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*Attorneys for Court-Appointed Receiver, Peggy Hunt*

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**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF UTAH**

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SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff.

V.

TRAFFIC MONSOON, LLC, a Utah Limited  
Liability Company, and CHARLES DAVID  
SCOVILLE, an individual,

Defendants.

**RECEIVER'S NOTICE REGARDING  
EXPENSES OF DEFENDANT CHARLES  
DAVID SCOVILLE**

2:16-cv-00832-JNP

The Honorable Jill N. Parrish

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Peggy Hunt, the Court-appointed Receiver (the “Receiver”) of Traffic Monsoon, LLC and the assets of Charles David Scoville (the “Receivership Estate”), hereby submits the *Notice* required pursuant to the *Order Granting Ex Parte Motion Seeking Authorization for Receiver to Pay Expenses Out of the Ordinary Course of the Administration and Operation of the Receivership* [[Docket No. 16](#)] (the “Expense Order”), and states as follows:

1. After the above-captioned case was filed, Defendant Charles David Scoville (“Scoville”) represented to the Securities and Exchange Commission (“SEC”) and the Receiver

that (a) he and his minor son were residing in the United Kingdom, (b) that he would be willing to travel to the United States to meet with the SEC to discuss a potential resolution of the case, and (c) that he would cooperate with the Receiver's efforts. Scoville further stated that he had no funds to travel from the United Kingdom to Utah or to pay his living expenses.

2. The SEC and the Receiver determined that it would be beneficial to have Scoville return to the United States and, thus, on August 2, 2016, the Receiver filed an *Ex Parte Motion Seeking Authorization for Receiver to Pay Expenses Out of the Ordinary Course of the Administration and Operation of the Receivership and Memorandum in Support* [[Docket No. 15](#)] (the "Expense Motion"), which Motion is incorporated herein. In the Expense Motion, the Receiver sought authorization to disburse funds of the Receivership Estate to pay certain travel and living expenses.

3. The Court entered the Expense Order [[Docket No. 16](#)] on August 3, 2016, granting the Expense Motion and requiring the Receiver, by no later than September 15, 2016, to "file a Notice with the Court outlining the disbursements made or to be made from funds of the Receivership Estate relating to the matters outlined in the Motion." Expense Order ¶ 3.

4. The Receiver informed Scoville through counsel that she would make arrangements to pay travel and living expenses from the Receivership Estate provided he cooperated with the Receiver by: (a) providing information about a foreign financial account that Scoville had not previously disclosed, and to which Scoville caused several million dollars to be wired during the month leading up to the filing of this case; (b) providing a copy of a lease agreement on a London flat said to be leased in his new spouse's name, on which Scoville had arranged one year of rent to be prepaid; (c) turning over keys to a flat titled in Scoville's name located in Manchester, England; (d) turning over a Ranger Rover that was purchased with over \$125,000.00 from Scoville's bank account

in May, 2016 and titled in his wife's name; (e) providing proof of insurance on the Range Rover and a Nissan located in Murray, Utah; and (f) turning over a laptop computer in Scoville's possession for a short period so that an image could be obtained by the Receiver.

5. Scoville provided proof of insurance as requested and screen shots of transactions related to the wiring of funds to the foreign financial account (which did nothing more than show part of what the Receiver had previously shared with Scoville's counsel about the transactions). He also informed the Receiver about several possible London addresses at which she might locate the Range Rover, and indicated that he did not have possession of the lease agreement to the London flat or the keys to the Manchester flat. Otherwise, Scoville did not cooperate with the Receiver. During this time, Scoville again indicated through counsel that he needed a "living allowance." The Receiver informed Scoville's counsel that she would be happy to review a budget and make disbursements as allowed under the Expense Order after Scoville cooperated by at least providing information about the foreign financial account.

6. Scoville has never submitted a budget for travel and living expenses to the Receiver.

7. The Receiver is informed that Scoville and his minor son have now returned to Utah. No funds of the Receivership Estate were requested for that travel.<sup>1</sup>

8. Accordingly, the Receiver has not disbursed any funds of the Receivership Estate to Scoville for travel or living expenses. In the event that Scoville cooperates with the Receiver and requests living expenses, the Receiver will notify the Court of any agreement related to the use of funds of the Receivership Estate.

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<sup>1</sup> The Receiver has informed Scoville through counsel that she has no objection to him driving the Nissan titled in his name, provided he keeps the vehicle insured. The Receiver also understands that in May or June 2016, Scoville prepaid his rent on his Murray, Utah apartment for one year, and the Receiver has consented to Scoville's use of that apartment.

Dated this 15th day of September, 2016.

**DORSEY & WHITNEY LLP**

*/s/ Michael F. Thomson*

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Peggy Hunt

Michael F. Thomson

Nathan S. Seim

*Attorneys for Receiver, Peggy Hunt*

**CERTIFICATE OF SERVICE**

I hereby certify that on this 15th day of September, 2016, I caused the foregoing document to be electronically filed with the Clerk of the Court using the CM/ECF system, which will send notification of the filing to the following:

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/s/ Michael Thomson