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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.

**DECLARATION OF  
RECEIVER PEGGY HUNT  
(BUSINESS OPERATIONS)**

2:16-cv-00832-JNP

The Honorable Jill N. Parrish

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I, Peggy Hunt, as the Court-appointed receiver in this case, declare as follows:

1. This declaration is based upon my personal knowledge of the facts set forth herein.
2. On July 27, 2016, I was appointed by the Court as a Receiver in the above-captioned case pursuant to the *Order Appointing Receiver*.
3. I have been a lawyer for 27 years. During that time, I have served in judicial clerkships and practiced law. Outside of a one-year judicial clerkship for a Justice on the

Connecticut Supreme Court immediately following my graduation from law school, my experience has focused on bankruptcy (both liquidation and reorganization), insolvency and receivership law. Most relevant to this matter is that I have served on the Panel of Chapter 7 Trustees for the District of Utah (appointed by the Office of the U.S. Trustee, which is a division of the U.S. Justice Department) since 2011. In that post, I serve as a fiduciary for liquidation bankruptcy cases filed in the District of Utah by both individuals and companies. In addition to my work as a bankruptcy trustee, I regularly represent fiduciaries, including bankruptcy trustees and equity receivers appointed in SEC civil enforcement actions in large cases involving Ponzi schemes and other types of securities fraud.

4. Just prior to and immediately upon being appointed as Receiver, I commenced an investigation of Traffic Monsoon, LLC ("Traffic Monsoon") and the assets of Charles David Scoville ("Mr. Scoville"), including, among other things, Traffic Monsoon's business operations. This investigation is in its early stages and is ongoing.

5. As part of my duties and my investigation, I have marshalled property of the Receivership Estate, including Traffic Monsoon's business records and property.

#### **Corporation Formation Documents/Entities**

6. On September 29, 2014, Traffic Monsoon registered with the State of Utah as a domestic limited liability company. This registration was renewed in September, 2015. The State lists an apartment located in in Murray, Utah (the "Murray Apartment") as the address for the entity. See Exhibit 1 (Utah Corporate Registration Records).

7. Organizational documents filed with the State of Utah state that Mr. Scoville is Traffic Monsoon's sole member/manager and Registered Agent, and list the Murray Apartment as Traffic Monsoon's corporate address. See Exhibit 2 (Certificate of Organization).

8. Traffic Monsoon was operated by Mr. Scoville through a website with the address www.trafficmonsoon.com (the “Website”). The Website identified the Murray Apartment as the corporate office. Exhibit 3 (Website image dated as of September 8, 2016).

9. The Website also listed Traffic Monsoon Global Limited as a point of contact.  
*See id.*

10. I directed that a corporate search be conducted in the United Kingdom (“UK”) public records and, according to the records I obtained, two UK entities with the name “Traffic Monsoon” were formed:

- a. Based on filings dated December 18, 2015, Traffic Monsoon Global Limited, a private limited company, was incorporated in the UK (“Global Limited”). The UK registration information states that Global Limited’s initial shareholders were Aamir Raja, Toseef Ahmed Sharif, and Taheer Sardar, all identified as residents of London. Mr. Raja and Mr. Sardar were appointed as the initial directors of Global Limited. The registered address for the company is noted as Imperial Office, 2 Heignam Road, East Ham, London, UK (the “Imperial Location”). In February, 2016, Mr. Raja and Mr. Sardar were terminated as directors, and Mr. Scoville, who is noted as a U.S. citizen, was appointed as a director, with a correspondence address of Apartment 27, the Quays, Salford, England M50 3BB (the “Manchester Flat Address”). The corporate address remained as the Imperial Location. An Annual Return filed in the UK in February 2016, states that Mr. Scoville is now the sole director and shareholder of Global Limited, that he is American, and that the country he is “Usually Resident” in is America. *See Exhibit 4.*
- b. Based on filings dated February 14, 2016, Traffic Monsoon UK Limited, a private limited company, was incorporated in the UK. The UK registration information



states that the director of this company is Naila Arshad and that the corporate address for this entity is 1140 Eastern Ave., Essex, UK. *See Exhibit 5.*

- c. In a telephone interview conducted on July 29, 2016, Mr. Scoville told me that Global Limited was registered because Allied Wallet required a UK entity to set up an account. He stated:

We had someone that was there with us who said I've got a UK company, we can change it to Traffic Monsoon, and then we can use that registration so you can use Allied Wallet. So that's Taheer and Amir, both of them are on that business registration, but technically they don't own any of the company.

....

They just--on paper it might show that their name is on the registration, but . . . they were just giving me a company that they had already registered and the speedy process of just making sure that we have a business registration in the UK. But they put me on it as the owner. . . they're not involved in management whatsoever.

*See Exhibit 6* (Interview Transcript, pp. 38-39).

- d. The Imperial Location is a mailbox and rented office – similar to a Regis office here in the states. *See* <http://www.imperialoffices.co.uk/centres/east-ham-london/>. Mr. Scoville told me that this office “belongs to” Taheer. (*Ex. 6*, p. 40). Documents we have sent to that address have not been returned. I cannot redirect mail addressed to Traffic Monsoon at the Imperial Location at this time.
- e. I asked Mr. Scoville whether the Imperial Location was a physical location where customers could go and interface with Traffic Monsoon, and he stated in response: “No, not really. . . .” (*Ex. 6*, p. 41). He stated that “I was using that address for Allied Wallet. And so people then had that address and they were going in.” (*Ex. 6*, p. 43-44). He stated that he was told by Mr. Raja that after PayPal froze funds, people would show up at this address because they wanted



their money and to find out what was going on. He paid Mr. Raja £ 6,000/month to handle dealing with these issues. Mr. Scoville states:

I don't really know how much all of this [is] true because somewhere around in here as well, I've come to believe that Amir's been lying to me especially because of the 6,000 pounds a month that I was paying to him for staff.

I just wasn't sure whether or not staff were actually there, actually doing anything, if there was actually anything actually there because I would go in and they would say there's nobody there. So I really don't know all the ins and outs of what's actually been going on over there. I checked into it a little bit myself. I went over there and apparently the person at the front desk didn't know who I was, who asked to see the people that are working Traffic Monsoon, and they said that there's nobody there. So I don't know all of the ins and outs of what's going on there. I may have been scammed. I don't know.

. . . .

[T]his whole thing about 6,000 pounds per month to that location, something sketchy was going on there . . . .

(Ex. 6, p. 42-43).

11. When I interviewed Mr. Scoville he stated that he that he "registered" Traffic Monsoon in Dubai and in the UK (Ex. 6, pp. 34 and 37). As of this time, I have not been able to verify whether a Dubai entity exists. UK entities that I have identified are discussed above.

#### **Residences**

12. Mr. Scoville has told me that Traffic Monsoon does not have property holdings (Ex. 6, p. 14).

13. Mr. Scoville is a U.S. citizen who currently resides in Utah.

14. Mr. Scoville has rented the Murray Apartment for several years. Shortly after being appointed, I went to the Murray Apartment. It is a one-bedroom basement apartment in a complex located just northwest of Intermountain Medical Center.

a. In approximately May 2016, Mr. Scoville prepaid his rent on the Murray Apartment for one year.

- b. Mr. Scoville was present in Utah in May 2016 when he was questioned by the SEC. Documents that I obtained in the Murray Apartment show that Mr. Scoville was present in the Murray Apartment as late as June or July 2016. When I was appointed, a vehicle titled in his name was parked in the parking lot of the Murray Apartment complex.
- c. On August 1, 2016, Mr. Scoville signed an agreement to renew the lease on the Murray Apartment for one year. *See Exhibit 7.*
- d. I have informed Mr. Scoville that he can live in the Murray Apartment and provided his counsel with the keys to the Murray Apartment. I asked him to inform me if he does not plan to return to the Murray Apartment because if he does not plan to live there I would like to turn the Apartment over to the landlord and recover the prepaid rent. At this time, I do not believe Mr. Scoville is living in the Murray Apartment. Despite several requests, Mr. Scoville has not told me whether he plans to live there.

15. Mr. Scoville personally obtained title to an apartment in Manchester, UK in August 2015. This is the Manchester Flat Address noted above.

16. I am informed that at the time the above-captioned case was commenced, Mr. Scoville was residing in a London flat that was leased by his girlfriend/wife. *See Exhibit 8* (email from Mr. Scoville, redacted to remove personal identifiers). Mr. Scoville did not know the address of the London flat. (*Ex. 6*, p. 17-18). I am informed from his girlfriend/wife/ex-spouse that he no longer has access to that flat.

17. I asked for a copy of Mr. Scoville's passport, but he has not turned it over to me.

**Mail**

18. Shortly after my appointment, I obtained business records of Traffic Monsoon located in the Murray Apartment.

19. The documents that I obtained were primarily piles of mail addressed to Traffic Monsoon that were delivered by the U.S. Postal Service or Federal Express to the Murray, Utah address. These documents were in random piles, primarily on the floor, throughout the Apartment and, in many cases, were mail that had not been opened. A sampling of this mail indicates that it was correspondence from domestic and foreign persons involved with Traffic Monsoon. There was also correspondence addressed to Traffic Monsoon from the State of Utah.

20. Most of the mail in the Murray Apartment was addressed to Traffic Monsoon. Mail for Traffic Monsoon is now forwarded to me. Included in the mail that I have received is a request from the State of Utah regarding renewal of Traffic Monsoon's corporate registration.

**Physical Business Records**

21. Mr. Scoville has informed me that he did not maintain independent accounting records for Traffic Monsoon. (Ex. 6, pp. 98-100). Instead, all records are based on electronic transaction records maintained by banks, payment processors, and on the servers maintained for Traffic Monsoon. *See id.* These servers are discussed below.

22. I have requested a copy of Mr. Scoville's personal computer which he says may have some Traffic Monsoon records. To date, I have not received the computer.

23. Mr. Scoville filed taxes for himself with the Internal Revenue Service and the State of Utah. His returns include the income of Traffic Monsoon, which is a pass through entity for tax purposes. *See Exhibits 9-10*. He reported more than \$2 million of taxable income in 2015, which was derived from Traffic Monsoon, and his tax return worksheets state that he was a resident of Utah for the entire year of 2015. *See id.*



24. Mr. Scoville provided to me contracts and settlement agreements that Traffic Monsoon entered into in the U.S. and which are governed by U.S. law. *See Exhibit 11* (SMI Settlement Agreement). The settlement agreement settles a lawsuit against Traffic Monsoon and Mr. Scoville that was commenced in the U.S. *See Exhibit 12*.

#### **Electronic Business Records**

25. Shortly after I was appointed, I secured the servers that are maintained for Traffic Monsoon.

26. The servers are leased from a web hosting company called “Snoork,” an entity with a mailing address in North Carolina. Mr. Scoville told me that he was the only person who was authorized to deal with Snoork (*Ex. 6*, p. 8).

27. There are a total of ten servers associated with Traffic Monsoon, and possibly an eleventh. All of the servers are located in the United States. Ten are located in Atlanta, and one is located in Los Angeles. Mr. Scoville and several other individuals had administrative rights related to the servers—I am informed that at least one of those persons was a Russian programmer, Alex Klisch (*Ex. 6*, p. 6-7).

28. The Website is operated through the servers, and the financial records for Traffic Monsoon are included in the transactions recorded on the servers.

#### **Financial Accounts**

29. Traffic Monsoon had one bank account, and Mr. Scoville had two personal accounts, with JP Morgan Chase Bank (“Chase Bank”). I have obtained records from Chase Bank for these accounts. Records that I have obtained from Chase Bank show that (a) Mr. Scoville’s personal accounts included Traffic Monsoon money, and (b) the accounts were used for business purposes, including accepting Traffic Monsoon money from customers. Over \$20 million was in these accounts when the above-captioned case was commenced.

30. From the time of Traffic Monsoon's organization through approximately January, 2016, Traffic Monsoon primarily used PayPal, a U.S.-based e-wallet company, to process payments into and out of Traffic Monsoon. Traffic Monsoon and Mr. Scoville held a total of 4 accounts at PayPal, and I have obtained financial records for these accounts. Over \$20 million was in these accounts when the above-captioned case was commenced.

31. In approximately January, 2016, PayPal froze Traffic Monsoon's accounts, and Traffic Monsoon started using other e-wallet companies to process incoming and outgoing payments. Traffic Monsoon had accounts with—

- a. Payza, an entity that has accepted service of subpoenas in the U.S. This entity claims that it had approximately \$164,000 on deposit at the time the above-captioned case was filed. I have obtained financial records from this entity.
- b. Allied Wallet, an entity whose General Counsel is located in California and who has accepted service in the US. This entity claims that it had approximately \$7 million on deposit at the time the above-captioned case was filed. I have obtained financial records from this entity.
- c. SolidTrustPay, a Canadian entity. This entity has turned over just under \$300,000, which it claims is the sum that it held on the day the above-captioned case was filed.

32. Mr. Scoville said that he opened a bank account at NDB, a Dubai bank, but that it was never funded. The account could not be opened for Traffic Monsoon as a U.S. entity, so a Dubai Traffic Monsoon entity was "registered." (Ex. 6, p. 34).

33. In early 2016, representations were made on the Website that Traffic Monsoon was "transitioning our own TM World Bank to make it easier for members to get paid, and reduce company risking keeping funds inside 3rd party payment processors." I do not believe this happened.

34. According to Mr. Scoville, other than possibly the Dubai account, all financial accounts were held by Traffic Monsoon or Mr. Scoville, and no bank accounts were set up outside of the United States (Ex. 6, p. 33-35, 92).

35. Subsequently, I discovered that in June and July, 2016, \$3.95 million was sent by Mr. Scoville via international wire transfers to an entity called EVP International from the Chase Bank accounts. After several inquiries to Mr. Scoville about these transfers, Mr. Scoville's counsel indicated that EVP International was just an intermediary for Payza, and that all of the wired funds went to Payza. I requested that my accountants at Berkley Research Group ("BRG") analyze this issue using the financial records that I have obtained from Chase Bank and Payza. At this time, BRG has traced only \$600,000 of the wire transfers into a Payza account during the time in question. A summary of the analysis BRG provided to me, redacted to remove account numbers, is attached hereto as Exhibit 13. As noted in BRG's analysis, the data received from Payza does not specifically identify the Payee as "EVP International," but instead includes the description "By Bank Wire." Based on the timing and amount, these transactions appear to relate to the EVP International transactions identified in the Chase Bank accounts. But, the majority of EVP International transactions have not been traced into a Payza account. Thus, at least \$3.35 million cannot be accounted for at this time. *See id.* I have informed Mr. Scoville's counsel that until he explains where these funds are, I am not in a position to discuss providing him with a "living allowance." As noted above, I have informed him that he is free to live in the Murray Apartment, the rent on which he prepaid. I have also said that he can use the car titled in his name that is located at the parking lot at the Murray Apartment.

#### Call Centers

36. Mr. Scoville said he made monthly payments for call centers operated by individuals located in Florida and North Carolina, Ernie Ganz and Dave Barker, respectively



(Ex. 6, pp. 87-88). He stated that Ernie Ganz runs call centers in Florida and in the Philippines, and Dave Barker runs a call center in North Carolina (Ex. 6, pp. 87-88).

37. Mr. Scoville said he paid a flat monthly fee of \$42,200 to Mr. Ganz and \$22,200 to Mr. Barker for the call center services (Ex. 6, p. 88).

38. When asked about the nature of the services provided by Mr. Ganz and Mr. Barker, Mr. Scoville stated the services related only to customer support and not sales: "Oh, only support. There's no sales." (Ex. 6, p. 89).

39. I have served a subpoena on Mr. Ganz in Florida and have been contacted by his counsel, but I have not yet received the requested information.

#### Communications

40. The Website advertised in U.S. dollars. Traffic Monsoon represented that AdPacks would be paid for in U.S. dollars, and revenue shares and commissions would be paid in U.S. dollars.

41. Mr. Scoville communicated with persons involved in Traffic Monsoon through the Website, YouTube videos, Skype and Facebook pages.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury under the laws of the United States that the foregoing statements are true and correct

Dated this 31st day of October, 2016.



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Peggy Hunt

*Court-Appointed Receiver*



# EXHIBIT 1



Utah.gov Services Agencies

Utah.gov Secured A SECURE ONLINE SERVICE FROM UTAH.GOV

Subscribers FAQs Support Font Size: A A A

DIVISION OF CORPORATIONS AND COMMERCIAL CODE  
BUSINESS SEARCHRELATED  
LINKS & RESOURCES

## TRAFFIC MONSOON LLC

Update this Business

Entity Number: 9175555-0160

Company Type: LLC - Domestic

Address: 4927 Murray Blvd Z9 Murray, UT 84123

State of Origin:

Registered Agent: Charles Scoville

Registered Agent Address:

4927 Murray Blvd Z9

Murray, UT 84123

View Management Team

Status: Active

Purchase Certificate of Existence

Status: Active  as of 09/29/2014

Renew By: 09/30/2016

Status Description: Good Standing

The "Good Standing" status represents that a renewal has been filed, within the most recent renewal period, with the Division of Corporations and Commercial Code.

Employment Verification: Not Registered with Verify Utah

## History

View Filed Documents

Registration Date: 09/29/2014

Last Renewed: 09/11/2015

## Additional Information

NAICS Code: 5418 NAICS Title: 5418-Advertising and Related Services

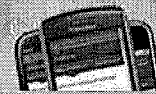
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DIVISION OF CORPORATIONS AND COMMERCIAL CODE  
 BUSINESS SEARCH

RELATED LINKS & RESOURCES

## Registered Principals

Name	Type	City	Status
TRAFFIC MONSOON LLC	Limited Liability Company	Murray	Active
Position	Name	Address	
Registered Agent	Charles Scoville	4927 Murray Blvd Z9	Murray UT 84123
Manager	Charles Scoville	4927 Murray Blvd Z9	Murray UT 84123
If you believe there may be more principals, click here to		<a href="#">View Filed Documents</a>	<a href="#">View Filed Documents</a>

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## EXHIBIT 2



File Number 9175555

LLC  
Certificate of Organization  
OF  
Traffic Monsoon LLC

The undersigned person(s) do hereby adopt the following Certificate of Organization for the purpose of forming a Utah Limited Liability Company

Article I

The name of the limited liability company is to be Traffic Monsoon LLC

Article II

The purpose or purposes for which the company is organized is to engage in Traffic Monsoon provides multiple services for companies to generate website visitors Banner Advertising, Text Advertising, Traffic Exchange, and Direct Website Visitors

The Company shall further have unlimited power to to engage in or to perform any and all lawful acts pertaining to the management of any lawful business as well as to engage in and to do any lawful act concerning any and all lawful business for which a Limited Liability Company may be organized under the Utah Limited Liability Company Act and any amendments thereto

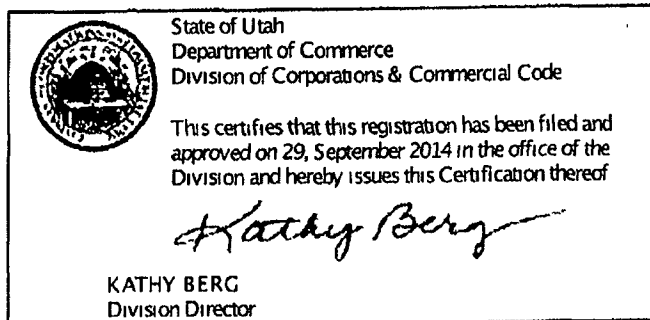
Article III

The Company shall continuously maintain an agent in the State of Utah for service of process who is an individual residing in said state The name and address of the initial registered agent shall be

(Registered Agent Name & Address)  
Charles Scoville  
4927 Murray Blvd Z9  
Murray, UT, 84123

ACCEPTANCE OF APPOINTMENT

Charles Scoville  
Registered Agent Signature



#### Article IV

Name, Street address & Signature of all members/managers

Manager #1

Charles Scoville

4927 Murray Blvd Z9

Murray, UT 84123

Charles Scoville

Signature

DATED 29 September, 2014

#### Article V

Management statement

This limited liability company will be managed by its Managers

#### Article VI

Records required to be kept at the principal office include, but are not limited to the following

##### Article VI.1

A current list in alphabetical order of the full name and address of each member and each manager

##### Article VI.2

A copy of the stamped certificate of Organization and all certificates of amendments thereto

##### Article VI.3

Copies of all tax returns and financial statements of the company for the three most recent years

##### Article VI.4

A copy of the company's operating agreement and minutes of each meeting of members

#### Article VII

The street address of the principal place of business is

4927 Murray Blvd Z9

Murray, UT 84123

#### Article VIII

The duration of the company shall be perpetual years

Under GRAMA {63-2-201}, all registration information maintained by the Division is classified as public record. For confidentiality purposes, the business entity physical address may be provided rather than the residential or private address of any individual affiliated with the entity

# EXHIBIT 3

## Traffic Monsoon Website - About

Monday, October 31, 2016 2:36 PM

+1-877-644-6714, +44-808-238-7548 (Mon-Fri 9:00am - 5:00pm Eastern Time)

 [SIGN IN](#) or [Register](#)[HOME](#)[ABOUT](#)[SIGNUP](#)[AD PLANS](#)[WEB EXPOSURE](#)[SECURITY](#)[FAQ](#)[SUPPORT](#)[HOME](#) | [ABOUT](#)

# About

## Main Objective

TrafficMonsoon was established with a clear mission in mind: to provide high quality ad services for affordable prices, and share revenues for a perfect winning combination that will lead to the ultimate success of our customers.

We've each been through a hard road, and faced struggles and challenges in our way. Each of these experiences have given us strength, and desire to offer solutions to others who might be struggling to obtain quality services, and make it easier for people to finally earn money online.

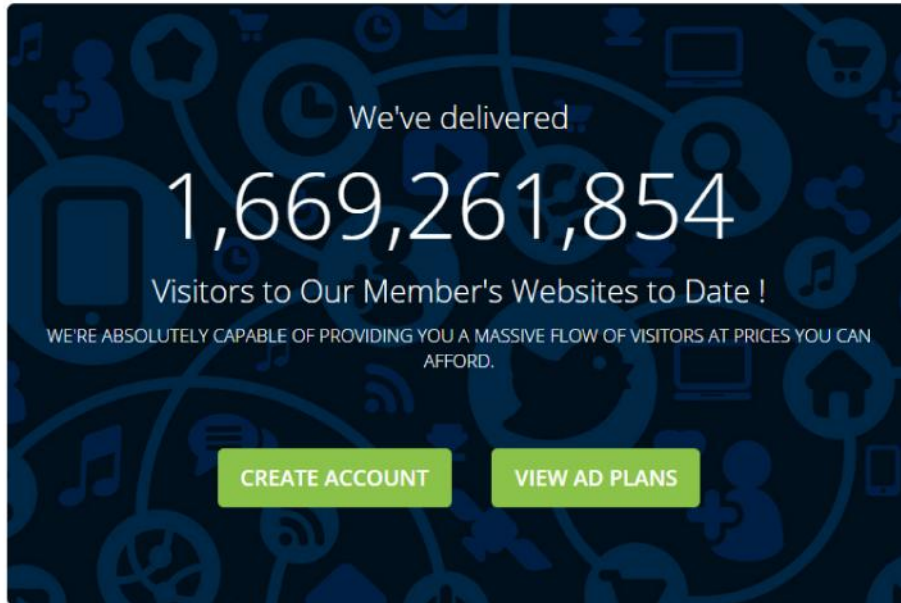
We aspire to go beyond the standards set by others, and progress forward to raise the bar of excellence. We believe that true prosperity & success can be accomplished as our community shares its goals, and focuses on efforts to bring these services into the hands of those who need them most.

If we succeed in our mission, then the services we offer will have repeat buyers due to the quality and ability to deliver massive amounts of traffic, which will generate continuous sharing of revenues with those who participate in the program.

