176.
 - During the Reporting Period, Joliet Academy made the two final settlement payments totaling \$20,000. *See* Exhibit A.
- Pepperdine University; Case No. 1:21-cv-02371; Venue in the United States District Court for the Northern District of Illinois
- 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
 - On September 9, 2021, this Court entered an Order approving the Receiver's settlement with Sutton Funding NY, Inc. in the amount of \$55,000, the majority of which was subsequently paid. *See* ECF No. 170. During the Reporting Period, Sutton Funding made one payment totaling \$5,000. *See* Exhibit A.
- Cody Neer; Case No. 8:21-cv-1999; Venue in the United States District Court for the Middle District of Florida, Tampa Division
- SmithAmundsen, LLC; Case No. 1:22-cv-02830; Venue in the United States District Court for the Northern District of Illinois
- Additional claims against former counsel and accountant of TGC – not yet filed

VII. KNOWN CREDITORS OF THE RECEIVERSHIP ESTATE

As detailed above, 472 investors, 8 creditors, and 9 former employees submitted claims in the claims process, and the Receiver allowed \$70,128,469.32 in investor claims, \$1,118,248.04 in creditor claims, and \$12,780.60 in employee claims. Of the 472 claims from investors, 33 investors elected to receive one or more of the websites that TGC had assigned to them and forfeit their right to monetary distributions from the Estate. Pursuant to the approval of these claims, the Receiver transferred 69 websites to the 33 investors and satisfied \$7,890,102.70 in monetary claims against the Estate.

VIII. 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, preserve and maximize the value of the Estate's assets for the benefit of the investors and creditors of the Estate, finalize the transfer of the digital assets purchased by buyers, conclude the claims process, and propose a distribution plan and implement any plan the Court may approve. Until further order of the Court, the Receiver will continue to work with her team of professionals to locate, marshal, and preserve all known and potential assets of the Estate in accordance with the Appointment Order. The Receiver will also continue to investigate and gather information regarding the Estate's assets, additional claims and potential claims against third-parties, insiders, and affiliates through subpoenas, depositions, and other inquiries to financial institutions, and other entities and persons with any connection to the Defendants and other sources of recovery for the Estate.

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

Respectfully submitted this 1st day of August, 2022.

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 August 1, 2022 on all counsel or parties who have appeared in the above-styled action.

/s/Kenneth Dante Murena

Kenneth Dante Murena,

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 4/1/2022 to 6/30/2022

		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 4/1/2022):	\$ -	\$ -	\$377,151.23
	Increases in Fund Balance:			
Line 2	Business Income	\$ -	\$ -	\$ -
Line 3	Cash and Securities [1]	\$ 475,121.44	\$ 475,121.44	\$ 475,121.44
Line 4	Interest/Dividend Income [1]	\$ 17.83	\$ 17.83	\$ 17.83
Line 5	Business Asset Liquidation		\$ -	\$ -
Line 6	Personal Asset Liquidation	\$ -	\$ -	\$ -
Line 7	Third-Party Litigation Income	\$ -	\$ -	\$ -
Line 8	Miscellaneous - Other	\$ -	\$ -	\$ -
	Total Funds Available			\$ 852,290.50
	(Lines 1-8):			
	Decreases in Fund Balance:			
Line 9	Disbursements to Investors			
Line 10	Disbursements for Business Operations [2]	\$ 29,497.59	\$ 29,497.59	\$ 29,497.59
Line 10a	Disbursements to Receiver or Other Professionals - Contingency Fee Arrangement per Court Order dated November 5, 2020 [ECF No. 103]	\$ 33,044.24	\$ 33,044.24	\$ 33,044.24
Line 10b	Disbursements to Receiver or Other Professionals [2]	\$ 326,343.55	\$ 326,343.55	\$ 326,343.55
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			\$ 388,885.38
Line 11	Disbursements for Distribution Expenses Paid by the Fund:	\$ -	\$ -	\$ -
Line 11a	Distribution Plan Development Expenses:	\$ -	\$ -	\$ -

EXHIBIT A

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)			\$ 388,885.38
Line 13	Ending Balance (As of June 30, 2022)			\$ 463,405.12
Line 14	Ending Balance of Fund – Net Assets:			
Line 14a	Cash & Cash Equivalents			\$ 463,405.12
Line 14b	Investments			\$ -
Line 14c	Other Assets or Uncleared Funds			
	Total Ending Balance of Fund – Net Assets			\$ 463,405.12

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

[2] Funds were disbursed to administer the receivership estate and its assets. See Expenses attached hereto as Exhibit 2.

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	Check #	Amount	From
3/28/2022	15856	\$ 70.00	Ezoic Inc.
4/4/2022		\$ 559.10	Go Daddy
4/14/2022		\$ 10,000.00	Joliet Catholic Academy
4/20/2022		\$ 5,000.00	Sutton Funding
4/22/2022	15495	\$ 78.15	Ezoic Inc.
4/22/2022	758410790	\$ 20.00	CDL Marketing
4/29/2022		\$ 1,678.34	PNC
5/13/2022		\$ 10,000.00	Joliet Catholic Academy
5/18/2022		\$ 445,000.00	RIGHTOFTHEDOT LLC
6/10/2022		\$ 2,249.54	PNC
6/30/2022		\$ 466.31	PNC
		\$ 475,121.44	

City National Bank Interest

Date	Explanation	Amount
4/30/2022	interest	\$ 4.53
5/31/2022	interest	\$ 7.32
6/30/2022	interest	\$ 5.98
Total		\$ 17.83

Attachment 2 to Exhibit A to Receiver's Report

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

Date	Payable	Amount	Description
4/4/2022	Google	\$ 604.20	
4/4/2022	Google	\$ 29.14	
4/13/2022	Teris	\$ 7,991.50	1585
5/3/2022	Deteked	\$ 718.10	
5/4/2022	Google	\$ 604.20	
5/4/2022	Google	\$ 28.94	
5/5/2022	Lquid Web	\$ 10,879.37	
5/10/2022	Teris	\$ 8,009.00	1586
6/4/2022	Google	\$ 604.20	
6/4/2022	Google	\$ 28.94	
		\$ 29,497.59	

Professional Fee Contingency Fee Schedule

Matter	Settlement Amt	DVLLP @ 33%	Costs	Total DVLLP
Joliet Catholic	\$100,000.00	\$ 33,000.00	\$ 44.24	\$ 33,044.24

Professional Fee DE 196 3/2/22

6/3/2022	Rachlis Duff & Peel	\$ 10,911.20	12/31/2021	1587
6/3/2022	Semanoff Ormsby Greenberg	\$ 660.00	12/31/2021	1588
6/3/2022	Kapila Mukamal	\$ 311,612.35	12/31/2021	wire
6/3/2022	Maspons Advisory Services	\$ 3,160.00	12/31/2021	1589
		\$ 326,343.55		

GRAND TOTAL EXPENSE \$ 388,841.14