[REGISTER FOR FREE TODAY!](#) [Show more](#)

Screen clipping taken: 10/31/16 2:37 PM





We've delivered

# 1,669,261,854

Visitors to Our Member's Websites to Date !

WE'RE ABSOLUTELY CAPABLE OF PROVIDING YOU A MASSIVE FLOW OF VISITORS AT PRICES YOU CAN AFFORD.

[CREATE ACCOUNT](#) [VIEW AD PLANS](#)

## Company's History

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### Team Behind the Storm:

In 2014 we have decided to open an advertising service with a sharing relationship with our advertisers, because we see the needs these services can meet in the industry of internet marketing. We've learned from experience how difficult it can be to find quality ad services online, but always had great motivation to learn, explore, and try new advertising services to expand our successes online. From this background, we have the knowledge and expertise to provide top level advertising services for you.

Our team has combined experience in: Customer Service, Graphic Design, Programming, Internet Marketing, Business Management, Database Management, Internet Security, and Network Marketing.

In 2008 we witnessed an increase in home based business activity due to the global economic crisis. Hundreds of thousands, if not millions, of people around the world today are seeking for a way to make more money to either supplement or replace a full-time income. People from all walks of life were faced by a new challenge for income generation, and with it came multiple new opportunities to participate in referral based commission structures. The opportunity to earn additional income or full-time income online has already been realized by several thousands of people around the globe.

Screen clipping taken: 10/31/16 2:37 PM

In 2008 we witnessed an increase in home based business activity due to the global economic crisis. Hundreds of thousands, if not millions, of people around the world today are seeking for a way to make more money to either supplement or replace a full-time income. People from all walks of life were faced by a new challenge for income generation, and with it came multiple new opportunities to participate in referral based commission structures. The opportunity to earn additional income or full-time income online has already been realized by several thousands of people around the globe.

Expansion for anyone's internet income generation within any referral based income opportunities requires focus and development of skill of increasing your internet exposure. Reaching the target market of people seeking home based business opportunities, tools, and resources can pose as a major difficulty. Additionally, continually paying for more products, tools, and advertising services without earning a penny can be extremely frustrating. TrafficMonsoon has been built to make it easier for your offers to reach the internet income community, while at the same time give you opportunity to begin earning by simply participating in our traffic exchange services.

Copyright © 2014-2016 TrafficMonsoon. All Rights Reserved. Use of this site constitutes agreement with our terms of service.

## Get in touch

📍 Traffic Monsoon Global Limited, Imperial Offices, 2 Heigham Road, East Ham, London, UK, E6 2JG  
📍 Traffic Monsoon LLC, 4927 S Murray Blvd Z9, Murray, UT, 84123 United States

☎ +1-877-644-6714  
☎ +44 808 238 7548

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## Traffic Monsoon Website - Home

Monday, October 31, 2016 2:19 PM

+1-877-644-6714, +44-808-238-7548 (Mon-Fri 9:00am - 5:00pm Eastern Time)

[SIGN IN](#) or [Register](#)

**TRAFFICMONSOON**  
REVENUE SHARING ADVERTISING COMPANY

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# YOUR MASSIVE TRAFFIC RESOURCE

Increase the number of visitors to your links

## 1,669,261,854

VISITS DELIVERED TOTAL

[START PROMOTING YOUR SITE](#)



Screen clipping taken: 10/31/16 2:29 PM



## Alexa Rank



## Traffic Diversification In World's Leading Services

- Providing Low Cost Ad Services
- Delivering Best-In-Class & Long-Term Service
- Helping Our Advertisers Achieve Success

TrafficMonsoon.com is a specialized advertising and revenue sharing company that allows international participation of individuals and groups. Our services provide high quality advertising targeted for people seeking for a way to earn money online along with complete account privacy, top level online security, efficient account management, and a dedicated support team.

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## Learn How You Can Use Traffic Monsoon to Make More Money Online

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Traffic Exchange Credit Purchases offer you the ability to purchase more traffic exchange visitors without having to surf endlessly to earn the credits needed for the number of visitors you want to receive. Simply select the number of visitors you want, complete payment, and receive visitors!

Monsoon Traffic Packages offer you the ability to promote your website through a myriad of advertising websites to help you gain great exposure, increase recognition, and generate better overall results in gaining sign-ups, leads, and referrals.

1	<b>1000</b> visitor credits \$5.95
2	<b>2500</b> visitor credits \$13.95
3	<b>5000</b> visitor credits \$27.95
4	<b>7000</b> visitor credits \$37.95
5	<b>10000</b> visitor credits <b>\$49.95</b>
6	<b>15000</b> visitor credits <b>\$74.95</b>
7	<b>25000</b> visitor credits <b>\$119.95</b>
8	<b>50000</b> visitor credits <b>\$229.95</b>

1	<b>2500</b> visitor credits \$5.00
2	<b>5000</b> visitor credits \$9.00
3	<b>10000</b> visitor credits \$16.00
4	<b>25000</b> visitor credits \$38.00
5	<b>50000</b> visitor credits <b>\$70.00</b>
6	<b>100000</b> visitor credits <b>\$130.00</b>
7	<b>200000</b> visitor credits <b>\$250.00</b>
8	<b>500000</b> visitor credits <b>\$600.00</b>

TrafficMonsoon is intended to stay, grow, and compete in the field of internet advertising services. We'll do whatever it takes to become a leader you can trust and rely upon.

[READ ABOUT OUR HISTORY](#)

Screen clipping taken: 10/31/16 2:30 PM



We've delivered **1,669,261,854** Visitors to Our Member's Websites to Date !

WE'RE ABSOLUTELY CAPABLE OF PROVIDING YOU A MASSIVE FLOW OF VISITORS AT PRICES YOU CAN AFFORD.

[CREATE ACCOUNT](#)

[VIEW AD PLANS](#)

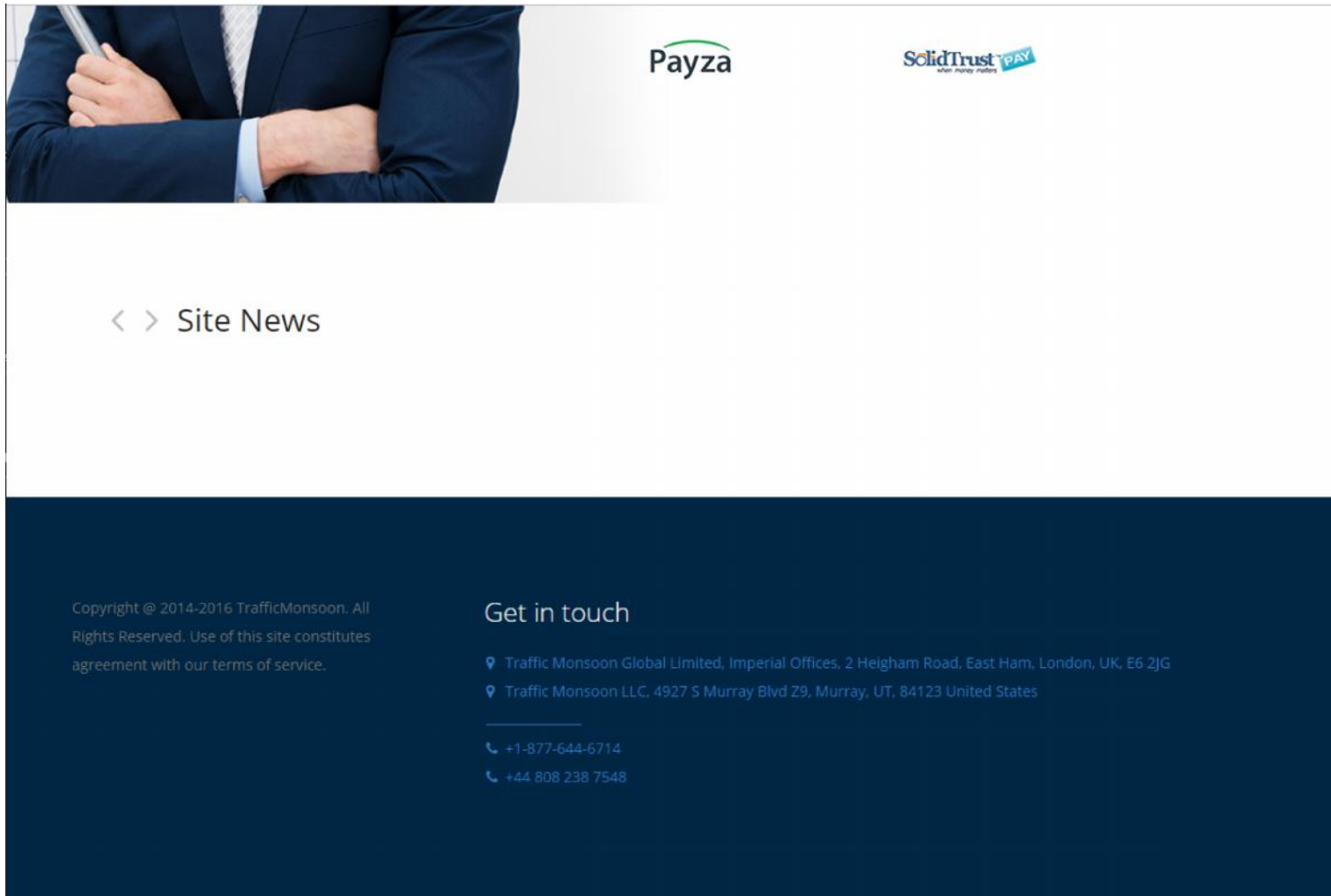
Up To \$55

## 10% Affiliate Program

Our advertising & sharing plans were carefully thought through to provide a mutually beneficial experience over the long term. With such plans you can't go wrong, we strive to deliver member's advertising purchases as fast as possible and process withdrawals within 24 hours. Constant member satisfaction isn't an easy task and our main goal in today's changing market will stay the same: Member's Success!

If you wish to get more detailed information about our advertising services: [Visit Advertising Plans](#)


Screen clipping taken: 10/31/16 2:31 PM




Screen clipping taken: 10/31/16 2:31 PM

## Traffic Monsoon Website - Support

Monday, October 31, 2016 2:33 PM

 +1-877-644-6714, +44-808-238-7548 (Mon-Fri 9:00am - 5:00pm Eastern Time)

 [SIGN IN](#) or [Register](#)



TRAFFICMONSOON  
REVENUE SHARING ADVERTISING COMPANY

HOMEABOUTSIGNUPAD PLANSWEB EXPOSURESECURITYFAQSUPPORT

HOME | [SUPPORT CENTER](#)

For General Questions, Fill Out A Public Support Ticket  
Or Call Us Mon-Fri 9:00am - 5:00pm Eastern Time

For Your Security & Protection, Any Account Related Questions Must Be Submitted From  
Inside Your Account

Every transaction made between TrafficMonsoon and its members, is considered to be  
private. Your credit card statement will read ALW\*trafficmonsoon8776446714

[REGISTER FOR FREE TODAY!](#)

 [Show more](#)

If you already submitted a ticket and wish to check it, please click [Check a ticket](#).

Screen clipping taken: 10/31/16 2:34 PM



## Create ticket

First name :

Last name :

E-mail address :

Username (if you're member) :

Subject :

Message :

Turing number :



**SUBMIT REQUEST**

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### Get in touch

📍 Traffic Monsoon Global Limited, Imperial Offices, 2 Heigham Road, East Ham, London, UK, E6 2JG

📍 Traffic Monsoon LLC, 4927 S Murray Blvd Z9, Murray, UT, 84123 United States

☎ +1-877-644-6714

☎ +44 808 238 7548

Screen clipping taken: 10/31/16 2:35 PM

## Traffic Monsoon Website - Ad Plans

Monday, October 31, 2016 2:38 PM

+1-877-644-6714, +44-808-238-7548 (Mon-Fri 9:00am - 5:00pm Eastern Time)

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# Ad Plans

## Philosophy

Usually, the term monsoon is used to refer to the rainy phase of a seasonally-changing pattern. It's a time when quasi semi-deserts are turned into vivid green grasslands where all sorts of plants and crops can prosper.

We believe that monsoons are powerful and significant in nature, and symbolize a shift in desert conditions to a full vibrant period of growth and prosperity. This of course is accomplished through using a system of traffic that influences the circumstances of an internet business to reverse any failure, bring about much greater visibility in the market, and cause an excess of exposure for your business, cause strong word of mouth discussion "winds" and bring about heavy amounts of converting website visitors.

[REGISTER FOR FREE TODAY!](#) [Show more](#)

## Cash Links

These are paid-to-click links which appear on your dashboard, and reward you with extra cash!

Cash links are a great way to show other members what else you're involved with, and invite them to join you.<

### Basically

\$1.00 => 50 visitors = \$0.02 per click. \$0.01 goes to clicker, and \$0.01 goes to sponsor  
Visitor remains on your site 30 seconds

\$1.00 => 25 visitors = \$0.04 per click. \$0.02 goes to clicker, and \$0.02 goes to sponsor  
Visitor remains on your site 60 seconds

Screen clipping taken: 10/31/16 2:41 PM

*To qualify for referral click earnings from these links, you must have clicked a minimum of 10 ads in the traffic exchange within the last 24 hours.*

## Sharing

---

Only 1 of the services we offer includes a revenue sharing position. We do not sell "shares." We only sell advertising services. It's from the sales of all our services that we share revenues.

When our members purchase a service from TrafficMonsoon, the revenues from that purchase are held by the company. Then, you can qualify to receive share of the profits! Naturally there is cost associated with providing services. Each service provided generates a profit margin. We share those profits with you!

When you purchase an AdPack combo advertising campaign for \$50, you'll receive 20 clicks to your banner, 1,000 traffic exchange credits, and a revenue sharing position.

When you click a minimum of 50 ads in our traffic exchange and remain on the websites for 5 seconds each, you'll qualify yourself for 24 hours to share in site profits.

As long as you are qualified, each sharing position you receive with your AdPack Combo purchase will continue to share in revenues up to \$55.00. Reaching this maximum is not guaranteed, or affixed to any time frame. It's completely reliant upon sales of services, and you being qualified.

## Earn Traffic Exchange Credits

---

Any purchase turns your account into a life-time paid member. Each 3 ad views in our traffic exchange will reward you 2 visitor credit in the traffic exchange.

FREE members can surf ads, and receive 1 visitor credit for every 3 sites you view in the traffic exchange.

There is no requirement to refer to share in site profits.

Screen clipping taken: 10/31/16 2:42 PM

## Services:

We share profits from all of the following services.

- **Pay-Per-Click Banner Ad Campaigns**
- **Pay-Per-Click Text Ad Campaigns**
- **Traffic Exchange Start Pages**
- **Traffic Exchange Credit Purchases**
- **Monsoon Traffic Packages**
- **Login Ads**

Pay-Per-Click Campaigns are \$0.25 per click and allow you to target your ads to specific countries for \$0.50 per click. Every click on your banners ads is worth a lot - those users who click on your ads may become your referrals or even clients. Users click simply because they are interested in the topic of your ads!

Traffic Exchange Start Pages is an offer we have for your site to be the first site viewed by all members. This is priced at \$35 per day. You'll receive a lot more attention to your ad this way and stand out first in people's minds.

Traffic Exchange Credit Purchases offers you the ability to purchase more traffic exchange visitors without having to surf endlessly to earn the credits needed for the number of visitors you want to receive. Simply select the number of visitors you want, complete payment, and receive visitors!

Monsoon Traffic Packages offers you the ability to promote your website through a myriad of advertising websites to help you gain great exposure, increase recognition, and generate better overall results in gaining sign-ups, leads, and referrals.

	<b>1000</b> visitor credits <b>\$5.95</b>		<b>2500</b> visitor credits <b>\$5.00</b>
	<b>2500</b> visitor credits <b>\$13.95</b>		<b>5000</b> visitor credits <b>\$9.00</b>
	<b>5000</b> visitor credits <b>\$27.95</b>		<b>10000</b> visitor credits <b>\$16.00</b>
	<b>7000</b> visitor credits <b>\$37.95</b>		<b>25000</b> visitor credits <b>\$38.00</b>
	<b>10000</b> visitor credits <b>\$49.95</b>		<b>50000</b> visitor credits <b>\$70.00</b>
	<b>15000</b> visitor credits <b>\$74.95</b>		<b>100000</b> credits <b>\$130.00</b>
	<b>25000</b> visitor credits <b>\$119.95</b>		<b>200000</b> credits <b>\$250.00</b>
	<b>50000</b> visitor credits <b>\$229.95</b>		<b>500000</b> credits <b>\$600.00</b>

Screen clipping taken: 10/31/16 2:43 PM



Login Ads places your website in a pop-up window upon login. This is priced at \$35 per day. This is limited to only 1 space of availability, so hurry and grab it if you see it available!

## 10% Affiliate Program

You've got the opportunity to invite your friends, family, or other groups to enjoy our services & benefit from our lucrative affiliate program. For each purchase of service (except cash links) one of your referrals makes, you'll gain an instant 10% commission. This alone can help you build a constant cash-flow.

[CREATE AN ACCOUNT TODAY!](#)

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### Get in touch

- 📍 Traffic Monsoon Global Limited, Imperial Offices, 2 Heigham Road, East Ham, London, UK, E6 2JG
- 📍 Traffic Monsoon LLC, 4927 S Murray Blvd Z9, Murray, UT, 84123 United States

☎ +1-877-644-6714

☎ +44 808 238 7548

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© TRAFFICMONSOON 2014-2016

 Comodo: Creating Trust Online. Secure & Authentic Website.

Screen clipping taken: 10/31/16 2:43 PM

Screen clipping taken: 10/31/16 2:42 PM

## Traffic Monsoon Website - FAQ

Monday, October 31, 2016 2:46 PM

+1-877-644-6711, +1-808-238-7548 (Mon-Fri 9:00am - 5:00pm Eastern Time)

 [SIGN IN](#) or [Register](#)

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# FAQ

**I need website visitors. Can I join TrafficMonsoon as a FREE Member and get visitors in your traffic exchange?**

Yes. There's no requirement for you to purchase anything before using our traffic exchange services.

As a free member, you'll be able to enjoy a 1:3 surf ratio. That means, you'll surf 3 websites to receive 1 visitor credit.

When you purchase services, you'll enjoy a 2:3 surf ratio. That means, you'll surf 2 website to receive 3 visitor credits.

[REGISTER FOR FREE TODAY!](#)

 [Show more](#)

Screen clipping taken: 10/31/16 2:46 PM

**Is Traffic Monsoon a hyip, ponzi, pyramid scheme, or illegal?**

What is a ponzi? ponzis are investment schemes which offer interest payments. they pay interest from new investor principle deposits. If you add together the interest earned total and principle total, there would be a debt balance created. Sufficient funds would not be available to pay people their principles and interest.

If everyone was to request their balance, the ponzi would not have money to pay everyone's account balances. ponzis need new money to cover cash out requests. They don't have enough money to cover existing earnings. They collapse when cash out requests can't be paid because the money isn't there.

(example, HYIPS)

Another example of a ponzi is something that guarantees some sort of income, and the system rewards the earnings (to make their guarantee appear real) even when real money isn't supporting those earnings. They also fail when they have insufficient funds to cover the total account balances, and collapse when cash out requests cannot be paid because money isn't there to pay people what they have earned.

Why is Traffic Monsoon not a ponzi?

Traffic Monsoon only offers ad services. Nothing else is for sale than ad service. There is no investment plan offered. Yes, you can qualify to share in the sales revenue generated when services are sold by actively viewing other people's websites, but this is not interest.

Interest is a formula of principle investment multiplied by  $(1 + \text{rate multiplied by time})$ . Traffic Monsoon does not offer interest. There is no rate, and no time, and no guarantee. In fact the website specifically states this on the ad plans page. There is no investment on Traffic Monsoon; only a purchase of advertising service.

A purchase of advertising service with Traffic Monsoon is not considered a deposit, nor investment. In fact members agree to this as part of our terms of service when they sign-up.

Traffic Monsoon has all the money to pay people what they have earned.

No one is making a principle deposits and no one is earning interest. They are only buying an ad service. A service was selected and paid for, which was immediately made available upon successful purchase.

New sales of advertising service generate new earnings .. That's not a ponzi ..

What is a pyramid scheme?

"Pyramid scheme" means any sales device or plan under which a person gives consideration to another person in exchange for compensation or the right to receive compensation which is derived primarily from the introduction of other persons into the sales device or plan rather than from the sale of goods, services, or other property.

Screen clipping taken: 10/31/16 2:47 PM

In otherwords, giving someone money for nothing more than meet a qualification to become able to have people give you money for nothing more than to qualify to receive money from others.

(example, cash gifting)

In contrast with Traffic Monsoon

1. Purchase of service is not required for anyone to receive sales commission compensation
2. Earnings are possible without referring anyone at all through clicking paid-to-click ads.
3. The services purchased are absolutely real, and can be compared with any other traffic exchange or paid-to-click website. Website visitor packages can be tracked as providing real visitors
4. There is no "recruiting" fee nor commission paid simply for "recruiting" -- only commissions for services sold which hold true value, and our pricing is below (or at least equal to) industry averages.

In conclusion, when looking at pure definitions, Traffic Monsoon is not a ponzi and is not a pyramid scheme. It's a business that sells advertising services, offers sales commissions, and allows members to qualify to share in the sales revenues by actively viewing other member websites.

#### **How do I make money with TrafficMonsoon?**

Think of Traffic Monsoon as a traffic exchange mixed with a paid-to-click site.

But instead of rental referrals, we have adpacks that give ad service + sharing positions that share up to \$55 .. You must click at least 10 ads in the traffic exchange to qualify for referral click earnings & sharing each day.. Qualifying lasts 24 hours, just like needing to qualify for referral clicks & rental earnings on a paid-to-click.

Some have wondered--- can earning on a paid-to-click site be profitable? If so, how?

More referrals will be more money for you.

10 referrals X \$0.10 earnings from cash links X 30 days = \$30 from your referral clicks  
10 referrals X \$0.10 earnings from cash links X 365 days = \$365 from your referral clicks  
500 referrals X \$0.10 earnings from cash links X 30 days = \$1,500 from your referral clicks  
500 referrals X \$0.10 earnings from cash links X 365 days = \$18,250 from your referral clicks  
1000 referrals X \$0.10 earnings from cash links X 30 days = \$3,000 from your referral clicks  
1000 referrals X \$0.10 earnings from cash links X 365 days = \$36,500 from your referral clicks

Screen clipping taken: 10/31/16 2:47 PM



This is not a guarantee of income, but an example of what you can earn by referring new members to Traffic Monsoon who click on cash links.

There are really 4 opportunities to earn with traffic monsoon.

- paid to click
- using ad services to generate leads to make money in your primary business
- revenue sharing
- direct sales commissions

Each one can be your main focus, or all of them. Naturally, the more you utilize all 4 of these ways to earn money, the more you'll earn.

You'll receive 10% commissions from all your referral purchases, except for cash link purchases. There's no commissions from cash link purchases, because all the money from those purchases are divided up to be rewarded to clickers and the sponsor of the clicker.

**This site is really awesome. I want to setup more than 1 account. Can I do that?**

No. We have it built in our system to disallow multiple sign-ups from the same IP address, and additionally will not allow multiple accounts to sign into accounts from the same IP within the day.

**Can I refer my family member or friend to this site?**

Yes. You may absolutely invite friends and family to use our services. Each account must have its own IP, email address, and payment processor account.

There's no stacking, nor creating accounts for loved ones using your payment processor account.

If for any reason an account is signed up from the same IP as yours, the account would be forced "unreferred"

Screen clipping taken: 10/31/16 2:48 PM

**What kind of sites do you allow?**

We allow any site, as long as it is not a frame breaker, can be displayed inside an ad frame, and is not pornographic.

Websites with more than ONE pop-up are also disallowed. One pop-up is ok, but more than 1 is too annoying for our members.

Ads that break this rule will be suspended. Repeat offenders will have their account suspended.

**When is revenue shared from purchases?**

Revenues are shared hourly, and delayed by 24 hours. This means you will receive share in revenues today from purchases made yesterday.

We do this for security purposes, and to protect our members from fraudulent funds needing to be removed from their account earnings.

**What's your minimum payout?**

You can request your first payment when your balance reaches \$2.00

This minimum increases by \$1.00 for each withdrawal until you reach \$10.00

(\$2.00, then \$3.00, then \$4.00, and so forth up to \$10.00)

Then, your minimum will remain at \$10.00

**What payment processors do you accept?**

We accept Payza, and Solid Trust Pay.

Screen clipping taken: 10/31/16 2:48 PM

**When I was surfing, I entered the code and I was given a message "wrong click"?**

This means you need to turn off adblock within your browser add-ons. If you see this without this add-on, try another browser or update your current browser to the most recent version.

**Are withdrawals handled instantly?**

We process all requests within 24 hours. Sometimes it will be so fast it will feel instant.

**How often can I request payout?**

As soon as you've reached your minimum, you can request payment. This could happen multiple times per day.

**If I choose to quit using your services after I've made a purchase, can I get a refund?**

No refunds, because all revenues are already shared with all active members and commissions paid to your referring sponsor.

**What does "share revenue up to \$55" mean?**

This means we cannot guarantee the amount you'll receive per day, but as long as you are qualified to receive share in site revenues, you'll continue to receive of revenues on each sharing position up to \$55.

This also means we do not guarantee reaching \$55, because earnings from revenue sharing is completely dependent upon the sales of ad services, and also dependent upon you meeting the qualification to receive of revenues by surfing a minimum of 10 ads in a 24 hour period.

Screen clipping taken: 10/31/16 2:48 PM

**What is a Click or a Credit?**

Some banner or text ad sites sell Impressions. We sell clicks. You'll get unlimited impressions, until you reach the number of clicks on your banner or text ad.

Traffic exchanges generally describe the number of visitors you have remaining in the traffic exchange in terms of credits.

Both terms describe that 1 credit (or click) equals 1 visitor to your site.

**What is a withdraw code?**

This is a security feature to protect your withdrawals. Other sites might call this a transaction pin. This is what you'll enter inside your TrafficMonsoon back office when you request a payment to be sent to your payment processor.

**I didn't receive referral cash link earnings. Why not?**

You must click at least 10 ads in the traffic exchange to qualify for referral click earnings.

The qualification 10 click minimum will look at a window of 24 hours. If within that window 10 ads have been clicked, then you will still appear qualified. The count down timer will be based upon the oldest click in the 24 hour window.

So you can click on hour 23, and if you click 10 ads in a row at hour 23, your timer will display the new time of the 1st of your most recent clicks of 10.

Screen clipping taken: 10/31/16 2:49 PM



#### How do I change my payment processor after sign-up?

When you signed up, you entered your payment details how you want to be paid.

Sorry, we do not allow processor changes for security reasons.

If you need to add a processor differently than you entered at sign-up, the only other way is to make a purchase.

When you make a purchase, it locks your account to the processor account used to make a purchase.

This is heightened security against hackers in case anyone gains access to your account.

#### I'm seeing this message: "It seems you are behind proxy or using VPN."

I'm sorry you're receiving the VPN/PROXY message

Solution:

Update your browser

Use google chrome.

If that doesnt work, switch your browser.

Make sure you're using the most updated version of your browser.

Make sure you're not accessing the site through a proxy, or VPN. Google translate might be causing the problem.

Login from the login page <http://trafficmonsoon.com/login> as another solution.

Internet Explorer and FireFox users are finding with the most updated versions of these browsers to have no problems, but I'm using Chrome and also have no problem.

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#### Get in touch

- 📍 Traffic Monsoon Global Limited, Imperial Offices, 2 Heigham Road, East Ham, London, UK, E6 2JG
- 📍 Traffic Monsoon LLC, 4927 S Murray Blvd Z9, Murray, UT, 84123 United States

Screen clipping taken: 10/31/16 2:49 PM

## EXHIBIT 4

**File Copy**



**CERTIFICATE OF INCORPORATION  
OF A  
PRIVATE LIMITED COMPANY**

**Company Number 9922090**

The Registrar of Companies for England and Wales, hereby certifies  
that

**TRAFFIC MONSOON GLOBAL LIMITED**

is this day incorporated under the Companies Act 2006 as a private  
company, that the company is limited by shares, and the situation of  
its registered office is in England and Wales

Given at Companies House, Cardiff, on **18th December 2015**



**\*N09922090I\***

The above information was communicated by electronic means and authenticated by the Registrar  
of Companies under section 1115 of the Companies Act 2006



**Companies House**



**THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES**



Companies House

# IN01(ef)

Application to register a company

*Received for filing in Electronic Format on the: 17/12/2015*



X4MEUWCZ

*Company Name  
in full:* **TRAFFIC MONSOON GLOBAL LIMITED**

*Company Type:* **Private limited by shares**

*Situation of Registered  
Office:* **England and Wales**

*Proposed Register  
Office Address:* **IMPERIAL OFFICES 2 HEIGHAM ROAD  
EAST HAM  
LONDON  
UNITED KINGDOM  
E6 2JG**

*I wish to adopt entirely bespoke articles*



*Company Director* 1

*Type:* **Person**  
*Full forename(s):* **MR AAMIR**

*Surname:* **RAJA**

*Former names:*

*Service Address:*

  
**LONDON**  
**UNITED KINGDOM**  
**E12 6RA**

*Country/State Usually Resident:* **UNITED KINGDOM**

*Date of Birth:* **\*\*/01/1978** *Nationality:* **BRITISH**  
*Occupation:* **BUSINESSMAN**

The subscribers confirm that the person named has consented to act as a director.

-----

## Statement of Capital (Share Capital)

---

<b>Class of shares</b>	<b>ORDINARY</b>	<i>Number allotted</i>	<b>300</b>
		<i>Aggregate nominal value</i>	<b>300</b>
<i>Currency</i>	<b>GBP</b>	<i>Amount paid per share</i>	<b>1</b>
		<i>Amount unpaid per share</i>	<b>0</b>

### *Prescribed particulars*

EACH SHARE IS ENTITLED TO ONE VOTE IN ANY CIRCUMSTANCES. EACH SHARE IS ENTITLED PARI PASSU TO DIVIDEND PAYMENTS OR ANY OTHER DISTRIBUTION. EACH SHARE IS ENTITLED PARI PASSU TO PARTICIPATE IN A DISTRIBUTION ARISING FROM A WINDING UP OF THE COMPANY.

---

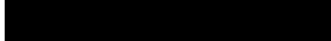
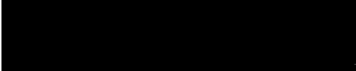
## Statement of Capital (Totals)

---

<i>Currency</i>	<b>GBP</b>	<i>Total number of shares</i>	<b>300</b>
		<i>Total aggregate nominal value</i>	<b>300</b>

Initial Shareholdings

---

*Name:* AAMIR RAJA*Address:*LONDON  
UNITED KINGDOM  
E12 6RA*Class of share:* ORDINARY*Number of shares:* 100*Currency:* GBP*Nominal value of  
each share:* 1*Amount unpaid:* 0*Amount paid:* 1*Name:* TOSEEF AHMED SHARIF*Address:*LONDON  
UNITED KINGDOM  
E4 7PE*Class of share:* ORDINARY*Number of shares:* 100*Currency:* GBP*Nominal value of  
each share:* 1*Amount unpaid:* 0*Amount paid:* 1*Name:* TAHEER SARDAR*Address:*LONDON  
UNITED KINGDOM  
E12 6PY*Class of share:* ORDINARY*Number of shares:* 100*Currency:* GBP*Nominal value of  
each share:* 1*Amount unpaid:* 0*Amount paid:* 1

## Statement of Compliance

---

*I confirm the requirements of the Companies Act 2006 as to registration have been complied with.*

*memorandum delivered by an agent for the subscriber(s):* Yes

*Agent's Name:* DUPORT ASSOCIATES LIMITED

*Agent's Address:* 2ND FLOOR, 5 HIGH STREET  
WESTBURY ON TRYM  
BRISTOL  
UNITED KINGDOM  
BS9 3BY

---

## *Authorisation*

*Authoriser Designation:* agent

*Authenticated:* Yes

*Agent's Name:* DUPORT ASSOCIATES LIMITED

*Agent's Address:* 2ND FLOOR, 5 HIGH STREET  
WESTBURY ON TRYM  
BRISTOL  
UNITED KINGDOM  
BS9 3BY



**THE COMPANIES ACTS 2006**  
**PRIVATE COMPANY HAVING A SHARE CAPITAL**  
**MEMORANDUM OF ASSOCIATION**  
**of**  
**TRAFFIC MONSOON GLOBAL LIMITED**

Each subscriber to this memorandum of association wishes to form a company under the Companies Act 2006 and agrees to become a member of the company and to take at least one share.

**SUBSCRIBERS:**

Aamir Raja  
Toseef Ahmed Sharif  
Taheer Sardar

**DATE: 2015-12-17**

**THE COMPANIES ACTS 2006**  
**PRIVATE COMPANIES LIMITED BY SHARES**  
**ARTICLES OF ASSOCIATION**  
**of**  
**TRAFFIC MONSOON GLOBAL LIMITED**

PART 1

**INTERPRETATION AND LIMITATION OF LIABILITY**

**1. DEFINED TERMS**

1.1 The regulations contained in the Model Articles for Private Companies Limited by Shares set out in Schedule 1 of The Companies (Model Articles) Regulations 2008 (SI 3229/2008), shall not apply to the Company.

1.2 In the articles, unless the context requires otherwise:

'the 2006 Act' means the Companies Act 2006;

'articles' means the Company's articles of association;

'bankruptcy' includes individual insolvency proceedings in a jurisdiction other than England and Wales or Northern Ireland which have an effect similar to that of bankruptcy;

'chairman' has the meaning given in article 12;

'chairman of the meeting' has the meaning given in article 39;

'Companies Acts' means the Companies Acts (as defined in section 2 of the Companies Act 2006), in so far as they apply to the Company;

'director' means a director of the Company, and includes any person occupying the position of director, by whatever name called;

'distribution recipient' has the meaning given in article 31;

'document' includes, unless otherwise specified, any document sent or supplied in electronic form;

'electronic form' has the meaning given in section 1168 of the 2006 Act;

'fully paid' in relation to a share, means that the nominal value and any premium to be paid to the Company in respect of that share have been paid to the Company;

'hard copy form' has the meaning given in section 1168 of the 2006 Act;

'holder' in relation to shares means the person whose name is entered in the register of members as the holder of the shares;

'instrument' means a document in hard copy form;

'ordinary resolution' has the meaning given in section 282 of the 2006 Act;

'participate' in relation to a directors' meeting, has the meaning given in article 10;

'proxy notice' has the meaning given in article 45;

'shareholder' means a person who is the holder of a share;

'shares' means shares in the Company;

'special resolution' has the meaning given in section 283 of the 2006 Act;

'subsidiary' has the meaning given in section 1159 of the 2006 Act;

'transmittee' means a person entitled to a share by reason of the death or bankruptcy of a shareholder or otherwise by operation of law; and

'writing' means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied in electronic form or otherwise.

Unless the context otherwise requires, other words or expressions contained in these articles bear the same meaning as in the 2006 Act as in force on the date when these articles become binding on the Company.

**2 LIABILITY OF SHAREHOLDERS**

2.1 The liability of the shareholders is limited to the amount, if any, unpaid on the shares held by them.

PART 2

**DIRECTORS**

**DIRECTORS' POWERS AND RESPONSIBILITIES**

**3 DIRECTORS' GENERAL AUTHORITY**

3.1 Subject to the articles, the directors are responsible for the management of the Company's business, for which purpose they may exercise all the powers of the Company.

**4 SHAREHOLDERS' RESERVE POWER**

4.1 The shareholders may, by special resolution, direct the directors to take, or refrain from taking, specified action.

4.2 No such special resolution invalidates anything which the directors have done before the passing of the resolution.

**5 DIRECTORS MAY DELEGATE**

5.1 Subject to the articles, the directors may delegate any of the powers which are conferred on them under the articles:

- ☐ (a) to such person or committee;
- ☐ (b) by such means (including by power of attorney);
- ☐ (c) to such an extent;
- ☐ (d) in relation to such matters or territories; and
- ☐ (e) on such terms and conditions; as they think fit.

5.2 If the directors so specify, any such delegation may authorise further delegation of the directors' powers by any person to whom they are delegated.

5.3 The directors may revoke any delegation in whole or part, or alter its terms and conditions.

**6 COMMITTEES**

6.1 Committees to which the directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of the articles which govern the taking of decisions by directors. The directors may make rules of procedure for all or any committees, which prevail over rules derived from the articles if they are not consistent with them.

**DECISION-MAKING BY DIRECTORS**

**7 DIRECTORS TO TAKE DECISIONS COLLECTIVELY**

7.1 The general rule about decision-making by directors is that any decision of the directors must be either a majority decision at a meeting or a decision taken in accordance with article 8.

7.2 If:

- (a) the Company only has one director, and
- (b) no provision of the articles requires it to have more than one director, the general rule does not apply, and the director may take decisions without regard to any of the provisions of the articles relating to directors' decisionmaking.

**8 UNANIMOUS DECISIONS**

8.1 A decision of the directors is taken in accordance with this article when all eligible directors indicate to each other by any means that they share a common view on a matter.

8.2 Such a decision may take the form of a resolution in writing, copies of which have been signed by each eligible director or to which each eligible director has otherwise indicated agreement in writing.

8.3 References in this article to eligible directors are to directors who would have been entitled to vote on the matter had it been proposed as a resolution at a directors' meeting.

8.4 A decision may not be taken in accordance with this article if the eligible directors would not have formed a quorum at such a meeting.

#### 9 CALLING A DIRECTORS' MEETING

9.1 Any director may call a directors' meeting by giving notice of the meeting to the directors or by authorising the Company secretary (if any) to give such notice.

9.2 Notice of any directors' meeting must indicate:

- (a) its proposed date and time;
- (b) where it is to take place; and
- (c) if it is anticipated that directors participating in the meeting will not be in the same place, how it is proposed that they should communicate with each other during the meeting.

9.3 Notice of a directors' meeting must be given to each director, but need not be in writing.

9.4 Notice of a directors' meeting need not be given to directors who waive their entitlement to notice of that meeting, by giving notice to that effect to the Company not more than 7 days after the date on which the meeting is held. Where such notice is given after the meeting has been held, that does not affect the validity of the meeting, or of any business conducted at it.

#### 10 PARTICIPATION IN DIRECTORS' MEETINGS

10.1 Subject to the articles, directors participate in a directors' meeting, or part of a directors' meeting, when:

- (a) the meeting has been called and takes place in accordance with the articles, and
- (b) they can each communicate to the others any information or opinions they have on any particular item of the business of the meeting.

10.2 In determining whether directors are participating in a directors' meeting, it is irrelevant where any director is or how they communicate with each other.

10.3 If all the directors participating in a meeting are not in the same place, they may decide that the meeting is to be treated as taking place wherever any of them is.

#### 11 QUORUM FOR DIRECTORS' MEETINGS

11.1 At a directors' meeting, unless a quorum is participating, no proposal is to be voted on, except a proposal to call another meeting.

11.2 The quorum for directors' meetings may be fixed from time to time by a decision of the directors, but it must never be less than two, and unless otherwise fixed it is two.

11.3 If the total number of directors for the time being is less than the quorum required, the directors must not take any decision other than a decision:

- (a) to appoint further directors, or
- (b) to call a general meeting so as to enable the shareholders to appoint further directors.

#### 12 CHAIRING OF DIRECTORS' MEETINGS

12.1 The directors may appoint a director to chair their meetings.

12.2 The person so appointed for the time being is known as the chairman.

12.3 The directors may terminate the chairman's appointment at any time.

12.4 If the chairman is not participating in a directors' meeting within ten minutes of the time at which it was to start, the participating directors must appoint one of themselves to chair it.

#### 13 CASTING VOTE

13.1 The chairman or other director chairing the meeting shall not, if the numbers of votes for and against a proposal are equal, have a second or casting vote.

#### 14 CONFLICTS OF INTEREST

14.1 If a proposed decision of the directors is concerned with an actual or proposed transaction or arrangement with

the company in which a director is interested, that director is not to be counted as participating in the decision-making process for quorum or voting purposes.

14.2 But if paragraph 14.3 applies, a director who is interested in an actual or proposed transaction or arrangement with the company is to be counted as participating in the decision-making process for quorum and voting purposes.

14.3 This paragraph applies when:

- (a) the company by ordinary resolution disapplies the provision of the articles which would otherwise prevent a director from being counted as participating in the decision-making process;
- (b) the director's interest cannot reasonably be regarded as likely to give rise to a conflict of interest; or
- (c) the director's conflict of interest arises from a permitted cause.

14.4 For the purposes of this article, the following are permitted causes:

- (a) a guarantee given, or to be given, by or to a director in respect of an obligation incurred by or on behalf of the company or any of its subsidiaries;
- (b) subscription, or an agreement to subscribe, for shares or other securities of the company or any of its subsidiaries, or to underwrite, sub-underwrite, or guarantee subscription for any such shares or securities; and
- (c) arrangements pursuant to which benefits are made available to employees and directors or former employees and directors of the company or any of its subsidiaries which do not provide special benefits for directors or former directors.

14.5 For the purposes of this article, references to proposed decisions and decision-making processes include any directors' meeting or part of a directors' meeting.

14.6 Subject to paragraph 14.7, if a question arises at a meeting of directors or of a committee of directors as to the right of a director to participate in the meeting (or part of the meeting) for voting or quorum purposes, the question may, before the conclusion of the meeting, be referred to the chairman whose ruling in relation to any director other than the chairman is to be final and conclusive.

14.7 If any question as to the right to participate in the meeting (or part of the meeting) should arise in respect of the chairman, the question is to be decided by a decision of the directors at that meeting, for which purpose the chairman is not to be counted as participating in the meeting (or that part of the meeting) for voting or quorum purposes.

14.8 Where the number of non-conflicted directors is less than the quorum for the purposes of approving a resolution authorising any situation or transaction constituting a conflict as anticipated by the Companies Acts, the quorum shall be all the disinterested directors.

14.9 When all the directors of the Company are conflicted, the Company shall pass the conflict to the Company's shareholders for approval by ordinary resolution.

#### 15 RECORDS OF DECISIONS TO BE KEPT

15.1 The directors must ensure that the Company keeps a record, in writing, for at least 10 years from the date of the decision recorded of every unanimous or majority decision taken by the directors.

#### 16 DIRECTORS' DISCRETION TO MAKE FURTHER RULES

16.1 Subject to the articles, the directors may make any rule which they think fit about how they take decisions, and about how such rules are to be recorded or communicated to directors.

#### NUMBER AND APPOINTMENT OF DIRECTORS

##### 17 METHODS OF APPOINTING DIRECTORS

17.1 There shall be no maximum number of directors and the minimum number of directors shall be one. Whenever the Company has two or more directors, at least one of them shall be a natural person.

17.2 Any person 16 years of age or more and who is willing to act as a director, and is permitted by law to do so, may be appointed to be a director:

- (a) by ordinary resolution; or
- (b) by a decision of the directors.



17.3 In any case where, as a result of death, the Company has no shareholders and no directors, the personal representatives of the last shareholder to have died have the right, by notice in writing, to appoint a person to be a director.

17.4 For the purposes of paragraph (3), where 2 or more shareholders die in circumstances rendering it uncertain who was the last to die, a younger shareholder is deemed to have survived an older shareholder.

#### 18 TERMINATION OF DIRECTOR'S APPOINTMENT

18.1 A person ceases to be a director as soon as:

- (a) that person ceases to be a director by virtue of any provision of the Companies Acts or is prohibited from being a director by law;
- (b) a bankruptcy order is made against that person;
- (c) a composition is made with that person's creditors generally in satisfaction of that person's debts;
- (d) a registered medical practitioner who is treating that person gives a written opinion to the Company stating that that person has become physically or mentally incapable of acting as a director and may remain so for more than three months;
- (e) by reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have;
- (f) notification is received by the Company from the director that the director is resigning from office, and such resignation has taken effect in accordance with its terms;
- (g) he shall for more than six consecutive months have been absent without permission of the directors from meetings of directors held during that period and the directors resolve that his office be vacated.

#### 19 DIRECTORS' REMUNERATION

19.1 Directors may undertake any services for the Company that the directors decide.

19.2 Directors are entitled to such remuneration as the directors determine:

- (a) for their services to the Company as directors, and
- (b) for any other service which they undertake for the Company.

19.3 Subject to the articles, a director's remuneration may:

- (a) take any form, and
- (b) include any arrangements in connection with the payment of a pension, allowance or gratuity, or any death, sickness or disability benefits, to or in respect of that director.

19.4 Unless the directors decide otherwise, directors' remuneration accrues from day to day.

19.5 Unless the directors decide otherwise, directors are not accountable to the Company for any remuneration which they receive as directors or other officers or employees of the Company's subsidiaries or of any other body corporate in which the Company is interested.

#### 20 DIRECTORS' EXPENSES

20.1 The Company may pay any reasonable expenses which the directors properly incur in connection with their attendance at:

- (a) meetings of directors or committees of directors;
- (b) general meetings, or
- (c) separate meetings of the holders of any class of shares or of debentures of the Company, or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

### PART 3

## SHARES AND DISTRIBUTIONS

### SHARES

21 ALL SHARES TO BE FULLY PAID UP

21.1 No share is to be issued for less than the aggregate of its nominal value and any premium to be paid to the Company in consideration for its issue.

21.2 This does not apply to shares taken on the formation of the Company by the subscribers to the Company's memorandum.

## 22 POWERS TO ISSUE DIFFERENT CLASSES OF SHARE

22.1 Subject to the articles, but without prejudice to the rights attached to any existing share, the Company may issue shares with such rights or restrictions as may be determined by ordinary resolution.

22.2 The Company may issue shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder, and the directors may determine the terms, conditions and manner of redemption of any such shares.

## 23 COMPANY NOT BOUND BY LESS THAN ABSOLUTE INTERESTS

23.1 Except as required by law, no person is to be recognised by the Company as holding any share upon any trust, and except as otherwise required by law or the articles, the Company is not in any way to be bound by or recognise any interest in a share other than the holder's absolute ownership of it and all the rights attaching to it.

## 24 SHARE CERTIFICATES

24.1 The Company must issue each shareholder, free of charge, with one or more certificates in respect of the shares which that shareholder holds.

24.2 Every certificate must specify:

- (a) in respect of how many shares, of what class, it is issued;
- (b) the nominal value of those shares;
- (c) that the shares are fully paid; and
- (d) any distinguishing numbers assigned to them.

24.3 No certificate may be issued in respect of shares of more than one class.

24.4 If more than one person holds a share: only one certificate may be issued in respect of it.

24.5 Certificates must:

- (a) have affixed to them the Company's common seal, or
- (b) be otherwise executed in accordance with the Companies Acts.

## 25 REPLACEMENT SHARE CERTIFICATES

25.1 If a certificate issued in respect of a shareholder's shares is:

- (a) damaged or defaced; or
- (b) said to be lost, stolen or destroyed, that shareholder is entitled to be issued with a replacement certificate in respect of the same shares.

25.2 A shareholder exercising the right to be issued with such a replacement certificate:

- (a) may at the same time exercise the right to be issued with a single certificate or separate certificates;
- (b) must return the certificate which is to be replaced to the Company if it is damaged or defaced and
- (c) must comply with such conditions as to evidence, indemnity and the payment of a reasonable fee as the directors decide.

## 26 SHARE TRANSFERS

26.1 Shares may be transferred by means of an instrument of transfer in any usual form or any other form approved by the directors, which is executed by or on behalf of the transferor.

26.2 No fee may be charged for registering any instrument of transfer or other document relating to or affecting the title to any share.

26.3 The Company may retain any instrument of transfer which is registered.

26.4 The transferor remains the holder of a share until the transferee's name is entered in the register of members as holder of it.

26.5 The directors may refuse to register the transfer of a share, and if they do so, the instrument of transfer must be returned to the transferee with the notice of refusal unless they suspect that the proposed transfer may be fraudulent.

#### 27 TRANSMISSION OF SHARES

27.1 If title to a share passes to a transmittee, the Company may only recognise the transmittee as having any title to that share.

27.2 A transmittee who produces such evidence of entitlement to shares as the directors may properly require:

- (a) may, subject to the articles, choose either to become the holder of those shares or to have them transferred to another person, and
- (b) subject to the articles, and pending any transfer of the shares to another person, has the same rights as the holder had.

27.3 But transmittees do not have the right to attend or vote at a general meeting, or agree to a proposed written resolution, in respect of shares to which they are entitled, by reason of the holder's death or bankruptcy or otherwise, unless they become the holders of those shares.

#### 28 EXERCISE OF TRANSMITEES' RIGHTS

28.1 Transmittees who wish to become the holders of shares to which they have become entitled must notify the Company in writing of that wish.

28.2 If the transmittee wishes to have a share transferred to another person, the transmittee must execute an instrument of transfer in respect of it.

28.3 Any transfer made or executed under this article is to be treated as if it were made or executed by the person from whom the transmittee has derived rights in respect of the share, and as if the event which gave rise to the transmission had not occurred.

#### 29 TRANSMITEES BOUND BY PRIOR NOTICES

29.1 If a notice is given to a shareholder in respect of shares and a transmittee is entitled to those shares, the transmittee is bound by the notice if it was given to the shareholder before the transmittee's name has been entered in the register of members.

#### DIVIDENDS AND OTHER DISTRIBUTIONS

##### 30 PROCEDURE FOR DECLARING DIVIDENDS

30.1 The Company may, by ordinary resolution declare dividends, and the directors may decide to pay interim dividends but a dividend must not be declared unless the directors have made a recommendation as to its amount. Such a dividend must not exceed the amount recommended by the directors and no dividend may be declared or paid unless it is in accordance with shareholders' respective rights.

30.2 Unless:

- (a) the shareholders' resolution to declare; or
- (b) directors' decision to pay a dividend; or
- (c) the terms on which shares are issued, specify otherwise, it must be paid by reference to each shareholder's holding of shares on the date of the resolution or decision to declare or pay it.

30.3 If the Company's share capital is divided into different classes, no interim dividend may be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrear.

30.4 The directors may pay at intervals any dividend payable at a fixed rate if it appears to them that the profits available for distribution justify the payment.

30.5 If the directors act in good faith, they do not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of an interim dividend on shares with deferred or non-preferred rights.

##### 31 PAYMENT OF DIVIDENDS AND OTHER DISTRIBUTIONS

31.1 Where a dividend or other sum which is a distribution is payable in respect of a share, it must be paid by one or more of the following means:

- (a) transfer to a bank or building society account specified by the distribution recipient in writing; or
- (b) sending a cheque, payable to the distribution recipient, by post to the distribution recipient at his registered address (if the distribution recipient is a holder of the share), or (in any other case) to an address specified by the distribution recipient either in writing or as the directors may otherwise decide; or
- (c) any other means of payment as the directors agree with the distribution recipient either in writing or by such other means as the directors decide.

31.2 In the articles, 'the distribution recipient' means, in respect of a share in respect of which a dividend or other sum is payable:

- (a) the holder of the share; or
- (b) if the share has two or more joint holders, whichever of them is named first in the register of members; or
- (c) if the holder is no longer entitled to the share by reason of death or bankruptcy, or otherwise by operation of law, the transmittee.

#### 32 NO INTEREST ON DISTRIBUTIONS

32.1 The Company may not pay interest on any dividend or other sum payable in respect of a share unless otherwise provided by the terms on which the share was issued, or the provisions of another agreement between the holder of that share and the Company.

#### 33 UNCLAIMED DISTRIBUTIONS

33.1 All dividends or other sums which are payable in respect of shares and unclaimed after having been declared or become payable, may be invested or otherwise made use of by the directors for the benefit of the Company until claimed.

33.2 The payment of any such dividend or other sum into a separate account does not make the Company a trustee in respect of it and if

- (a) twelve years have passed from the date on which a dividend or other sum became due for payment; and
- (b) the distribution recipient has not claimed it, the distribution recipient is no longer entitled to that dividend or other sum and it ceases to remain owing by the Company.

#### 34 NON-CASH DISTRIBUTIONS

34.1 Subject to the terms of issue of the share in question, the Company may, by ordinary resolution on the recommendation of the directors, decide to pay all or part of a dividend or other distribution payable in respect of a share by transferring non-cash assets of equivalent value (including, without limitation, shares or other securities in any company).

34.2 For the purposes of paying a non-cash distribution, the directors may make whatever arrangements they think fit, including, where any difficulty arises regarding the distribution:

- (a) fixing the value of any assets;
- (b) paying cash to any distribution recipient on the basis of that value in order to adjust the rights of recipients; and
- (c) vesting any assets in trustees.

#### 35 WAIVER OF DISTRIBUTIONS

35.1 Distribution recipients may waive their entitlement to a dividend or other distribution payable in respect of a share by giving the Company notice in writing to that effect, but if:

- (a) the share has more than one holder, or
- (b) more than one person is entitled to the share, whether by reason of the death or bankruptcy of one or more joint holders, or otherwise, the notice is not effective unless it is expressed to be given, and signed, by all the holders or persons otherwise entitled to the share.

#### CAPITALISATION OF PROFITS

##### 36 AUTHORITY TO CAPITALISE AND APPROPRIATION OF CAPITALISED SUMS

36.1 The directors may, if they are so authorised by an ordinary resolution:

- (a) decide to capitalise any profits of the Company (whether or not they are available for distribution) which are not required for paying a preferential dividend, or any sum standing to the credit of the Company's share premium account or capital redemption reserve; and
- (b) appropriate any sum which they so decide to capitalise (a 'capitalised sum') to the persons who would have been entitled to it if it were distributed by way of dividend (the 'persons entitled') and in the same proportions.

36.2 Capitalised sums must be applied:

- (a) on behalf of the persons entitled, and
- (b) in the same proportions as a dividend would have been distributed to them.

36.3 Any capitalised sum may be applied in paying up new shares of a nominal amount equal to the capitalised sum which are then allotted credited as fully paid to the persons entitled or as they may direct.

36.4 A capitalised sum which was appropriated from profits available for distribution may be applied in paying up new debentures of the Company which are then allotted credited as fully paid to the persons entitled or as they may direct.

36.5 Subject to the articles the directors may:

- (a) apply capitalised sums in accordance with paragraphs (3) and (4) above partly in one way and partly in another;
- (b) make such arrangements as they think fit to deal with shares or debentures becoming distributable in fractions under this article (including the issuing of fractional certificates or the making of cash payments); and
- (c) authorise any person to enter into an agreement with the Company on behalf of all the persons entitled which is binding on them in respect of the allotment of shares and debentures to them under this article.

## PART 4

### DECISION-MAKING BY SHAREHOLDERS

#### ORGANISATION OF GENERAL MEETINGS

##### 37 ATTENDANCE AND SPEAKING AT GENERAL MEETINGS

37.1 A person is able to exercise the right to speak at a general meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, any information or opinions which that person has on the business of the meeting.

37.2 A person is able to exercise the right to vote at a general meeting when:

- (a) that person is able to vote, during the meeting, all resolutions put to the vote at the meeting, and
- (b) that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting.

37.3 The directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it.

37.4 In determining attendance at a general meeting, it is immaterial whether any two or more shareholders attending it are in the same place as each other.

37.5 Two or more persons who are not in the same place as each other attend a general meeting if their circumstances are such that if they have (or were to have) rights to speak and vote at that meeting, they are (or would be) able to exercise them.

##### 38 QUORUM FOR GENERAL MEETINGS

38.1 The quorum for a general meeting shall be determined according to section 318 of the 2006 Act and no business other than the appointment of the chairman of the meeting is to be transacted at a general meeting if the persons attending it do not constitute a quorum.

##### 39 CHAIRING GENERAL MEETINGS

39.1 If the directors have appointed a chairman, the chairman shall chair general meetings if present and willing to do so.



39.2 If the directors have not appointed a chairman, or if the chairman is unwilling to chair the meeting or is not present within ten minutes of the time at which a meeting was due to start:

- (a) the directors present, or
- (b) (if no directors are present), the meeting, must appoint a director or shareholder to chair the meeting, and the appointment of the chairman of the meeting must be the first business of the meeting.

39.3 The person chairing a meeting in accordance with this article is referred to as 'the chairman of the meeting'.

#### 40 ATTENDANCE AND SPEAKING BY DIRECTORS AND NON-SHAREHOLDERS

40.1 Directors may attend and speak at general meetings, whether or not they are shareholders.

40.2 The chairman of the meeting may permit other persons who are not:

- (a) shareholders of the Company, or
- (b) otherwise entitled to exercise the rights of shareholders in relation to general meetings, to attend and speak at a general meeting.

#### 41 ADJOURNMENT

41.1 If the persons attending a general meeting within half an hour of the time at which the meeting was due to start do not constitute a quorum, or if during a meeting a quorum ceases to be present, or if at any time during a quorate general meeting the meeting directs him to do so, the chairman of the meeting must adjourn it and he may adjourn a general meeting at which a quorum is present if:

- (a) the meeting consents to an adjournment, or
- (b) it appears to the chairman of the meeting that an adjournment is necessary to protect the safety of any person attending the meeting or ensure that the business of the meeting is conducted in an orderly manner.

41.2 When adjourning a general meeting, the chairman of the meeting must:

- (a) either specify the time and place to which it is adjourned or state that it is to continue at a time and place to be fixed by the directors; and
- (b) have regard to any directions as to the time and place of any adjournment which have been given by the meeting.

41.3 If the continuation of an adjourned meeting is to take place more than 14 days after it was adjourned, the Company must give at least 7 clear days' notice of it (that is, excluding the day of the adjourned meeting and the day on which the notice is given):

- (a) to the same persons to whom notice of the Company's general meetings is required to be given, and
- (b) containing the same information which such notice is required to contain.

41.4 No business may be transacted at an adjourned general meeting which could not properly have been transacted at the meeting if the adjournment had not taken place and if, at an adjourned general meeting, a quorum is not present within half an hour from the time appointed for the meeting, the shareholders present shall be a quorum.

#### VOTING AT GENERAL MEETINGS

##### 42 VOTING: GENERAL

42.1 A resolution put to the vote of a general meeting must be decided on a show of hands unless a poll is duly demanded and acted upon in accordance with these articles and sections 321 and 322 of the 2006 Act.

##### 43 ERRORS AND DISPUTES

43.1 No objection may be raised to the qualification of any person voting at a general meeting except at the meeting or adjourned meeting at which the vote objected to is tendered, and every vote not disallowed at the meeting is valid.

43.2 Any such objection must be referred to the chairman of the meeting, whose decision is final.

##### 44 POLL VOTES

44.1 A poll on a resolution may be demanded:

- (a) in advance of the general meeting where it is to be put to the vote, or
- (b) at a general meeting, either before a show of hands on that resolution or immediately after the result of a show of

hands on that resolution is declared.

44.2 A poll may be demanded by:

- (a) the chairman of the meeting;
- (b) the directors;
- (c) two or more persons having the right to vote on the resolution; or
- (d) a person or persons representing not less than one tenth of the total voting rights of all the shareholders having the right to vote on the resolution.

44.3 A demand for a poll may be withdrawn if:

- (a) the poll has not yet been taken, and
- (b) the chairman of the meeting consents to the withdrawal.

44.4 Polls must be taken immediately and in such manner as the chairman of the meeting directs.

#### 45 CONTENT OF PROXY NOTICES

45.1 Proxies may only validly be appointed by a notice in writing (a 'proxy notice') which:

- (a) states the name and address of the shareholder appointing the proxy;
- (b) identifies the person appointed to be that shareholder's proxy and the general meeting in relation to which that person is appointed;
- (c) is signed by or on behalf of the shareholder appointing the proxy, or is authenticated in such manner as the directors may determine; and
- (d) is delivered to the Company in accordance with the articles and any instructions contained in the notice of the general meeting to which they relate.

45.2 The Company may require proxy notices to be delivered in a particular form, and may specify different forms for different purposes.

45.3 Proxy notices may specify how the proxy appointed under them is to vote (or that the proxy is to abstain from voting) on one or more resolutions.

45.4 Unless a proxy notice indicates otherwise, it must be treated as:

- (a) allowing the person appointed under it as a proxy discretion as to how to vote on any ancillary or procedural resolutions put to the meeting; and
- (b) appointing that person as a proxy in relation to any adjournment of the general meeting to which it relates as well as the meeting itself.

#### 46 DELIVERY OF PROXY NOTICES

46.1 A person who is entitled to attend, speak or vote (either on a show of hands or on a poll) at a general meeting remains so entitled in respect of that meeting or any adjournment of it, even though a valid proxy notice has been delivered to the Company by or on behalf of that person.

46.2 An appointment under a proxy notice may be revoked by delivering to the Company a notice in writing given by or on behalf of the person by whom or on whose behalf the proxy notice was given.

46.3 A notice revoking a proxy appointment only takes effect if it is delivered before the start of the meeting or adjourned meeting to which it relates.

46.4 If a proxy notice is not executed by the person appointing the proxy, it must be accompanied by written evidence of the authority of the person who executed it to execute it on the appointor's behalf.

#### 47 AMENDMENTS TO RESOLUTIONS

47.1 An ordinary resolution to be proposed at a general meeting may be amended by ordinary resolution if:

- (a) notice of the proposed amendment is given to the Company in writing by a person entitled to vote at the general meeting at which it is to be proposed not less than 48 hours before the meeting is to take place (or such later time as the chairman of the meeting may determine), and
- (b) the proposed amendment does not, in the reasonable opinion of the chairman of the meeting, materially alter the scope of the resolution.

- 47.2 A special resolution to be proposed at a general meeting may be amended by ordinary resolution, if:
- (a) the chairman of the meeting proposes the amendment at the general meeting at which the resolution is to be proposed; and
  - (b) the amendment does not go beyond what is necessary to correct a grammatical or other non-substantive error in the resolution.
- 47.3 If the chairman of the meeting, acting in good faith, wrongly decides that an amendment to a resolution is out of order, the chairman's error does not invalidate the vote on that resolution.

## PART 5

### ADMINISTRATIVE ARRANGEMENTS

#### 48 MEANS OF COMMUNICATION TO BE USED

48.1 Anything sent or supplied by or to the Company under the articles may be sent or supplied in any way in which the Companies Acts provides for documents or information which are authorised or required by any provision of that Act to be sent or supplied by or to the Company.

48.2 Every notice convening a general meeting shall comply with the provisions of section 307 and 325 of the 2006 Act as to the length of notice required for the meeting and the giving of information to shareholders in regard to their right to appoint proxies; and notices of and other communications relating to any general meeting which any shareholder is entitled to receive shall be sent to the directors and to the auditor for the time being of the Company.

48.3 Any notice or document to be sent or supplied to a director in connection with the taking of decisions by directors may also be sent or supplied by the means by which that director has asked to be sent or supplied with such notices or documents for the time being.

48.4 A director may agree with the Company that notices or documents sent to that director in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

#### 49 COMPANY SEALS

49.1 Any common seal may only be used by the authority of the directors.

49.1 The directors may decide by what means and in what form any common seal is to be used.

49.3 Unless otherwise decided by the directors, if the Company has a common seal and it is affixed to a document, the document must also be signed by at least one authorised person in the presence of a witness who attests the signature.

49.4 For the purposes of this article, an authorised person is:

- (a) any director of the Company;
- (b) the Company secretary (if any); or
- (c) any person authorised by the directors for the purpose of signing documents to which the common seal is applied.

#### 50 NO RIGHT TO INSPECT ACCOUNTS AND OTHER RECORDS

50.1 Except as provided by law or authorised by the directors or an ordinary resolution of the Company, no person is entitled to inspect any of the Company's accounting or other records or documents merely by virtue of being a shareholder.

#### 51 PROVISION FOR EMPLOYEES ON CESSATION OF BUSINESS

51.1 The directors may decide to make provision for the benefit of persons employed or formerly employed by the Company or any of its subsidiaries (other than a director or former director or shadow director) in connection with the cessation or transfer to any person of the whole or part of the undertaking of the Company or that subsidiary.

#### DIRECTORS' INDEMNITY AND INSURANCE

#### 52 INDEMNITY

52.1 Subject to paragraph (2), a relevant director of the Company or an associated company may be indemnified out of the Company's assets against:

- (a) any liability incurred by that director in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or an associated company;
- (b) any liability incurred by that director in connection with the activities of the Company or an associated company in its capacity as a trustee of an occupational pension scheme (as defined in section 235(6) of the 2006 Act);
- (c) any other liability incurred by that director as an officer of the Company or an associated company.

52.2 This article does not authorise any indemnity which would be prohibited or rendered void by any provision of the Companies Acts or by any other provision of law.

52.3 In this article:

- (a) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate; and
- (b) a 'relevant director' means any director or former director of the Company or an associated company.

#### 53 INSURANCE

53.1 The directors may decide to purchase and maintain insurance, at the expense of the Company, for the benefit of any relevant director in respect of any relevant loss.

53.2 In this article:

- (a) a 'relevant director' means any director or former director of the Company or an associated company;
- (b) a 'relevant loss' means any loss or liability which has been or may be incurred by a relevant director in connection with that director's duties or powers in relation to the Company, any associated company or any pension fund or employees' share scheme of the Company or associated company; and
- (c) companies are associated if one is a subsidiary of the other or both are subsidiaries of the same body corporate.

#### SUBSCRIBERS

Aamir Raja  
Toseef Ahmed Sharif  
Taheer Sardar



Companies House

**AR01** (ef)

**Annual Return**



Received for filing in Electronic Format on the: 11/02/2016

X50J1LYR

*Company Name:* **TRAFFIC MONSOON GLOBAL LIMITED**

*Company Number:* **09922090**

*Date of this return:* **11/02/2016**

*SIC codes:* **73110**

*Company Type:* **Private company limited by shares**

*Situation of Registered Office:* **IMPERIAL OFFICES 2 HEIGHAM ROAD  
EAST HAM  
LONDON  
UNITED KINGDOM  
E6 2JG**

**Officers of the company**



*Company Director* 1

*Type:* Person  
*Full forename(s):* MR CHARLES DAVID

*Surname:* SCOVILLE

*Former names:*

*Service Address:* APARTMENT 27 THE QUAYS  
SALFORD  
ENGLAND  
M50 3BB

*Country/State Usually Resident:* AMERICA

*Date of Birth:* \*\*/01/1980 *Nationality:* AMERICAN  
*Occupation:* BUSINESSMAN

*Company Director* 2

*Type:* **Person**  
*Full forename(s):* **MR TAHEER**

*Surname:* **SARDAR**

*Former names:*

*Service Address:*



**LONDON  
UNITED KINGDOM  
E12 6PY**

*Country/State Usually Resident:* **UNITED KINGDOM**

*Date of Birth:* **\*\*/05/1978** *Nationality:* **BRITISH**  
*Occupation:* **BUSINESSMAN**

The subscribers confirm that the person named has consented to act as a director.

## Statement of Capital (Share Capital)

<b>Class of shares</b>	<b>ORDINARY</b>	<i>Number allotted</i>	<b>300</b>
		<i>Aggregate nominal value</i>	<b>300</b>
<i>Currency</i>	<b>GBP</b>	<i>Amount paid per share</i>	<b>1</b>
		<i>Amount unpaid per share</i>	<b>0</b>

### *Prescribed particulars*

EACH SHARE IS ENTITLED TO ONE VOTE IN ANY CIRCUMSTANCES. EACH SHARE IS ENTITLED PARI PASSU TO DIVIDEND PAYMENTS OR ANY OTHER DISTRIBUTION. EACH SHARE IS ENTITLED PARI PASSU TO PARTICIPATE IN A DISTRIBUTION ARISING FROM A WINDING UP OF THE COMPANY.

## Statement of Capital (Totals)

<i>Currency</i>	<b>GBP</b>	<i>Total number of shares</i>	<b>300</b>
		<i>Total aggregate nominal value</i>	<b>300</b>

## *Full Details of Shareholders*

The details below relate to individuals / corporate bodies that were shareholders as at 11/02/2016 or that had ceased to be shareholders since the made up date of the previous Annual Return

*A full list of shareholders for the company are shown below*

*Shareholding 1* : 100 ORDINARY shares held as at the date of this return  
*Name:* CHARLES DAVID SCOVILLE

*Shareholding 2* : 100 ORDINARY shares held as at the date of this return  
*Name:* CHARLES DAVID SCOVILLE

*Shareholding 3* : 100 ORDINARY shares held as at the date of this return  
*Name:* CHARLES DAVID SCOVILLE

## *Authorisation*

*Authenticated*

*This form was authorised by one of the following:*

Director, Secretary, Person Authorised, Charity Commission Receiver and Manager, CIC Manager, Judicial Factor.



Companies House

**AP01** (ef)

**Appointment of Director**



X50LLB28

*Company Name:* **TRAFFIC MONSOON GLOBAL LIMITED**

*Company Number:* **09922090**

*Received for filing in Electronic Format on the:* **12/02/2016**

---

*New Appointment Details*

*Date of Appointment:* **11/02/2016**

*Name:* **MR CHARLES DAVID SCOVILLE**

The company confirms that the person named has consented to act as a director.

*Service Address:* **APARTMENT 27 THE QUAYS  
SALFORD  
ENGLAND  
M50 3BB**

*Country/State Usually Resident:* **UNITED STATES**

*Date of Birth:* **\*\*/01/1980**

*Nationality:* **UNITED STATES**

*Occupation:* **BUSINESSMAN**

*Former Names:*

---

*Authorisation*

*Authenticated*

*This form was authorised by one of the following:*

Director, Secretary, Person Authorised, Administrator, Administrative Receiver, Receiver, Receiver Manager, Charity Commission Receiver and Manager, CIC Manager, Judicial Factor.





Companies House

**TM01**(ef)

**Termination of a Director Appointment**

Company Name: **TRAFFIC MONSOON GLOBAL LIMITED**

Company Number: **09922090**



X50J1MCH

Received for filing in Electronic Format on the: **11/02/2016**

---

**Termination Details**

Date of termination: **11/02/2016**

Name: **MR AAMIR RAJA**

---

**Authorisation**

Authenticated

This form was authorised by one of the following:

Director, Secretary, Person Authorised, Liquidator, Administrator, Administrative Receiver, Receiver, Receiver manager, Charity Commission Receiver and Manager, CIC Manager, Judicial Factor.





Companies House

**TM01** (ef)

**Termination of a Director Appointment**

Company Name: **TRAFFIC MONSOON GLOBAL LIMITED**

Company Number: **09922090**



X50J1M0B

Received for filing in Electronic Format on the: **11/02/2016**

---

**Termination Details**

Date of termination: **11/02/2016**

Name: **MR TAHEER AHMED SARDAR**

---

**Authorisation**

Authenticated

This form was authorised by one of the following:

Director, Secretary, Person Authorised, Liquidator, Administrator, Administrative Receiver, Receiver, Receiver manager, Charity Commission Receiver and Manager, CIC Manager, Judicial Factor.



## EXHIBIT 5

**File Copy**



**CERTIFICATE OF INCORPORATION  
OF A  
PRIVATE LIMITED COMPANY**

**Company Number 10002238**

The Registrar of Companies for England and Wales, hereby certifies  
that

**TRAFFIC MONSOON UK LIMITED**

is this day incorporated under the Companies Act 2006 as a private  
company, that the company is limited by shares, and the situation of  
its registered office is in England and Wales

Given at Companies House, Cardiff, on **12th February 2016**



**\*N100022383\***

The above information was communicated by electronic means and authenticated by the Registrar  
of Companies under section 1115 of the Companies Act 2006



**Companies House**



**THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES**



Companies House

**IN01(ef)**

**Application to register a company**

*Received for filing in Electronic Format on the: 11/02/2016*



X50IZBIY

*Company Name  
in full:* **TRAFFIC MONSOON UK LIMITED**

*Company Type:* **Private limited by shares**

*Situation of Registered  
Office:* **England and Wales**

*Proposed Register  
Office Address:* **1140 EASTERN AVENUE 1140 EASTERN AVENUE  
LONDON  
PAKISTAN  
UNITED KINGDOM  
IG2 7SD**

*I wish to entirely adopt the following model articles:* **Private (Ltd by Shares)**

*Company Director* 1

*Type:*

**Person**

*Full forename(s):*

MISS N [REDACTED] N [REDACTED]

*Surname:*

A [REDACTED]

*Former names:*

*Service Address recorded as Company's registered office*

*Country/State Usually Resident:* UNITED KINGDOM

*Date of Birth:* \*\*/05/1985

*Nationality:* BRITISH

*Occupation:* DIRECTOR

The subscribers confirm that the person named has consented to act as a director.



# Statement of Capital (Share Capital)

---

<b>Class of shares</b>	<b>ORDINARY</b>	<i>Number allotted</i>	<b>100</b>
		<i>Aggregate nominal value</i>	<b>100</b>
<i>Currency</i>	<b>GBP</b>	<i>Amount paid per share</i>	<b>0</b>
		<i>Amount unpaid per share</i>	<b>0</b>

## *Prescribed particulars*

EACH SHARE HAS FULL RIGHTS IN THE COMPANY WITH RESPECT TO VOTING, DIVIDENDS AND DISTRIBUTIONS.

---

# Statement of Capital (Totals)

---

<i>Currency</i>	<b>GBP</b>	<i>Total number of shares</i>	<b>100</b>
		<i>Total aggregate nominal value</i>	<b>100</b>

## Initial Shareholdings

---

*Name:* TRAFFIC MONSOON UK

*Address:* 1140 EASTERN AVENUE  
ILFORD  
ESSEX  
UNITED KINGDOM  
IG2 7SD

*Class of share:* ORDINARY

*Number of shares:* 100

*Currency:* GBP

*Nominal value of  
each share:* 1

*Amount unpaid:* 0

*Amount paid:* 0

## Statement of Compliance

---

*I confirm the requirements of the Companies Act 2006 as to registration have been complied with.*

*Name:* TRAFFIC MONSOON UK

*Authenticated:* YES

---

## *Authorisation*

*Authoriser Designation:* subscriber

*Authenticated:* Yes

---

# **COMPANY HAVING A SHARE CAPITAL**

## **Memorandum of association of TRAFFIC MONSOON UK LIMITED**

Each subscriber to this memorandum of association wishes to form a company under the Companies Act 2006 and agrees to become a member of the company and to take at least one share.

<b>Name of each subscriber</b>	<b>Authentication</b>
Traffic Monsoon Uk	Authenticated Electronically

Dated: 11/02/2016



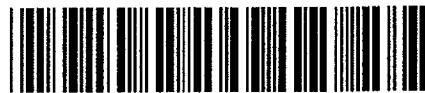
Companies House

**AD01**(ef)

**Change of Registered Office Address**

Company Name: **TRAFFIC MONSOON UK LIMITED**

Company Number: **10002238**



X50T9J3T

Received for filing in Electronic Format on the: **15/02/2016**

---

**New Address Details**

New Address: **1140 EASTERN AVENUE  
ESSEX  
ENGLAND  
IG2 7SD**

**Please Note:**

The change in the Registered Office does not take effect until the Registrar has registered this form. For 14 days, beginning with the date that a change of Registered Office is registered, a person may validly serve any documentation on the company at its previous Registered Office.

---

**Authorisation**

**Authenticated**

This form was authorised by one of the following:

Director, Secretary, Person Authorised, Liquidator, Administrator, Administrative Receiver, Receiver, Receiver Manager, Charity Commission Receiver and Manager, CIC Manager, Judicial Factor.

## EXHIBIT 6





SECURITIES AND EXCHANGE COMMISSION

VS

TRAFFIC MONSOON

Case No.2:16-cv-00832-JNP

RECORDED TELEPHONIC CONVERSATION

July 29, 2016

Alpine Court Reporting  
Locations in Salt Lake City and Provo  
801-691-1000

Recorded Telephonic Conversation  
July 29, 2016

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF UTAH

SECURITIES AND EXCHANGE	)	
COMMISSION,	)	Recorded Telephonic
	)	Conversation among
Plaintiff,	)	Peggy Hunt, Michael
	)	Thompson, Nathan
vs.	)	Seim, and Charles
	)	Scoville
	)	
TRAFFIC MONSOON, LLC, a	)	
Utah limited liability	)	Case No.:
company, and CHARLES DAVID	)	2:16-cv-00832-JNP
SCOVILLE, an individual,	)	
	)	Judge Jill N. Parrish
Defendant.	)	
	)	

July 29, 2016

OFFICIAL TRANSCRIPT OF ELECTRONIC RECORDING

Reporter: Lindsay Payeur, RPR

## P R O C E E D I N G S

MS. HUNT: So this is a call on July 29th with Charles Scoville starting at 11:30. On the call so far, Peggy Hunt and Nate Seim.

Okay. Hi, Mike. It's Peggy and Nate. We're just waiting for Mr. Scoville to get on.

MR. THOMPSON: Okay. Great.

MS. HUNT: Thanks.

Hello?

MR. SCOVILLE: Yes, hello.

MS. HUNT: Hello. Is this Charles?

MR. SCOVILLE: Yes, it is. Is this Peggy?

MS. HUNT: Yes, it is.

And, Charles, just so you know, I have Mike Thompson on the phone and Nate Seim. They're attorneys who work with me.

MR. SCOVILLE: Okay.

MS. HUNT: Okay. I'm an attorney as well, just so you know. So -- but I am the receiver in this case, and I should tell you that this conversation is being recorded. I need to do that. But -- so I just want you to be aware of that. Okay?

MR. SCOVILLE: Okay.

MS. HUNT: Okay. I understand that you've

1 using any of the PAM processors.

2 MS. HUNT: Okay. And so you just turned  
3 both of those off?

4 MR. SCOVILLE: Yes, that's right.

5 MS. HUNT: Is there any type of notice  
6 that's on the website? I didn't look at it this  
7 morning. Is there any type of -- yesterday there  
8 wasn't anything, but are you saying anything on the  
9 face of the website that payments and withdrawals are  
10 now suspended?

11 MR. SCOVILLE: No. I haven't put anything  
12 on there because I didn't know exactly what to say.

13 MS. HUNT: Okay. So are you the only  
14 person with these administrative rights on the  
15 website?

16 MR. SCOVILLE: Yes. Just me and my  
17 programmer.

18 MS. HUNT: Who's your programmer?

19 MR. SCOVILLE: His name is Alex Klishch.  
20 He's in Russia.

21 MS. HUNT: Do you know how to spell that  
22 name?

23 MR. SCOVILLE: K-L-I-S-C -- let me see if  
24 I can pull it up here real quick. I was trying to do  
25 it by memory. K-L-I-S-H-C-H.

1 MS. HUNT: Do you have contact information  
2 for him?

3 MR. SCOVILLE: I know his Skype. I only  
4 communicate with him on Skype. I've known him for  
5 years.

6 MS. HUNT: Okay.

7 MR. SCOVILLE: He wouldn't make any  
8 changes unless I asked him to.

9 MS. HUNT: He lives in Russia? Is that  
10 what you said?

11 MR. SCOVILLE: Yes, that's right.

12 MS. HUNT: Where in Russia?

13 MR. SCOVILLE: I'm not exactly sure, to be  
14 honest.

15 MS. HUNT: Okay. How would I contact him  
16 by Skype?

17 MR. SCOVILLE: Let me get his Skype  
18 username to you.

19 I mean, he's just my programmer is what  
20 I'm saying. He doesn't have any -- he's not involved  
21 in the business at all, but his Skype username is  
22 Klishch.Alex.

23 MS. HUNT: Okay. Well, I don't know if  
24 I'll need to contact him or not, but I just need to  
25 gather all information. So -- okay?

1                   So the servers that run your website are  
2 with the Snort company, correct?

3                   MR. SCOVILLE: Yes, that's right.

4                   MS. HUNT: All right. So they -- we  
5 finally have gotten a response from somebody over  
6 there.

7                   Who's authorized to deal with them? Is it  
8 just you?

9                   MR. SCOVILLE: Yeah. I'm the only one  
10 that does.

11                  MS. HUNT: Do you have any contracts with  
12 them or anything like that?

13                  MR. SCOVILLE: I don't have any contracts  
14 with them other than I paid for a year of domain  
15 services through them, and then I paid for them to  
16 handle the hosting month by month, and I just barely  
17 paid for next month already. After next month  
18 expires, if they don't get paid again, then they  
19 won't provide services anymore.

20                  MS. HUNT: Okay. And -- okay. Who have  
21 you dealt with there?

22                  MR. SCOVILLE: I don't know anyone there  
23 by name. I've always just contacted their support.

24                  MS. HUNT: How do you pay the bills? Do  
25 you get a written notice or an e-mail or what?



1 water and things like that. Not utilities, but water  
2 and trash is what it is. So utilities are paid  
3 separately. And so when they bill you for water and  
4 trash, that amount varies from month to month. And  
5 so that varies the amount that you owe for rent from  
6 month to month as well.

7 MS. HUNT: Okay. When did you make the  
8 \$7,500 payment, I guess, is what I need to know.

9 MR. SCOVILLE: I want to say it was in  
10 June, but I'm not completely sure.

11 MS. HUNT: Okay. All right. So you  
12 have -- do you have any other real -- any other  
13 property holdings in the United States?

14 MR. SCOVILLE: No, none.

15 MS. HUNT: Okay. Outside of the property  
16 that you own in London and Manchester -- or you're  
17 renting in London and you own in Manchester, did you  
18 own any other real property anywhere?

19 MR. SCOVILLE: No.

20 MS. HUNT: Does Traffic Monsoon own any  
21 property anywhere?

22 MR. SCOVILLE: No.

23 MS. HUNT: Okay. Did you -- have you --  
24 have you bought any other property through any other  
25 entity at all?

1 when I got married, we needed a bit larger of a  
2 place, and she wanted to live in a place that would  
3 be big enough for all of us, so that's why we're  
4 renting a house now. That's why.

5 MS. HUNT: Okay. So what's the address  
6 for the Manchester flat?

7 MR. SCOVILLE: It's apartment 27.

8 MS. HUNT: Uh-huh.

9 MR. SCOVILLE: And then the post code is  
10 M503BB.

11 MS. HUNT: M503BB?

12 MR. SCOVILLE: B as in boy, B as in boy.

13 MS. HUNT: Oh, 3BB. Okay. And is there a  
14 street?

15 MR. SCOVILLE: No, there's not. The  
16 addresses here are just based upon the post code.  
17 The post code would take you straight to it, and then  
18 it's apartment 27. Every address is a post code. I  
19 know in the United States, the ZIP code is for, like,  
20 a region, an area, but here the post code is an exact  
21 location.

22 MS. HUNT: Okay. And where's the address  
23 that you're living in in London?

24 MR. SCOVILLE: You know, I don't even know  
25 the address here, to be really honest with you. I

1 really don't. I'd have to wait for my wife to get  
2 back home to be able to know what that address is.

3 MS. HUNT: Okay. What section of London  
4 are you living in?

5 MR. SCOVILLE: Oxford.

6 MS. HUNT: Okay. So I've been to London  
7 before, but I can't remember, is Manchester far away  
8 from London?

9 MR. SCOVILLE: It is. It's about a four-  
10 or five-hour drive, I guess, from London.

11 MS. HUNT: It's north, isn't it? Or is it  
12 south?

13 MR. SCOVILLE: I think so. I'm not sure.

14 MS. HUNT: Yeah. So what made you choose  
15 Manchester? I mean, I know that you're -- you know,  
16 you're trying to establish your business in the UK.  
17 What made you choose Manchester?

18 MR. SCOVILLE: Manchester was where I had  
19 some friends, so I wanted to live kind of close to  
20 some people that I know.

21 MS. HUNT: Okay.

22 MR. SCOVILLE: I mean, I have friends in a  
23 number of different cities here, but that one just  
24 seems like a good place, good people there.

25 MS. HUNT: Okay. Got it. Okay. So do

1 MS. HUNT: Yeah, what kind of a computer  
2 is it?

3 MR. SCOVILLE: It's a Dell. They make  
4 pretty good computers.

5 MS. HUNT: Okay. Is that the computer  
6 that you do -- where you keep your business records?

7 MR. SCOVILLE: Pretty much anything to do  
8 with the business, any records with it, is saved to  
9 the host online. I don't really have anything saved  
10 on my computer business related at all other than,  
11 like, if I went onto utah.gov to download my business  
12 registration or something. I've got a copy of my  
13 business registration, but that's it. But that's  
14 also available online, so it's not really.

15 This isn't -- it's a computer that I  
16 access the Internet from, but it's not like a  
17 business -- like, I don't have anything like  
18 spreadsheets or anything on this. I don't really  
19 work with spreadsheets at all.

20 MS. HUNT: Okay. All right. So let's  
21 talk about -- let's talk about your bank accounts. I  
22 know you have a personal account at Chase, right?

23 MR. SCOVILLE: Yes. I had two personal  
24 accounts at Chase and one business account at Chase,  
25 and that was -- those are the only bank accounts that

1 have any money in it. I opened up a bank account in  
2 Dubai, but then I was given some kind of sheer  
3 warning not to place any money in it because  
4 potentially my sponsor could get into it, and so I  
5 didn't put anything into there ever.

6 MS. HUNT: So where was that account?

7 MR. SCOVILLE: Which account? Are you  
8 talking about the one in Dubai?

9 MS. HUNT: Dubai, yeah.

10 MR. SCOVILLE: It's at NBD.

11 MS. HUNT: Is it in your name or Traffic  
12 Monsoon?

13 MR. SCOVILLE: It's in Traffic Monsoon,  
14 but it's in the Traffic Monsoon name. The  
15 registration is a Dubai company. I registered the  
16 company there too.

17 MS. HUNT: Okay. So what's the name of  
18 the company in Dubai?

19 MR. SCOVILLE: It's also Traffic Monsoon,  
20 LLC, but it's there in Dubai registered. But there's  
21 no money in the bank. There's nothing there at all.

22 MS. HUNT: Okay. And does Traffic  
23 Monsoon -- it has a PayPal account, obviously, and it  
24 has -- these are the ones I know about: PayPal,  
25 Allied Wallet, Solid Pay Trust. Anywhere else?

1 MR. SCOVILLE: Let me see. Payza, PayPal,  
2 Solid Trust Pay, and Allied Wallet, and those are it.  
3 And then, of course, a bank that you already know of.

4 MS. HUNT: The what?

5 MR. SCOVILLE: The Traffic Monsoon bank,  
6 the Chase bank.

7 MS. HUNT: Oh, the Chase bank account.  
8 Okay.

9 So you had a business called AdHitProfits.  
10 Did it have any separate accounts?

11 MR. SCOVILLE: No, it didn't.

12 MS. HUNT: It had no bank accounts or  
13 PayPal accounts or anything like that?

14 MR. SCOVILLE: I never opened up a bank  
15 account for it ever.

16 MS. HUNT: Okay. Did you open any other  
17 bank accounts for -- I know that the Traffic Monsoon  
18 is a business that you operated after several other  
19 ones. Did you ever open bank accounts in any other  
20 businesses name?

21 MR. SCOVILLE: No, never.

22 MS. HUNT: Okay. Does your wife have a  
23 separate bank account from you?

24 MR. SCOVILLE: Yes.

25 MS. HUNT: Where does she bank?



1 MR. SCOVILLE: No, none.

2 MS. HUNT: How about do you hold any  
3 mutual funds at all?

4 MR. SCOVILLE: No, none.

5 MS. HUNT: Bonds?

6 MR. SCOVILLE: Nope.

7 MS. HUNT: And do you own -- have any  
8 stock holdings at all?

9 MR. SCOVILLE: No, none.

10 MS. HUNT: And when I say you, you  
11 understand I mean either you or Traffic Monsoon,  
12 right?

13 MR. SCOVILLE: Right.

14 MS. HUNT: Okay. Okay. So you own the  
15 whole ownership interest of Traffic Monsoon, right?

16 MR. SCOVILLE: That's right.

17 MS. HUNT: And I know that you just told  
18 me Traffic Monsoon is a Utah Corp. or LLC, right?

19 MR. SCOVILLE: That's right. I registered  
20 the company in the UK and Dubai.

21 MS. HUNT: Nowhere else?

22 MR. SCOVILLE: Nowhere else.

23 MS. HUNT: Okay. And -- okay. Do you  
24 have -- so on the UK owning, is there any other  
25 members of that, of the UK -- I think it's called

1 Traffic Monsoon Global or something like that. Does  
2 anybody else own membership interest in that entity?

3 MR. SCOVILLE: Well, the thing is is  
4 Traffic Monsoon in the UK was kind of formed in a way  
5 because, when we were in Dubai, that's when we got  
6 set up with someone who knew people inside of Allied  
7 Wallet to help us get an Allied Wallet account set  
8 up. And when we were setting up Allied Wallet,  
9 Allied Wallet required us to have a registration in  
10 the UK.

11 MS. HUNT: Right.

12 MR. SCOVILLE: We had somebody who was  
13 there with us who said, I've got a UK company. We  
14 can change it to the Traffic Monsoon, and then we  
15 could use that registration so you can use Allied  
16 Wallet. So that's Taheer and Amir, both of them are  
17 on that business registration, but technically they  
18 don't own any of the company.

19 MS. HUNT: When you say technically, what  
20 does that mean?

21 MR. SCOVILLE: Technically they really  
22 have not got any part in the business at all.

23 MS. HUNT: Okay. How --

24 MR. SCOVILLE: They just -- on paper it  
25 might show that their name is on that registration,

1 but it was just -- they were just giving me a company  
2 that they had already registered as a speedy process  
3 of just making sure that we have a business  
4 registration in the UK. But they put me on as the  
5 owner.

6 MS. HUNT: Got it.

7 MR. SCOVILLE: So they don't actually have  
8 any part in the business at all, actually.

9 MS. HUNT: Okay. Did you give them any  
10 money to do that?

11 MR. SCOVILLE: No, none.

12 MS. HUNT: Okay. Are they involved with  
13 investing? I shouldn't say investing. I know you  
14 don't think it's an investment. Are they involved in  
15 the business at all in any way -- you said no -- my  
16 understanding when you said they're not involved in  
17 business, I'm assuming you're saying management. But  
18 have they --

19 MR. SCOVILLE: Right, they're not involved  
20 in management whatsoever.

21 MS. HUNT: Excuse me?

22 MR. SCOVILLE: They're not involved in  
23 management whatsoever, but I believe that Amir is an  
24 affiliate. I don't really know, I don't -- it's  
25 never really been about that with him. He's also

1 just been a --

2 MS. HUNT: Okay.

3 MR. SCOVILLE: But I don't know even his  
4 username. I don't know. But I know that he's  
5 involved in being an affiliate (inaudible), but I've  
6 never looked up his account or taken a look at it or  
7 anything like that.

8 MS. HUNT: Okay. Do you pay Amir?

9 MR. SCOVILLE: What it is is at that  
10 office, because of the PayPal limitation, people are  
11 going over there, but the address had to be shown on  
12 the website. So that office --

13 MS. HUNT: When you say that office, what  
14 are you talking about?

15 MR. SCOVILLE: The imperial offices. The  
16 imperial office address. It belongs to Taheer.

17 MS. HUNT: It belongs to who?

18 MR. SCOVILLE: Taheer.

19 MS. HUNT: Yeah.

20 MR. SCOVILLE: And he said we need some  
21 people here to help answer people's questions because  
22 all of the people are coming in. And so I was paying  
23 6,000 pounds per month for the staff to be there, as  
24 well as security.

25 MS. HUNT: How much were you paying?

1 MR. SCOVILLE: 6,000 pounds a month.

2 MS. HUNT: For office staffing and  
3 security?

4 MR. SCOVILLE: Right.

5 MS. HUNT: And who do you pay that to?

6 MR. SCOVILLE: I pay it to Amir.

7 MS. HUNT: Okay.

8 MR. SCOVILLE: But I stopped because of  
9 what's been going on. I told him we were going to  
10 have to discontinue.

11 MS. HUNT: So this is a physical location  
12 where customers can come and interface with Traffic  
13 Monsoon?

14 MR. SCOVILLE: No, not really, because I  
15 guess from what I was told is there are situations  
16 that kind of got out of hand, so they kept the staff  
17 in a back room, and the person at the front desk  
18 could collect -- have the person fill out a form, and  
19 then they would send that form to the people that  
20 were working in the back room.

21 MS. HUNT: Okay. So -- I mean, I think  
22 I'm having a little trouble understanding that. So  
23 is this as a result of the PayPal -- so people who  
24 have money with Traffic Monsoon were upset were  
25 coming in? Is that what you're talking about?

1 MR. SCOVILLE: Right. Because when the  
2 PayPal limitation happened in January, I wasn't able  
3 to pay out anybody anymore because the money was  
4 being held by PayPal.

5 MS. HUNT: Right.

6 MR. SCOVILLE: People, they wanted to get  
7 paid. They wanted answers. They wanted to  
8 understand what was going on. And so they would go  
9 into the location, but apparently, there were some --  
10 I mean, the thing is is I don't really know how much  
11 all of this is true because, somewhere around in here  
12 as well, I've come to believe that Amir has been  
13 lying to me, especially because of the 6,000 pounds a  
14 month that I was paying to him for staff.

15 I just wasn't sure whether or not staff  
16 were actually there, actually doing anything, if  
17 there was actually anything actually there because  
18 I'd go in and they would say there's nobody there.  
19 So I really don't know all of the ins and outs of  
20 what's actually been going on over here. I checked  
21 into it a little bit myself. I went over there, and  
22 apparently, the person at the front desk didn't know  
23 who I was, who asked to see the people that were  
24 working for Traffic Monsoon, and they said that  
25 there's nobody there. So I don't know all of the ins

1 and outs of what's going on there. I may have been  
2 scammed. I don't know.

3 MS. HUNT: How do you know Amir?

4 MR. SCOVILLE: I knew him because he came  
5 to a dinner, and he's involved in a charity  
6 organization that I really liked what has charity  
7 organization does. And so I went to the charity  
8 organization's website called Anaya Aid, and I made a  
9 donation. And so, because he's involved in that  
10 organization, he caught word that I'd made that  
11 donation to that organization, and he was so grateful  
12 for it. And all of the people that received food and  
13 various different supplies, they made a video,  
14 actually, for me, and it was really quite touching to  
15 see that people were so grateful for the help that I  
16 gave to them, to their organization. So that was  
17 really neat, but this whole thing about 6,000 pounds  
18 per month at that location, something sketchy was  
19 going on there. So, like, I don't --

20 MS. HUNT: So how long were you paying the  
21 \$6,000 a month?

22 MR. SCOVILLE: I want to say it was  
23 between the months of March and just last month.

24 MS. HUNT: March of 2015?

25 MR. SCOVILLE: Right. Because I was using



1 that address for Allied Wallet, and so people then  
2 had that address that they were going in. And so  
3 Amir was telling me that some of these people are  
4 coming in, I need to pay for the staff to handle all  
5 the people coming in, so it was either March or April  
6 that I started paying, but I don't remember exactly  
7 when it started. I'd have to look it up, but right  
8 now my Internet is just not working.

9 MS. HUNT: That's fine. What kind of --  
10 you said you made a donation to his group. How much  
11 was the donation?

12 MR. SCOVILLE: I'd have to look that up  
13 too. I just don't remember.

14 MS. HUNT: Was it more than \$5,000?

15 MR. SCOVILLE: I believe so, but I don't  
16 remember how much.

17 MS. HUNT: Okay. Okay. What was the  
18 name -- just tell me what the name of that charity  
19 was again.

20 MR. SCOVILLE: Anaya Aid.

21 MS. HUNT: How do you spell that?

22 MR. SCOVILLE: A-N-A-Y-A, and then aid,  
23 A-D-E -- or A-I-D.

24 MS. HUNT: All right. Do you have any  
25 type of -- well, while we're talking about charitable

1 transferred to him other than -- and the Porsche,  
2 right? The Porsche and the 6,000 pounds a month.  
3 Anything else?

4 MR. SCOVILLE: I'm trying to remember. I  
5 think yes, because I paid for rent in that office as  
6 well, but I don't remember the dollar amount. I  
7 really don't. I'd have to look it up.

8 MS. HUNT: Okay. I think I asked you, but  
9 you haven't transferred any money to any types of  
10 trusts of any sorts, have you?

11 MR. SCOVILLE: No, not at all, never.

12 MS. HUNT: Okay.

13 MR. SEIM: What about payments -- if I  
14 remember right, you were talking about payments when  
15 you were with the FCC. You said that you had some  
16 buddies that were running some call centers for you,  
17 I think, maybe in North Carolina and Florida. Does  
18 that sound right?

19 MR. SCOVILLE: Oh, right, yes. Thanks for  
20 reminding me, I forgot all about them. Oh, yes, I do  
21 pay them monthly.

22 MS. HUNT: What are those payments?

23 MR. SCOVILLE: Every month I always have  
24 to ask them again. Let me see if I can look at a  
25 recent amount. The call center that's out of

1 Florida, that's also -- the same guy. He also runs  
2 the call center that's in the Philippines.

3 MS. HUNT: Right.

4 MR. SCOVILLE: I pay him 42,200 per month.  
5 And then in Dave's, his group in North Carolina  
6 is 22,200 per month.

7 MS. HUNT: What's David's name?

8 MR. SCOVILLE: Barker, B-A-R-K-E-R.

9 MS. HUNT: And what's the person in  
10 Florida?

11 MR. SCOVILLE: Ernie Ganz.

12 MS. HUNT: Have you -- I know Ernie. I  
13 see him a lot on your videos and things. Have you  
14 paid him any money outside of the call center money?

15 MR. SCOVILLE: No, not at all.

16 MS. HUNT: Okay. Now, have you paid Dave  
17 Barker any money outside of the call center money?

18 MR. SCOVILLE: No, not at all.

19 MS. HUNT: Okay. So what are these call  
20 centers doing for you?

21 MR. SCOVILLE: What they're doing is, when  
22 people contact support, they're handling the support.

23 MS. HUNT: Okay.

24 MR. SEIM: So there's a number on the  
25 Traffic Monsoon website or something that says, you

1 know, if you have any problems give us a call, here's  
2 the number, and then it gets routed to one of these  
3 call centers?

4 MR. SCOVILLE: That's right, yes. And so  
5 Dave, his group does support for when people are  
6 logged in. There's a member support desk there. And  
7 then Ernie, his group does what people are -- if they  
8 contact support without logging in. So there's two  
9 separate support areas inside the member area and  
10 then outside. And so Ernie does the outside, but he  
11 also helps handle membership issues as well, but  
12 that's not his primary focus.

13 MS. HUNT: So is the call -- are you  
14 paying them based on -- you're just paying them a  
15 flat retainer regardless of how many calls come in?

16 MR. SCOVILLE: That's right.

17 MR. THOMPSON: Mr. Scoville, this is Mike.  
18 Just a question on the call centers. Is it purely  
19 customer support, or is there a sales component?

20 MR. SCOVILLE: Oh, only support. There's  
21 no sales.

22 MR. THOMPSON: Another question I had --  
23 and while you were explaining the business model and  
24 exactly the services provided, the thought occurred  
25 to me as to whether you have -- other than what's on

1 MR. SCOVILLE: Right. That's right.

2 MS. HUNT: All right. Okay. Just to be  
3 clear, I want to make sure that I understand that you  
4 don't have any bank accounts in the UK.

5 MR. SCOVILLE: That's right, I do not.

6 MS. HUNT: Okay. You don't have any bank  
7 accounts outside of the United States. The only  
8 account you've ever opened is in Dubai?

9 MR. SCOVILLE: That's right.

10 MS. HUNT: Okay. All right. So anybody  
11 else have questions before we start to wrap up? No.  
12 Okay.

13 So here's what I'm thinking, I know that  
14 you talked to the FCC about you're going to come into  
15 town and talk to them, and there's some issues with  
16 money because your accounts have been frozen, and we  
17 need to talk about that. So what -- have you given  
18 any thought to them? What would you propose?

19 MR. SCOVILLE: I don't have any thoughts  
20 on that. I just don't know what to do.

21 MS. HUNT: Okay. What did the FCC tell  
22 you? What's your understanding of? What did you  
23 think that we can arrange? Did they talk to you  
24 about that?

25 MR. SCOVILLE: They didn't.

1 that. I'll be respectful that it's your place of  
2 residence, and I won't go into detail in where I  
3 look, but I just need to go in and just take a look  
4 around. Okay?

5 MR. SCOVILLE: That's fine. You'll find  
6 it's pretty messy.

7 MS. HUNT: Okay. All right. If there's  
8 nothing else right now, let us try to figure out what  
9 we can on these issues with your -- with getting you  
10 back here. And we'll go from there.

11 MR. SCOVILLE: Okay.

12 MS. HUNT: And then, if you can think of  
13 anybody else that you know of, anything that you can  
14 think of that we did not cover today that comes to  
15 your mind, just e-mail me.

16 MR. SCOVILLE: Okay. I'll try to do some  
17 brainstorming, but the thing is about me, I let other  
18 things really keep records for me. So, like, I know  
19 that anything that I've paid is stored in record at  
20 my bank or within the processor accounts like PayPal.  
21 There's records of where I paid and everything there,  
22 so I really don't keep any external records of  
23 anything. I've just -- I'm a terrible record keeper  
24 in that sense, other than I rely upon these other  
25 sources to keep record for me.

1 MS. HUNT: Right. So if I'm hearing you  
2 correctly, what I'm understanding is that we're going  
3 to get the best sense of where money went to from --  
4 or what you received from looking at your bank  
5 records and PayPal records and things like that.

6 MR. SCOVILLE: That's right.

7 MS. HUNT: Okay. You didn't keep any kind  
8 of QuickBooks or anything like that?

9 MR. SCOVILLE: No, I definitely have not.

10 MS. HUNT: Okay. And if you -- if  
11 somebody was disputing with you about how much had  
12 been paid or how much they had paid you or how much  
13 you had paid them, you would just go to the bank  
14 records to look for that? Is that what I'm hearing?

15 MR. SCOVILLE: That's right. What I would  
16 basically find out -- let's say someone says, I made  
17 a purchase, and I didn't receive something. I would  
18 ask them for a transaction number, and then I could  
19 pull up that transaction.

20 And then PayPal, they changed their whole  
21 system to where they -- the buyer has a transaction  
22 number. And then I have a transaction number for the  
23 same transaction. Two separate transaction numbers.  
24 So if they give me a transaction number, I couldn't  
25 actually look it up. So what I needed from them,



1 then, was their e-mail address and about the date of  
2 the service so I can look at their transactions that  
3 were generated by that e-mail address, look for that  
4 date, and then see that purchase. Then I could look  
5 at my transaction number within the back office  
6 within my own administration panel of Traffic  
7 Monsoon.

8 I had a search bar where I could search  
9 for that transaction number, and then see if it's  
10 actually been applied. If it hasn't, then there's a  
11 way within PayPal just to resend that payment through  
12 to Traffic Monsoon, and then it would post and show  
13 up. And then, if it had any problems with posting or  
14 showing up, then there was a refund button that I  
15 would just click and then refund the person and say,  
16 you know, I don't know why it's not posting, but go  
17 ahead and try it again.

18 MS. HUNT: Okay. All right. Okay. Well,  
19 we'll -- if you can think of any other information,  
20 feel free to contact me through those e-mail  
21 addresses, and we'll be in touch.

22 MR. SCOVILLE: All right.

23 MS. HUNT: Is there a -- do you have a  
24 phone number if I need to call you?

25 MR. SCOVILLE: My phone number is

# EXHIBIT 7



# Residential Rental Agreement

Read the entire document carefully before signing.

## Parties

Charles Scoville being all the allowed Occupants of the Premises eighteen years of age or older (hereinafter collectively referred to as "Resident"); and [REDACTED] being all the allowed Occupants of the Premises under the age of eighteen; and the herein named rental unit owner (hereinafter referred to as "Owner"). Resident represents and warrants that it has legal custody and is legally responsible for all minors.

**THIS AGREEMENT, entered into the date first written below is between the parties listed herein for the Premises located as follows:**

## Premises

Hunters Woods, 4927 S Murray Blvd Apt. # Z-9 located in Salt Lake County, State of Utah (herein referred to as the "Premises") is for use as a private residence only, according to terms set forth herein. No other occupants shall reside in the Premises except as listed above. Occupancy by guests remaining over three consecutive days or more than five days in any calendar quarter will be considered to be a violation of this provision unless prior written consent is given by Owner. Owner may restrict any guest for any or no reason.

## Rent and Fees

Monthly Rent \$885.00 Pro-rata rent for move-in from 08/01/2016 to 08/31/2016 in the amount of \$859.00.

Cable (monthly) Tax \$13.00 (monthly) Pet Rent \$0.00 (monthly) Washer/Dryer (monthly) Parking Rent \$15.00 (monthly) Garage Rent (monthly) Storage Rent (monthly)

\$0.00 (monthly) Additional Rent for Waiver of the Requirement for Renter's Insurance \$10.00 (monthly) (if no Renter's Insurance)

Late Fee \$150.00 due if full payment is not received before 5:00pm on the 3rd day of the month.

Lease Initiation Fee \$0.00 Service of Notice Fee \$25.00 Eviction Turnover Fee \$50.00 Unified Police Fee (monthly)

Commencement Date: 1st day of August, 2016 Security Deposit \$200.00

Initial Term End Date: last day of July, 2017 Month to Month Fee \$150.00 Liability Insurance (monthly)

## Term

The initial term shall commence on Commencement Date and will end on the Initial Term End Date. Occupancy will start on the commencement date unless the premises are not ready for occupancy. Owner shall not be liable for any damages in the event the premises are not available for occupancy on the commencement date. This Agreement will automatically renew on a month-to-month basis unless written notice of termination is given by either party at least sixty (60) days before the initial term ends. The above month-to-month fee shall be added to the Monthly Rent in the event Resident remains in the Premises after the expiration of the Term, no notice is necessary. Additionally, Owner may increase the rent on a month-to-month tenancy upon thirty (30) days written notice. In the event this Agreement extends beyond the term above on a month-to-month tenancy, such tenancy shall then terminate only on the last day of a month. The Lease Initiation Fee above shall be paid upon execution of this Agreement and shall be deemed consideration for the institution of this Agreement and is not a deposit. The Pro-rata rent charged is a stated amount and is not related to the Monthly Rent. Owner shall be entitled to the Eviction Turnover Fee for the work processing the paperwork to the attorney for an eviction after failure of the Resident to comply with any eviction notice. Resident shall pay this fee once the work is done regardless of whether the eviction is filed.

## Security Deposit

1. Resident agrees that security deposit above shall be payable on/or before signing of this Agreement. Any sums due or owing by Resident to Owner may at any time be deducted from said deposit; deductions shall be used to pay non-rent items first. Resident agrees to promptly reimburse the security deposit within five (5) days after notice is given and Resident may not apply any portion of the security deposit to any month's rent. **Resident's security deposit will be refunded in full, if all of the conditions of this Agreement are fulfilled, including:**

- The full Agreement term has expired or the Agreement has been terminated without default of Resident and Resident has not "held over." "Held over" means the Resident is still in possession of the Premises after either party has given the other notice of termination.
  - Resident has provided a written notice of intent to vacate as required by this agreement to Owner prior to the Initial Term End Date and/or the notice required by this agreement if on a month to month prior to the last day of the month Resident intends upon vacating. This provision does not allow Resident to terminate the lease prior to the expiration of the initial term but does require the appropriate and timely notice of the intent to vacate at all times.
  - Resident has no other monies due pursuant to any term or condition of this Agreement or any other amounts due to Owner from any other agreement, arrangement, addendum, or other indebtedness.
  - Resident has thoroughly cleaned the Premises, appliances, and fixtures. Resident acknowledges that there are specific charges that Owner may charge for cleaning and damages. Those charges are agreed to by Resident and Resident does affirmatively agree to have Owner's agents inspect the premises prior to move-out. The Owner will be entitled to and may deduct from the security deposit monies due pursuant to the Owner's cleaning charge list and all other reasonable charges to accomplish cleaning or repair from damage to allow the premises to be re-rented.
  - All individuals using or occupying the Premises have surrendered the Premises to Owner, and all keys to the mailbox, storage rooms, Premises, and all other keys and passes related to the Premises are turned in to the Owner.
- Within thirty (30) days following the later of Resident's surrender of said Premises to Owner or Resident providing a forwarding address, Owner will forward the balance of the security deposit less all deductions with an itemized statement of any deductions made.
  - It is the Resident's obligation to provide Owner with all required notices in writing prior to move-out and arrange for an inspection of the Premises by Owner using the Move-In and Move-Out Inventory and Condition Form. Resident agrees to the charges as stated and as may be amended on the Move-out Form. In the event there are charges in excess of the security deposit, Resident agrees to pay such amount upon demand.

**This Agreement may not be cancelled once executed by Resident without the express written consent of the Owner.**

<b>Move-Out Notice</b>	In a month-to-month tenancy or end of lease term termination, <u>at least sixty (60) days written notice of intent to vacate</u> must be given to Owner's representative by Resident prior to move-out. In the event of a month-to-month extension, the Agreement term shall extend to, and the rent shall be paid through the last day of the calendar month; in other words, the last month's rent must be a full month without any prorating (unless otherwise agreed to in writing by Owner). This lease may only terminate on the last day of a month unless otherwise provided by law, stated herein, or by written agreement with Owner. Owner is only obligated to give a thirty (30) day notice during the lease term and a fifteen (15) day notice on a month to month tenancy.
<b>Subordination</b>	This Agreement as executed is subordinate to the mortgage or mortgages financing the Premises, which are of record or may become of record during the term of this residential rental Agreement and subject to the provisions of any regulatory agreement with any Housing Authority and others that burden such property. Resident agrees to be the tenant of a new landlord or owner of the Premises upon such new owner's acquisition of the Premises and agrees that foreclosure by a mortgagee shall not void this Agreement.
<b>Credit Checks</b>	Resident agrees that Owner may conduct background, criminal history, and credit checks at any time after application, during the term of this Agreement or thereafter so long as Resident has an outstanding balance due to Owner. Resident grants consent to Owner and its agents to disclose information about Resident so long as Resident has an obligation under this agreement.
<b>Government</b>	In the event the premises are condemned or access is restricted as a result of any type of governmental action or damage to the premises, Owner shall not be liable for any damages to Resident including alternate housing, damage to personal property, replacement of personal property, and/or any other consequential damage. Such action may include any action by any governmental agency or entity including but not limited to health departments, division of environmental quality, fire departments, police, zoning departments, etc. If the action is taken, tenant shall be relieved of rental obligations effective the date that access is restricted or prevented <u>unless</u> the cause of such governmental action relates to actions of Resident, its guests, or occupants. In the event this agreement is terminated pursuant to this provision, Resident shall be responsible to take all steps necessary to have its contents immediately removed at Resident's expense.
<b>Notices to Owner</b>	In the event Resident determines to utilize the provisions of the Utah Fit Premises Act, notice as required by that Act shall be delivered in writing to Owner at the address below. If there is an on-site management office, notices may be delivered at such office during normal business hours. Provisions of the Utah Fit Premises Act may be found in Utah Code 57-22 or at <a href="http://le.utah.gov">http://le.utah.gov</a> .
<b>Notices to Resident</b>	Resident agrees that any and all notices required by this agreement or by law may be served by emailing the notice to Resident at the email address provided below. Resident is obligated to maintain a proper email address for delivery of any notices. Resident may change that email only by delivering a written notification to Owner served in the same manner as required by the Fit Premises Act. All Residents acknowledge that notice to this email address shall be effective for all Residents.
<b>Release of Resident</b>	Resident will not be released on grounds of voluntary or involuntary school withdrawal or transfer, voluntary or involuntary business transfer, loss of employment, marriage, divorce, loss of co-residents, bad health, problems with other tenants, or any other reasons, unless otherwise provided in this Agreement or mandated by law. Upon vacating prior to the expiration of the term, this Agreement shall remain enforced in full, with all monies and future rent (later of through the end of the initial term or required notice period) immediately due and payable. In the event Resident files a bankruptcy and fails to accept this lease through the bankruptcy and remains in the premises, this Agreement shall be deemed to be a tenancy at will with rent payable daily and calculated at the current monthly rate divided by 30, all other obligations shall remain in effect.
<b>Rules and Regulations</b>	Resident, its guests and other occupants shall comply with all written rules and regulations which shall be considered part of this lease. Such rules and regulations shall be available from Owner and Resident acknowledges receipt of such Rules and Regulations. Owner may make reasonable rule changes if made in writing and notice is given to all Residents. Resident agrees that the conduct of Resident, his guests or other occupants shall not be disorderly, boisterous or unlawful and shall not disturb the rights, comforts, or convenience of other persons. Resident shall be liable to Owner for damages caused by Resident, its guests or other occupants. Sidewalks, steps, entrance halls, walkways and stairs shall not be obstructed or used for any purpose other than ingress or egress. The Premises are to be used only as a residence and may not be used for any business. The Premises and other areas which are reserved for Resident's private use shall be kept clean and sanitary by Resident. Garbage shall be disposed of only in appropriate receptacles. Swimming pools, storage rooms, laundry rooms and other facilities, amenities, and common areas are available to Resident as a privilege and not a right granted under this Agreement, and is to be used wholly at the user's risk. Any person including Resident may be restricted from usage at Owner's sole discretion. All written rules may be enforced through Owner's representatives or agents and Resident shall hold same harmless for reasonable enforcement. Owner may regulate the manner, time and place of all parking. Owner may regulate, limit, or prohibit from the premises and the areas owned by Owner the following: swimming pools, motorcycles, trampolines, commercial equipment, non-residential materials, weight or workout equipment, bicycles, tricycles, skateboards, recreational vehicles, boats, trailers, inoperable vehicles, guest vehicles, guests who have lived or stayed in Resident's Premises, former tenants, and guests who, in the Owner's reasonable judgment, have been disturbing the peace or disturbing other residents, may cause a threat to other tenants or who have or may be violating rules and regulations. Resident acknowledges the review of such rules and regulations and agrees to be bound by them. Such rules and regulations may be changed or modified at any time with thirty (30) days' notice to Resident. Resident agrees that all firearms are restricted from all the common areas, amenities and other areas controlled by Owner.
<b>Premises Condition</b>	Resident has the right to inspect the Premises prior to signing this Agreement and Resident agrees that it has been given the opportunity to conduct whatever inspection of the Premises is needed prior to signing this lease. Resident acknowledges that the Premises have been inspected, are satisfactory in condition, and all existing damages have been acknowledged in writing by Owner. Resident by taking possession of the Premises evidences the fact that the Premises (including appliances, furnishings, and fixtures) are in clean, safe, sanitary, and in good-working condition and that any exception has been or will be delivered to Owner in writing within 48 hours of taking of possession of the Premises. Owner makes no warranty of any kind, expressed or implied, and relies upon the fact that Resident has

inspected the Premises. Resident agrees to maintain the Premises, appliances, furnishings, and fixtures in good condition throughout the term of this Agreement (excepting normal wear and tear). Resident will return the Premises to the Owner in the same condition as when Resident moved in (subject to normal wear and tear). Resident agrees to make no alteration or repair to the Premises (including painting, wallpapering, stickers, new locks, etc.) without first obtaining the prior written consent of the Owner, which permission may be withheld for any or no reason.

#### Repairs

Resident agrees to request all repairs and services in writing from Owner's designated representative. Owner shall have the right to temporarily turn off equipment and interrupt utilities to avoid damage to property or to perform repairs or maintenance which require such interruption. In case of malfunctions of equipment or utility damage by fire, water, or other cause, Resident shall notify Owner's representatives immediately. Owner shall act with due diligence in making repairs; the lease shall continue, and rent shall not abate during such periods. Resident may not hire or allow any third party to perform work on the premises without Owner's prior written approval (or as allowed by law). Resident is responsible for, and will reimburse Owner for, any damages or loss caused to the premises while Resident is entitled to possession of the premises. This includes, but is not limited to, damages caused by the negligence, carelessness, abuse or intentional misconduct of Resident, Resident's family, occupants, pets, guests or others. Resident shall indemnify Owner from any liability to any unapproved third party. Owner may assess costs for such damages when they occur. The intent is to require the premises to be maintained in substantially the same condition as when Resident took occupancy. If the damage to the Premises, regardless of how caused, is substantial in the reasonable judgment of Owner, Owner may terminate this lease by giving written notice to Resident. Such termination due to damage may occur immediately if the premises are uninhabitable. The costs of repairs, restorations and replacements shall be paid for by the Owner if rendered necessary by normal wear and tear. Otherwise, if such repairs, alterations or replacements are rendered necessary by the negligence, carelessness, accident or abuse of Resident and/or Resident's guests or other third parties, then all such costs shall be paid by Resident. Resident agrees to reimburse Owner for all such costs within five (5) days of notice. Such reimbursement shall be a priority payment over all other obligations of Resident to Owner. Owner may periodically deduct such costs from Resident's security deposit and Resident agrees to promptly reimburse security deposit to its original amount. It is agreed that Owner carries insurance for its own protection and that Resident is not a beneficiary of such insurance. None of Resident's rent is considered to pay for insurance. Resident shall be responsible to Owner for all costs of repair for damages as stated herein regardless of Owner's insurance. In the event Resident has complied with the Utah Fit Premises Act and is allowed to make repairs, Resident agrees that it will first obtain three independent estimates, utilize the lowest estimate and only use licensed and insured contractors to perform the repairs.

#### Right of Entry

Unless otherwise restricted by law, Owner may enter the premises during reasonable hours with or without notice in order to inspect, make repairs, provide general or preventive maintenance, replace filters, leave any notices and/or any other reasonable business purposes while Resident is present in the Premises. If resident is not present at the Premises, then owner will have the same right to make such entries by duplicate or master key. If, in Owner's opinion, there exists an emergency or a violation of this Agreement exists, Owner may enter without notice at any time for any inspection, repair, or to determine the condition or occupancy of the premises. It is the intent of the parties hereto that this provision grant to Owner immediate access if Resident is in default of any term of this Agreement, immediate access if in Owner's sole opinion giving notice could change an investigation, and that this provision be interpreted with the existing law to grant as broad and timely access as possible and permissible. Any request for maintenance or repairs shall be deemed to give Owner authority to enter the premises without requiring notice or further permission. Owner may secure the premises at any time Owner deems, in its sole discretion, that the security of the premises may have been compromised, including but not limited to death of a Resident, incarceration or hospitalization of a Resident, usage of the premises by non-residents, and protection of Owner's assets or security.

#### Contamination

Resident agrees to defend, indemnify and hold harmless Owner against any and all claims, actions, causes of action, demands, liabilities, losses, damages, and expenses of any kind, including but not limited to, attorney's fees and court costs, that may be made as against Owner (its officers, directors, employees, agents, managers, and affiliates) as a result of or arising out of the growth or proliferation of mold or mildew or other contaminations in the premises. It is further agreed that such indemnification shall extend to the existence of any contamination of any type from any person or cause that is unknown to Owner. **Resident further agrees that it will not cause, hire, or conduct any inspection or testing to be done in the premises for any type of contamination but may request that Owner conduct such testing provided Resident prepaays the costs of such testing.** Owner shall have the right to retain the third party certified testing of its choice. The results of such testing shall be the property of Owner who shall only be obligated to disclose positive results exceeding the legal limits. Resident further agrees that Owner shall not be liable for any damages caused to Resident, Resident's guests, occupants, or any property within the premises resulting from mold, mildew or any other contamination. Resident shall indemnify Owner from any liability relating to mold, mildew, or any other contamination resulting in damages to any person or property within Resident's premises regardless of the source. Resident agrees to immediately notify Owner of the existence of any mold, mildew, or other contamination within the premises. Failure by Resident to diligently inspect and notify Owner of mold or contamination issues will result in Resident being liable for the damages to the premises caused by the mold or contamination.

#### Military Clause

In the event Resident is or becomes a member of the Armed Forces on extended active duty and receives change of station orders to permanently depart the local area, then resident may terminate this Agreement by giving thirty (30) days written notice as provided herein and by the Act. Resident may also utilize the Servicemembers' Civil Relief Act (SCRA) to otherwise terminate the lease as provided by such Act. As required by the Act, Resident shall be required to pay rent for thirty (30) days after the notice is given with appropriate documentation. Resident agrees to furnish Owner a certified copy of his official orders which warrant termination of this Agreement. Permission for base housing does not constitute a permanent order. Other termination as provided under the SCRA will be allowed as provided by that Act.

#### Disability

It is the policy of Owner to reasonably accommodate all handicaps and disabilities as defined under state and federal laws. It is agreed that Resident shall notify Owner of any need relating to a disability or handicap (in writing if possible) to insure the proper procedures are implemented to comply with existing laws. In the event Resident fails to notify Owner of any needed accommodation, Owner shall not be liable for damages suffered by Resident. It is agreed that Owner is under no obligation to accommodate Resident until proper notification with supporting documentation (if necessary) is provided to Owner.



**Limited Liability**

It is agreed that Owner will not be liable for any damages or losses to person or property caused by any Resident or any other person including, but not limited to, any theft, burglary, assault, vandalism, or other crimes. Resident agrees to be responsible for its own property and for its own safety. It is acknowledged and agreed that although Owner is responsible for the upkeep of common areas, parking lots, sidewalks, and areas of the community not subject to control by Resident, Resident agrees to accept liability and responsibility in the use of these areas. It is agreed that once Owner gives notice to Resident by any means of any potential hazard, it is Resident's obligation to avoid the hazard or it assumes the risks of the hazard. It is acknowledged and agreed that Resident's duty of care shall be significant as it pertains to its awareness of use of areas under control of Owner. **It is the agreed intent of this Agreement (to the greatest extent allowed by law) that Owner shall not be liable for personal injury or for damage to or loss of Resident's personal property (furniture, jewelry, clothing, etc.) unless caused by gross negligence of Owner, its agents, management, or assigns.** It is specifically mutually agreed that Owner shall NOT be liable for any damages (personal injury or to property) directly or indirectly caused by any other occupant, resident, tenant or guest. Owner shall not be liable to Resident for any type of damages from fire, flood, water leaks, theft, rain, hail, ice, snow, smoke, structural problems, environmental issues, toxins, mold or mildew, or contamination left by prior residents, explosions, interruptions of utilities, acts of God, or negligent behavior of Owner or its agents, unless such injury or damage is caused by gross negligence of Owner or its agents. **OWNER REQUIRES THAT RESIDENT SECURE RENTERS INSURANCE TO PROTECT AGAINST ALL OF THE ABOVE OCCURRENCES or obtain a waiver of such insurance.** Owner shall hold Resident liable for any damages caused by Resident, its occupants, guests and/or invitees including but not limited to fire, flood, explosion, water damage, and pests. Owner strongly suggests and recommends that Resident obtain additional insurance to protect its own belongings. Resident agrees to indemnify and hold harmless Owner and its representatives from any and all liability for actions or inactions of Resident which cause damage or injury to any party or person. Resident agrees that locks and latches are acceptable subject to Owner's duty to make needed repairs upon request of Resident. It is acknowledged and agreed that Resident had other options available for obtaining housing and chose to enter into this agreement with the limitation on liability of Owner. Further, Resident acknowledges that it had to qualify to enter into this agreement. Upon payment of a reasonable charge, Resident shall have the right to require Owner to change (re-key) a door-lock for a fee. Resident may not place its own locks on the Premises or devices which prevent Owner entry. Resident shall pay for and replace smoke detector and/or carbon monoxide detector batteries as needed. If Owner's employees are requested to render services not contemplated in this Agreement, Resident agrees to hold Owner harmless for all liability regarding the same. Owner may provide security patrols and/or security equipment for the purpose of protecting its property. However, Owner will not provide any security for residents. Each Resident is responsible for its own personal security and the security of its property. It is acknowledged that the premises have been occupied and used by other individuals and that Owner cannot represent what such persons have had or done within the premises. Resident acknowledges that it will not hold Owner, its agents, or employees liable for prior actions within the premises by other occupants or their guests, including such actions that may have unknown continuing residual effects on the premises. Owner does not warrant that other tenants will have or maintain renter's insurance, and shall not be liable for damages resulting from the actions of such other tenants. Rental insurance obtained by Resident must have a non-subrogation provision as against Owner and Owner's insurance. Resident expressly agrees and understands that Resident will not be considered a co-insured under Owner's commercial insurance policy for purposes of subrogation, and Resident agrees to be responsible for damage resulting from a fire, flood, explosion and water damage caused by Resident, its guests, occupants, and invitees. It is the intent of the parties that this section be applied so as to provide the maximum allowable protection from actions against Owner and that any provisions determined to violate law or policy be severed only to the minimal extent possible leaving all other provisions intact. It is expressly understood and agreed that the liability of Owner to Resident under this agreement is restricted solely to the interest of Owner in the Premises. No officer, director, shareholder, employee, or agent shall have personal liability under the terms of this agreement. Resident agrees to look solely to Owner's equity, interest and rights in the Premises for satisfaction of any claims or damages or other remedies of Resident. Owner shall not be liable for consequential or punitive damages.

**General**

**No oral agreements have been made.** Nor shall any oral agreements be allowed between the parties during the term of Resident's occupancy. This Agreement is the entire agreement between the parties and it may be modified only in writing signed by all parties except for reasonable rule changes or additions to the Owner's "Rules and Regulations." This Agreement integrates all previous agreements except those entered into concurrently. All of Resident's statements in the rental application were relied upon by Owner in executing this Agreement and any misinformation therein shall be considered cause for immediate termination by Owner of Resident's right of occupancy. **Resident may not withhold rent or offset against rent except as specifically allow and provided for by law.** In the event of more than one Resident, each Resident is jointly and severally liable for each provision of this Agreement. In addition, each Resident shall be jointly and severally liable for any statutory damages accessed pursuant to state law, even if one Resident vacates the premises appropriately. No Resident shall be released from this Agreement unless agreed to in writing by Owner. Liability under this Agreement continues until all occupants and Residents vacate or a new lease is signed. In the event any Resident transfers to another premises, any amounts due for rent or damages shall automatically transfer as rent to the new premises and shall be immediately due. Resident shall not be entitled to interest on security deposits. All Residents' obligations are to be performed in the County where the Premises is located. Owner's past delay or non-enforcement of rent payment due date or any other provision hereof shall not be a continuing waiver thereof under any circumstances. To enforce any breach or in any lawsuit involving statutory or contractual obligations of Owner or Resident, the non-defaulting party shall be entitled to recover costs of collection, attorney's fees, court costs, and all other costs from the defaulting party regardless of whether the matter is litigated or not. **All amounts past due and/or in any lawsuit the entire judgment shall bear interest from due date at the rate of twenty four percent (24%) per annum compounded daily until paid.** Any clause declared invalid by law shall not invalidate the remainder of this Agreement. In the event Resident brings a claim against Owner or its agents with a state or federal agency, Owner shall be entitled to recover as against Resident any attorney fees and/or costs and damages for its time (including an hourly rate for Owner or its agent's time) if the agency fails to make a finding against Owner. This Agreement may not be assigned by Resident nor can Resident sub-let the premises. In the event obligations under this agreement or its addendums is assigned to a licensed collection agency or attorney, a collection fee of forty percent (40%) of the debt/obligation assigned shall be added to the amount owed pursuant to the terms hereof and as allowed by law.

**Miscellaneous**

**Monthly Rent is due on or before the first day of each month by 5:00 p.m. local time.** Rent paid after such date and time is delinquent. If all rent and other accrued fees are not paid on or before the date stated in Rent And Fees above,

before 5:00 p.m. (Time determined by time at Owner's office), Resident agrees to pay a late charge as stated above. Any payment due must be paid before 5:00 pm on the due date or will be deemed paid late. Any check returned shall accrue the maximum charges as allowed by law which shall be in addition to the late fees. In the event, Owner determines to serve any notice upon Resident due to Resident's failure to pay rent or for Resident's violation of this Agreement, Resident shall be liable to Owner for the Service of Notice Fee stated above. Owner may without notice require payments in money orders or certified funds. Acceptance of personal checks is not required. Electronic payments are not deemed received if paid after service of an eviction notice. Owner shall be entitled to reject and return any funds paid electronically if done so within five (5) days after Resident gives notice in writing of such payment. Resident shall notify Owner in writing when paying electronically. **Any dispute in amounts due by Resident must be stated in a separate written notice provided to Owner and not merely stated on the face or rear of a negotiable instrument.** Such dispute must be mailed to the Owner at the registered agent's office or delivered to the address herein. As used in this Agreement, rent shall mean all obligations of this Agreement (and addendums) owed to Owner, including but not limited to, monthly rent, late fees, service fees, attorney fees, damages, month-to-month fees, court costs, pet fees, taxes, and security deposits. However, for accounting purposes only, payments shall be applied in the following order: first to damages, security deposits, late fees, services fees, month-to-month fees, other fees, court costs, attorney's fees, any and all other amounts due, and lastly to rent. The lease initiation fee provided herein shall be deemed to apply to the operational costs of Owner in preparation of documents, files, and such other costs incident to the leasing of the premises to Resident. It is in addition to any application fee which may be charged. The Eviction Turnover Fee shall be deemed to compensate Owner for costs and time related to preparation of materials for an eviction. The above rental rate is for an unfurnished Premise. Resident's right to possession and all Owners' obligations are expressly contingent on prompt payment of rent. Use of the premises by Resident is obtained only on the condition that the rent is paid on time. Payment of rent shall be an independent covenant and all monies received by Owner shall be applied first to non-rental obligations of Resident, then to the oldest amounts due, regardless of notations on checks. After the initial term above, at least thirty (30) days prior written notice is required for any rent increase unless stated otherwise herein. Each Resident does hereby grant to each of the other Residents herein the power to sign documents binding all of the Residents as it may pertain to this tenancy and this Agreement. By this Agreement each Resident herein grants a power of attorney to each other Resident to bind all Residents as it pertains to this Agreement, addendums, notices, and pleadings which relate to this tenancy, including the ability to accept service of process and give notices to Owner. Resident agrees that firearms and weapons are restricted from common areas and amenities.

#### Early Vacate

If Resident does not fulfill the entire initial term (even if such failure is due to eviction by Owner), Resident shall be liable to Owner for the costs incurred by Owner as a result of the early termination. These costs are in addition to the other damages and rent (including future rent) that may be assessed pursuant to this Agreement. They may include, but are not limited to: leasing agent costs, advertising expenses, turnover expenses, and such other costs incidental to re-renting the premises. If Resident vacates prior to the end of the initial term, all future rents under this Agreement shall accelerate and become immediately due. Resident shall additionally be responsible for damages, repayment of concessions, and such other provisions as contained herein. It is agreed that an eviction notice shall terminate occupancy but NOT the obligations to pay rent under this Agreement. It is agreed that termination notices pursuant to an eviction due to non-payment of rent or nuisance shall not relieve Resident from obligations for future rent until such time as the premises have been re-let or the expiration of the initial term whichever occurs first. Eviction at the end of a term shall still obligate Resident to pay for the time notice should have been given as required by this agreement for vacating the premises.

#### Rent Increases

If, during the lease term, taxes (non-property), utilities, governmental fees, or other common expenses paid by Owner increase in any year in excess of five percent (5%), Owner may increase Resident's monthly rental amount in a pro-rata amount (formula to be determined by Owner) with thirty (30) days written notice. In addition, if any utility or governmental entity creates a new fee, tax, or assessment at any time during the tenancy, such amount may be assessed directly to Resident in a pro-rata amount as stated herein or as otherwise assessed by such entity. Business license fees may be directly passed on to Resident as they are imposed by any municipality. Payment of such amount is due five (5) days after Owner sends the billing. Owner may not assess Residents an amount greater than Owner is assessed. Owner may make any such assessments based upon a reasonable formula that requires one hundred percent of the new assessment to be paid by the Residents.

#### Default by Owner

Owner agrees to act with diligence to: (a) keep common areas reasonably clean, (b) maintain fixtures, furniture, hot water, heating equipment; (c) remain in substantial compliance with accepted federal, state and local laws regarding safety and sanitation; and (d) make all reasonable habitability repairs subject to Resident's obligation to pay for damages caused by Resident, its guests, third parties, or other occupants.

#### Resident Default

The following events shall constitute events of default: (a) failure to pay any rent, deposits or other amounts agreed to herein or any other sums due and owing by Resident to Owner pursuant to any terms of this Agreement and addendum; (b) failure to perform all or any part of this Agreement or a violation of this Agreement or any of the rules and regulations adopted by Owner or of any law; (c) Resident's abandonment of the premises--abandonment is hereby agreed to mean Resident's absence from the premises for fifteen (15) consecutive days without first notifying Owner in writing and with the rent unpaid and no reasonable evidence that Resident is occupying premises other than items of personal belongings left in said Premises OR by vacating the premises without providing appropriate notice; (d) violation by Resident, an occupant, or any guest of any state, federal, or local law or ordinance including the violation of any such law by an occupant or resident while living in the premises regardless of where the violation occurs; (e) allowing the property to be named on any listing relating to sex offenders; (f) Resident agrees not to take any action which may jeopardize Owner's status within any good landlord program; (g) if Resident holds over and fails to vacate on or before the required move-out date (i.e., the end of current lease term, the end of the month or any renewal or extension period, or the move-out date agreed to by both parties) Resident shall be liable to pay rent for the hold-over period and to indemnify Owner and/or prospective Resident for damages including rental loss, lodging expenses and attorney's fees. Hold-over rent shall be immediately due on a daily basis and delinquent without notice or demand. Resident shall be liable to Owner for any and all costs incurred as a result of any breach by Resident. Notice of termination of housing assistance by any housing authority (if Resident's qualification included such assistance) shall



be deemed a default of this Agreement and grounds for immediate termination and eviction.

#### Illegal Acts

Resident may be evicted from the Premises without further notice or opportunity to cure for any illegal activity conducted by Resident, any occupant, or guest whether or not such activity is cited by a police authority. It shall be considered a breach of this Agreement for any Resident or occupant to commit a criminal act on the premises or *elsewhere* while an occupant of these premises. Prior undisclosed or unresolved criminal acts shall also be a breach. It is the responsibility of Resident to fully disclose all prior criminal activity, including but not limited to, convictions, pending charges, and plea bargains of all Occupants including minors. Resident has an affirmative duty to keep its premises from being reported on any Sex Offender's list. Any such listing is grounds for immediate eviction.

#### Lien

By this Agreement, Resident grants to Owner a security interest in any and all property which is placed on the property of Owner pursuant to the Resident's occupancy of the Premises. This shall include any and all property in the Premises, storage areas, parking lots, common areas, or other Premises of Owner. The right to execute and take possession upon this security interest shall become effective upon any rent or fees being due and unpaid. Owner shall have the right to retain such property and utilize it to satisfy any monies due under this Agreement. Owner may file a security filing with any governmental agency as notice of this Lien. This security interest shall be deemed effective against all property in the premises and shall be in addition to the statutory Landlord's Lien. Owner may inspect the Premises at any time that there is an unpaid balance due for purposes of preparing an inventory of the secured items. Sale of items under this provision may take place with seven (7) days written notice to the last known address of Resident. Resident agrees to waiver of notice of the sale, to the sale being a public auction, to the sale taking place at a location determined by Owner within the State, notices to be posted at the location of the sale and listed in the electronic version of any paper within the State, and to be held at such time and day as determined by Owner.

#### Abandonment

In the event, Resident abandons any personal property on the premises with Owner, such abandoned property may be sold, donated, or disposed of by Owner as allowed by law. This shall include any and all property in the Premises, storage areas, parking lots, common areas, or other Premises of Owner. Owner shall have the right to retain any abandoned property and utilize it to satisfy any monies due under this Agreement. Sale of items under this provision may take place with five (5) days written notice to the last known address of Resident. Resident agrees to waiver of notice of the sale, to the sale being a public auction, to the sale taking place at a location determined by Owner within the State, notices to be posted at the location of the sale and listed in the electronic version of any paper within the State, and to be held at such time and day as determined by Owner.

#### Animals

Resident may not keep, allow, or maintain animals of any kind on or near the premises for any length of time without the prior written consent of Owner. For any violation of this provision, in addition to Owner's other remedies, Owner may charge and collect the sum of \$50 per day, per violation. All costs of cleaning, de-fleaing or other damage or loss suffered on account of a violation of this section shall be promptly paid to Owner by Resident. Violation of this provision will allow Owner to commence eviction on the basis of nuisance without any further notice or opportunity to cure. Resident is required to get approval for any companion or service animal PRIOR to the animal coming onto the premises. Failure to obtain prior approval is a significant violation of this agreement which shall allow for immediate eviction. Owner may create and maintain such rules and regulations relating to animals as Owner, in its sole discretion, determines appropriate.

#### Tax Pass-Through

Owner may pass through to Resident a pro-rata amount of the property taxes assessed against the entire premises. Such amount shall be billed monthly and be deemed to be part of the rent due each month. Owner shall inform Resident of the assessment at the commencement of the term (or may commence such assessment at any time with thirty days' notice) and may increase such assessment upon thirty (30) days written notice. Owner may utilize any such formula for pro-rating the tax assessment provided that the aggregate amounts billed to all residents may not exceed the actual property tax for the entire property.

#### Utilities

Utilities shall be used for ordinary household purposes only. Resident will provide and pay for all utilities except those listed below or those for which a separate agreement is entered into concurrently. All utility services whether provided by Owner or Resident, are subject to interruption or temporary termination for the purpose of repairs, alterations, or improvements to the Premises or for emergency reasons. Any such interruption or temporary termination of utility service shall not constitute a default by Owner, nor is Owner liable for interruption or termination. In any event, Resident shall be responsible for its own telephone service, cable service (unless specifically stated otherwise), and any other optional service which may be deemed a utility. Resident must obtain written approval to install a satellite dish and sign an addendum to this Agreement. Resident shall establish the utilities for which it is responsible in its name immediately. If Resident fails to establish the utilities, Owner may at its option terminate this Agreement or bill Resident a handling fee of \$50 per utility per month. It is required that all Residents have both gas and electrical service. Owner may establish a policy for payment of pro-rating utilities that are not directly metered, including but not limited to sewer, water, and garbage and may charge Resident a monthly administrative fee for such utility billing.

#### Utilities to be paid and established by Owner No

#### Pests

It is acknowledged that most pest problems result from the actions of residents and that such problems often cannot be detected by Owner. Resident acknowledges and warrants that any and all furnishings, clothing, food items, and other materials that are brought into the premises or upon Owner's property are free from any type of pest infestation

including but not limited to bed bugs, mice, lice, and cockroaches. Resident warrants and represents that none of the items brought onto Owner's property or within the premises have been exposed to such pests and that all such items have been inspected by Resident. Resident agrees that during its tenancy, it warrants to Owner that no infested items will be brought into the premises or on Owner's property. Resident agrees that it will be responsible for all costs relating to removal, extermination, control, cleanup, and management of pests which are brought in by Resident, its guests, occupants, or others (intentionally or not). Resident further agrees to be responsible for all costs relating to removal, extermination, control, cleanup, and management of pests which exist or whose existence is supported by the actions or inactions of Resident, particularly issues relating to cleanliness and clutter of the premises. Pests include but are not limited to cockroaches, bed bugs, mice, ants, lice, and moths. Resident agrees to assist in enforcement of this provision by reporting to management any violations. Resident agrees to notify Owner immediately of any infestation or sighting of any pests within the premises. Resident may hire any licensed and bonded pest control/extermination company to remedy such infestation but shall notify Owner prior to such company entering the premises. All costs related to resolution of any pest problem shall be the responsibility of Resident. In the event it is necessary for Owner to obtain pest control for another unit, a whole building, or the entire community, Resident agrees that it will pay its pro-rata share of the costs relating to such pest control regardless of the source of the pest problem and shall be responsible for the full cost if the infestation. It is agreed and acknowledged that a pest problem may spread to other units. Failure to Resident to notify Owner and take appropriate action may result in additional units becoming infested. All costs relating to resolution any pest infestation that is caused or exacerbated by Resident shall be paid by Resident. These costs include but are not limited to actual costs of pest control/extermination, loss of rents, replacement of infested/damaged materials, and any such other costs as may be incurred. Violation of this provision is grounds for eviction. Resident agrees that it shall hold harmless Owner from any and all damages relating to pests within the premises; extermination, control or cleanup of pests; damages to personal property from pests; and any and all other damages relating to pests, regardless of their source.

#### Smoking

Smoking may or may not be allowed on the premises. However, Owner may restrict smoking altogether at any time. Resident waives any right to a cause of action for a nuisance pursuant to Utah Code 78B-6-1101(3) (smoke and second hand smoke) and holds Owner harmless for any damages relating to smoke. Resident acknowledges that it has been informed that smoke from outside the premises or from adjoining premises may drift into Resident's premises. Resident specifically agrees to abide by the smoking policies of Owner which may prohibit smoking. This waiver shall apply to all residents, occupants, guests, and minors. Second hand smoke is defined as a nuisance and may be a cause for eviction. Resident shall abide by any regulations promulgated by Owner regarding smoking. Further Resident acknowledges that smoking damages the premises and agrees to pay for any such damage.

#### Insurance

Resident shall be obligated to maintain liability insurance for Owner. Coverage is required in the amount of One Hundred Thousand Dollars (\$100,000.00) for damage to Owner's and third party's property with the provisions covering at least perils of fire, explosion, sewer backup, smoke, and accidental water discharge. Owner shall be named as an additional insured or listed as an Interested Party on Resident's policy. Such policy shall be written as a policy not contributing with and not in excess of coverage which Owner may carry. It is agreed that Owner carries insurance for its protection and that Resident is not a beneficiary of such insurance. Resident shall be responsible to Owner for all costs of repair for damages as stated herein and within this agreement regardless of insurance that Owner may carry. Unless Resident provides evidence of renter's insurance, Resident shall automatically be obligated to pay the Additional Rent for Waiver of the Requirement for Renter's Insurance. The charges listed above under Additional Rent for Waiver of the Requirement for Renter's Insurance shall abate if Resident procures its own renter's insurance that meets the requirements outlined in this provision. Resident shall be required to provide proof of such insurance in the month prior to receiving any abatement. If Resident determines to obtain the waiver of insurance and pay the Additional Rent for Waiver of the Requirement for Renter's Insurance, Resident shall still be responsible for any and all damages it may cause to the premises as stated herein. Further Resident acknowledges that other Resident's may elect the waiver and may not obtain Renter's Insurance. Resident agrees to hold harmless Owner for any and all damages sustained as a result of another resident, and further acknowledges that other residents may not carry Renter's Insurance to protect Resident.

#### Cash Payments

Resident agrees that it will not make any payment required by this agreement in cash. Cash will not be accepted by Owner and any cash payment shall not be deemed to be a valid payment on any obligation under this agreement. Resident agrees to notify Owner of any request by any agent, employee, or manager to make any payment in cash. No cash payment shall be evidence of any payment required by this agreement. However, this provision shall not apply to any payments which are made to Owner's attorney pursuant to an eviction or collection matter.

#### Other Obligations / Conditions:

**Move-in Discounts - Concessions:** Subject to completion of the terms of this lease, Owner shall grant to Resident the following discounts:  
See Concession Addendum.

*In the event Resident fails to complete the entire term (regardless of the reason, even eviction by Owner) or violates any other term of this Agreement, Owner shall be entitled to recover the amounts stated above that were discounted to Resident. It is agreed that any concession shall be deemed a rental payment deferment which shall become due and payable upon breach or at the termination of the lease unless the lease is completed wherein the deferred rental payment shall be forgiven.*

*This is a binding legal document.*

*Resident acknowledges reading all of this Agreement and any addendum carefully before signing. Residents are jointly and severally liable for all the terms, conditions, and payments due pursuant to this Agreement and its addendums.*

RESIDENT OR RESIDENTS: (All Residents Must Sign)

OWNER OR OWNER'S REPRESENTATIVE

Charles Scoville  
Resident - Charles Scoville

08/01/2016  
Date

\_\_\_\_\_  
Owner's Representative - Apt # Z-9

Resident's Email Address for Notices:

[REDACTED]

Owner's Address for Notices:

Community Name (Owner) Hunters Woods

Address 4924 S. Murray Blvd City Murray State UT Zip 84123

Telephone number 8012682256



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## Resident Information

Date: \_\_\_\_\_ Apartment: Z-9

Please list the names and Birthdays of everyone residing in your Apartment

Names	Birthday (Year not required)
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Employers: _____	_____
Work Phone #: _____	Work Phone #: _____
Home Phone #: _____	Cell Phone #: _____
Email Addresses: _____	_____

Vehicles:

Make: _____	Model: _____	Color: _____
Make: _____	Model: _____	Color: _____

Emergency Contacts:

Name: _____	Home Phone #: _____
Relationship: _____	Work Phone #: _____
Name: _____	Home Phone #: _____
Relationship: _____	Work Phone #: _____

Charged with or convicted of a felony or a misdemeanor crime against a person that was resolved by conviction, probation, deferred adjudication, court-ordered community supervision or pre-trial diversion?    Yes    No    If yes, please explain:

\_\_\_\_\_

It is acknowledged and agreed that during the tenancy all persons occupying the premises will be legally residing within the United States.

<u>Charles Scoville</u>	<u>08/01/2016</u>
Resident - <b>Charles Scoville</b>	Date

\_\_\_\_\_ Apt # Z-9

Owner's Representative -

Thank you for taking your time to help us update our records.

**Hunters Woods Staff**

## Insurance Addendum

This addendum is entered into on the date below between the parties signed below. It is intended to be a part of the lease agreement between the parties for leasing a residential rental unit.

Resident(s): Charles Scoville

Premises: Hunters Woods, 4927 S Murray Blvd, Apt. #Z-9, Murray, Utah 84123

**It is acknowledged that Resident has been informed as to the importance of Renter's Insurance to protect Resident's property and cover liability of Resident. Resident is aware of the availability of Renter's Insurance and the relative minimal cost of such insurance.**

Resident is required to carry Renter's Insurance. Resident agrees to provide Owner with a copy of the insurance policy with express liability limits of at least one hundred thousand dollars (\$100,000.00) prior to move in. Such policy must remain current during the entire term of tenancy. Resident shall provide Owner with a Certificate of Insurance with the agents name and telephone number and the insurance's term. Such Certificate shall be provided prior to Resident taking occupancy. Resident shall provide Owner with a new certificate within five days of obtaining a new or renewed policy. In the event Resident allows the policy to lapse during the term of the tenancy, Resident shall be liable for a lapse fee of \$200.00 for each month or portion of a month for which the policy is not in effect. Such fee shall not limit the liability of Resident. Resident shall still be obligated for such costs and damages not covered by the insurance.

Dated this 08/01/2016

Charles Scoville  
Resident - Charles Scoville

08/01/2016  
Date

\_\_\_\_\_  
Owner's Representative - Apt # Z-9

## CONCESSION ADDENDUM

Premises Address: Hunters Woods, 4927 S Murray Blvd, #Z-9, Murray, Utah 84123

This is an addendum to the Residential Rental Agreement executed herewith. It applies only to the initial term of the agreement and not to any renewals.

The benefits and discounts granted herein, shall be given to Resident provided that Resident completes the entire term of the lease and does so without breach of any term or condition. In the event that the Resident fails to complete the entire term (regardless of the reason, even eviction by Owner) or violates any other term of the agreement, Owner shall be entitled to recover all amounts stated below that were discounted to Resident.

*If Resident fails to pay their rent by the prior to the day the late fee is added on more than one occasion during their lease term, Resident agrees that Owner shall be entitled to recover 100% of the monthly concession granted herein. Any concession that is granted on a monthly basis shall be revoked for that month if rent is not paid before the first day of the month.*

The concession granted shall be:

Monthly concession of \$26 off market rent if rent is paid timely per lease.

Charles Scoville

Resident - Charles Scoville

08/01/2016

Date

Apt #

Z-9

Owner's Representative -



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**LEASE ADDENDUM FOR AUTOMATED ELECTRONIC PAYMENTS OF RENT  
AND CERTAIN OTHER ITEMS**

1. **Addendum.** This is an addendum to the Residential Rental Agreement for Apartment # Z-9 at the premises identified below.
2. **Automated electronic payments.** "Automated electronic payments" include "Automated Clearing House" ("ACH") and "Credit and Debit Card" ("Card") transactions. ACH is the nationwide network of banking institutions that have agreed to process electronic payments automatically from Resident's bank account to Owner's bank accounts. "Card" refers to credit and debit card transactions, including those cards bearing the Visa, Mastercard, Discover and American Express logos. Collectively "automated electronic payments" are paperless transactions that occur instantly and automatically without a check being hand-processed through a local bank clearinghouse or the Federal Reserve System.
3. **Authorization to Enroll.** By executing this Lease Addendum, Resident is agreeing to be enrolled in an online payment program, and to allow Owner to create an online account for Resident. Resident is also agreeing to pay a one-time, non-refundable activation fee of **\$10.00**. Resident will be given a user name and password for access to this online account where Resident may initiate and manage ACH or Card payments or rent or other property-related payments.
4. **Right to opt out.** Enrollment in the online payment program is the only way ACH or Card payment will be accepted. However, enrollment is not required and Resident has the right at any time to give written notice of Resident's decision to withdraw from the program. Should Resident choose to do so, Resident will thereafter be required to make all payments by regular check, certified check, or money order according to the terms of the Residential Rental Agreement.
5. **Delinquency.** Access to the system will be restricted if any payment is considered "late" under the Residential Rental Agreement. At Owner's sole discretion, ACH or Card Payments that are "late" will not be allowed, or will only be accepted if paid in full. Owner has the right at any time to require Resident to pay all future rent payments by regular check, certified check or money order according to the terms of the Residential Rental Agreement, in lieu of payment through ACH or Card. Payments made through this system after service of any eviction notice must have prior written approval of management before the payment is made. Any unapproved payment made after service of an eviction notice shall be deemed rejected and shall be refunded (or otherwise retransferred) within thirty (30) days.

**SIGNED AND ACKNOWLEDGED**

Charles Scoville  
Resident - Charles Scoville

08/01/2016  
Date

\_\_\_\_\_  
Owner's Representative - Apt # Z-9

**WAIVER** – The undersigned Resident declines to enroll in the Automated Electronic Payment Program and will not be charged the activation fee.

Resident: \_\_\_\_\_ Date: \_\_\_\_\_  
(only sign if you are opting out)

Premises address: 4927 S Murray Blvd, Murray, Utah 84123

Email: [REDACTED]



## **PET AGREEMENT**

This Pet Agreement is entered into this date below and shall be considered an addendum to the Residential Rental Agreement between then parties signed below. This agreement is for the pet residing in the Premises located at: **Hunters Woods, Apt. # Z-9.**

In consideration of their mutual promises, Owner and Resident agree as follows:

Pet Deposit **\$0.00**

Pet Fee **\$0.00**

Monthly Pet Rent **\$0.00**

**A. Pet Fees:** Resident shall pay to Owner an additional Deposit as stated above. Such amount is to be treated as any other deposit if Resident according to the terms of the Residential Rental Agreement.

Resident shall pay a one - time non - refundable pet fees as stated above. Such fee shall not be applied to any damages done by the pet.

Resident shall pay additional monthly rent as stated herein so long as this agreement/addendum shall be no pro-ration of the additional rent for that month and the additional security deposit shall remain.

**B. Residents agree to abide by the following rules and those others as may be promulgated by Owner as part of the Rules and Regulations:**

- 1- Nuisance. The pet may not cause any damage to the premises. Nor may the pet cause any discomfort, annoyance, or nuisance to any other resident.
- 2- Sanitary Problems. All dogs and cats must be housebroken. The pet may not be fed or given water, or allowed to urinate or defecate, on any unprotected floor covering inside the dwelling unit. Residents shall immediately remove and properly dispose of all pet waste on the grounds. Resident agrees to pay a fee of \$200.00 each time it is determined that resident (or the pet described herein) fails to properly remove and dispose of pet waste on the premises.
- 3- Prohibited areas. The pet shall not be permitted in the laundry room, pool area, clubhouse, or other recreational facilities or areas.
- 4- Abandonment. Residents may not abandon the pet, leave it for any extended period without food or water, or fail to care for it if it is sick. The pet may not be left in the premises while resident has left for more than 10 hours. Owner may remove the pet and have it placed with the appropriate governmental agency or with the humane society if the animal is abandoned or left in violation of this agreement.
- 5- Compliance with Laws. Residents agree to comply with all applicable governmental laws and regulations.
- 6- Injuries. Residents shall be strictly liable for the entire amount of any injury to any person or property cause by the pet, and shall indemnify owner for all costs of litigation and attorney's fees resulting from same.
- 7- Move – out. After residents vacate the premises, they shall reimburse owner for the cost of de – fleeing, deodorizing, and shampooing necessary to protect future residents from possible health hazards.
- 8- Other remedies. This pet agreement is an addendum to the lease agreement between owner and residents. If any rule or provision of this pet agreement is avoided, Owner shall in addition to the foregoing, have all rights and remedies set fourth in the lease agreement for violations thereof, including but not limited to eviction, damages, costs, and attorney's fees.

The terms and conditions of this agreement are agreed to and acknowledged to become part of the residential rental agreement. The undersigned resident agrees to allow owner or its agents to take the above pet to the named veterinarian for any medical purpose of if found unauthorized within the community. The undersigned resident agrees to pay all costs relating to medical care for the pet or shelter for the pet and to indemnify owner from all liability and costs relating to the pet. Resident agrees to abide by any and all rules and regulations as may be promulgated from time to time by owner and to those rules and regulations that now exist.

Pet Type - None Pet Name - Breed - Mix Color - Age - Sex -

**DOG EXCLUSION LIST**

Akitas  
American Staffordshire Terrier  
American Pit Bull Terrier  
Staffordshire Bull Terrier  
Chow  
Doberman Pincher  
Presa Canarias  
Rottweiler  
German Shepherd  
Wolf or Wolf Hybrid  
Or  
Any Mix of these breeds

Please note this list is not inclusive and new/more breeds may be added at any time.

Charles Scoville 08/01/2016  
Resident - **Charles Scoville** Date

\_\_\_\_\_  
Owner's Representative - Apt # **Z-9**

## Snow and Ice Removal Personal Responsibility Addendum

This addendum is a supplement to the Residential Rental Agreement.

Owner and Residents agree and acknowledge that the premises are located in an area that receives significant amounts of snow and has temperatures that allow ice to form. It is agreed that Owner shall take reasonable steps to clear ice and snow from walkways and stairways, and to remove snow as practical from parking and driving areas. It is agreed that reasonable steps shall be for Owner to *commence* action to clear such areas within two hours of the cessation of snowfall during daylight hours or within the first two hours of daylight after a nightly snowfall that has ceased. It is acknowledged that it may take considerable time to remove snow and ice.

It is acknowledged that it is impossible to completely clear all areas of snow and ice. Resident agrees to assume and accept liability and responsibility for it, it's occupants, and it's guests safety while utilizing the walkways, stairways, parking lots, and driveways of the Owner's property. Resident shall supervise and assist all guests, minors, and occupants while on the premises. Owner shall only be liable for damages in the event of gross negligence by Owner in refusing to rectify a known defect that causes ice accumulation. Residents, occupants, and guests accept the risk of walking upon areas that have snow or ice accumulation. It is acknowledged that ice may form underneath snow accumulation and that there may be other unseen hazards under any snow, Resident acknowledges this and agrees to assume the risks associated with such. It is Residents obligation and responsibility to inform occupants and guests of this limitation in liability and to indemnify Owner from any claims relating to snow and ice.

Residents agree to notify Owner or its agents of any and all defects or of places where there could be a problem with ice or snow accumulation. Residents agree to take all steps necessary to assist in maintaining the safety of the walkways, stairways, parking lots and driveways. Resident agrees to hold harmless and indemnify Owner from any liability relating to damages from snow or ice sustained by Resident, it's guests, occupants, or other visitors and their property. Resident agrees to disclose and advise its guests as to this policy and agrees to indemnify Owner from any liability associated with claims from such guests.

So Dated 07/01/2016

Charles Scoville  
Resident - **Charles Scoville**

08/01/2016  
Date

\_\_\_\_\_  
Owner's Representative - Apt # Z-9



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RESIDENT EMAIL ADDRESS		RESIDENT CELL PHONE	
EMPLOYER	EMPLOYER CONTACT & PHONE	EMPLOYER ADDRESS	
EMERGENCY CONTACT NAME	CONTACT CELL	CONTACT ADDRESS	
BANK	ACCOUNT TYPES & #	CREDIT CARD TYPE & NUMBER	CARD EXPIRATION DATE
2ND EMERGENCY CONTACT NAME	CONTACT TELEPHONE	Do you have any animals in the premises?	Are all occupants listed on the lease?

## UTILITY AND SERVICES ADDENDUM

This is an Addendum to the Rental Agreement dated 08/01/2016 (the "Lease"), by and between Hunters Woods, solely as Agent for Owner (hereinafter "Agent") for the Owner of the Apartment Community known as Hunters Woods, and Charles Scoville (collectively hereinafter "Resident"), for the premises known as Z-9, Murray, 84123, County of Salt Lake, State of Utah ("Premises"). To the extent that the terms of this Utility And Services Addendum conflict with those of the Lease, this Utility Addendum shall control.

1. Resident shall be responsible for the payment of utility and service bills, including charges for usage, deposits, and any charges, taxes, fees, administrative fees or costs associated with the utilities and services and related billing costs or billing, and the method of billing, metering, or otherwise allocating the cost and charges to Resident for utilities and services, is indicated below.
  - (a) Water service to Resident's apartment and costs will be paid by Resident either:
    - ☐ Directly to the water service provider(s); or
    - ☒ The water service provider will bill Agent, and the Agent will allocate and bill Resident based on formula: 1
  - (b) Sewer/Storm Water service to Resident's apartment and costs will be paid by Resident either:
    - ☐ Directly to the sewer service provider(s); or
    - ☒ The sewer service provider will bill Agent, and the Agent will allocate and bill Resident based on formula: 5
  - (c) Trash service to Resident's apartment and costs will be paid by Resident either:
    - ☐ Directly to the trash service provider(s); or
    - ☒ The trash service provider will bill Agent, and the Agent will allocate and bill Resident based on formula: 4

### FORMULAS / ALLOCATION METHOD KEY

- "1" - Per Occupant. Each Occupant is equal to 1 full occupant. 1 occupant = 1; 2 occupants = 2, 3 occupants = 3. The total number of occupants in Resident's unit is divided by the total number of occupants currently residing at the community, the result is multiplied by the total bill. This result is the utility or service cost per unit. This formula does not pro-rate based on move-in date.
  - "2" - Additional Occupants are 70% of an Occupant. The first occupant is equal to 1, and each additional occupant per unit is counted as 70% of an occupant. 1 occupant = 1, 2 occupants = 1.7, 3 occupants = 2.4, etc. Total costs for utilities and services is computed in accordance with Formula 1 above, except the total number of occupants per unit is computed in accordance with this paragraph. This formula does not pro-rate based on move-in date.
  - "3" - Per Unit. Each unit is billed equally regardless of the number of occupants or square feet, this item does pro-rate based on move-in date. The total bill for the utility or service is divided by the total number of occupied units at the community, and the result is the utility or service cost per unit.
  - "4" - Flat Rate. Each unit is billed an equal flat rate per month regardless of number of occupants or square feet, this item does not pro-rate based on move-in date.
  - "5" - Per Foot based on total occupied square feet. The total utility or service bill is divided by the total number of occupied square feet, and the result is multiplied by the square feet of each individual unit. This result is the utility or service cost per unit. This item does not pro-rate based on move-in date.
  - "6" - 50% Per Occupant/50% Per Foot. The total bill for a utility or service is divided by two to get one half the total utility or service cost. One half the total cost is divided by the number of occupants at the community, the result is the per occupant cost. The per occupant cost is then multiplied by the number of occupants in Resident's unit, and the result is the 50% per occupant cost. One half the total cost is then divided by the total rentable square feet at the community, the result is then multiplied by the square feet of each individual unit, the result is the 50% square foot cost per unit. The sum of the "50% per occupant cost" and the "50% square foot cost per unit" is the total utility or service cost per unit. This formula does not pro-rate based on move-in date. For example, a \$5,000 total utility or service bill for a community with 450 occupants, and 250,000 square feet would result in the following bills for a 1,000 square foot unit based on the following occupancy: 1 occupant would pay \$15.56, 2 occupants would pay \$21.11, and 3 occupants would pay \$26.67.
  - "7" - Meter Reading. Each unit is billed for the difference between the previous meter reading and the current meter reading for each units metered item.
2. If an allocation method or flat fee is used Agent, Owner, or their billing company will calculate Resident's allocated share of the utilities and services provided and all costs in accordance with state and local statutes. Under any allocation method or flat fee, Resident may be paying for part of the utility usage in common areas or in other residential units as well as administrative fees. Both Resident, Agent, and Owner agree that using a calculation, allocation formula or flat fee as a basis for estimating total utility and service consumption is fair and reasonable, while recognizing that the allocation method may or may not accurately reflect actual total utility or service consumption for Resident. Where lawful, Agent may change the above methods of determining Resident's allocated share of utilities and services and all other billing methods, in Agent's sole discretion, and after providing written notice to Resident. More detailed descriptions of billing methods, calculations and allocation formulas will be provided upon request.

3. When billed by Agent or Owner directly or through Agent's or Owner's billing company, Resident's payment of utility and/or services bills must be received by the due date issued on the bill, which will be the 1st of each month, or the payment will be late. The late payment of a bill or failure to pay any utility and/or services bill is a material breach of the Lease and Agent will exercise all remedies available under the Lease, up to and including eviction for nonpayment. To the extent there is a billing fee for the production of any utility or services bill or a set-up charge or initiation fee by Agent, Owner or their billing company, Resident shall pay such billing fee in an amount not to exceed \$7.00 per billing period and such set-up charge/initiation fee in an amount not to exceed \$25.00.
4. Resident will be charged for the full period of time that Resident is living in, occupying, or responsible for payment of rent and utility or service charges on the apartment. If Resident breaches the Lease, Resident will be responsible for utility and service charges for the time period Resident was obligated to pay the charges under the Lease, subject to Agent and Owner's mitigation of damages. In the event Resident fails to timely establish utilities and services, Agent may charge Resident for any utilities and services billed to Agent or Owner with respect to Resident's apartment and may charge a reasonable billing fee for billing Resident for such utilities and services in an amount not to exceed \$7.00.
5. When Resident moves out, Resident will receive a final bill, which may be estimated by Agent based on Resident's prior utility and services usage. This bill must be paid at the time Resident moves out or it will be deducted from Resident's security deposit, as permitted by state law. Unless prohibited by law, bills may also be estimated on a temporary basis when necessary due to equipment malfunctions or other problems.
6. Agent and Owner are not liable for any losses or damages Resident incurs as a result of outages, interruptions, or fluctuations in utilities or any other services provided to the apartment unless such loss or damage was the direct result of an intentional or negligent act or omission by Agent, or Agent's employees. Resident releases Agent and Owner from any and all such claims and waives any claims for offset or reduction of rent or diminished rental value of the apartment due to such outages, interruptions, or fluctuations.
7. Resident agrees not to tamper with, adjust, or disconnect any utility or services sub-metering system or device. Violation of this provision is a material breach of Resident's Lease and may subject Resident to eviction or other remedies available to Agent under Resident's Lease and this Addendum.
8. Agent and Owner have the sole authority to select and approve all utility and services providers who may provide services to Resident(s) at the apartment community, to the extent not prohibited by law.
9. Where lawful, all utilities, charges and fees of any kind under this lease shall be considered additional rent, and if partial payments are accepted by Agent or Owner, they will be allocated first to non-rent charges and to rent last.
10. This Addendum shall be enforced to the fullest extent lawful. This Addendum is designed for use in multiple jurisdictions, and no billing method, charge, or fee mentioned herein will be used in any jurisdiction where such use would be unlawful. Any determination by a court of competent jurisdiction that a provision of this Addendum is legally invalid or unenforceable shall not diminish the validity or enforceability of the remaining provisions.
11. Special Provisions. The terms of this section supercede any other conflicting terms of this Addendum.

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I have read, understand and agree to comply with the preceding provisions:

Charles Scoville  
Resident - Charles Scoville

08/01/2016  
Date

\_\_\_\_\_  
Community Manager Hunters Woods - Solely As Agent for Owner: Apt # Z-9

## Collection Policy

1. Rent is due on or before the 1st of the month
  - Two party checks cannot be accepted
  - No payroll checks are to be taken inclusive of government checks.
  - Checks may not be post dated.
  - No cash accepted
2. There will be a late fee of \$150.00 on the 3rd after 5:00 PM.
3. A "Three (3)-day Notice to Pay or Vacate" will be served on the 4th day of the month with a service charge of \$25.00.
4. Checks are not accepted after the 6th day of the month. Rent will need to be paid by certified funds (i.e. Cashiers Check or Money Order).
5. Any unpaid rent amounts will be sent to our attorney for collection and/or eviction after the "Three(3)-day Notice to Pay or Vacate" has elapsed.
6. Returned checks (Non-sufficient Funds, Account closed, etc.) will be handled as follows:
  - Charged late fees from the 3rd day of the month after 5:00 PM.
  - Charged a \$20.00 returned check fee
  - Served a Three (3)-day Notice to Pay or Vacate.
  - Checks will no longer be accepted as payment for rent after NSF checks are received.

I have read and understand the collection Policy.

Charles Scoville, 08/01/2016  
(Signature) - Charles Scoville



## CARBON MONOXIDE & SMOKE ALARM ADDENDUM

This Addendum is entered into on the date below between the parties signed below. It is intended to be part of the Residential Rental Agreement between the parties for leasing a residential rental unit.

**1. Carbon Monoxide & Smoke Alarm.** Resident acknowledges that installed in the Premises is/are one or more operational smoke alarm(s). The Premises may have one or more carbon monoxide alarm(s). Resident shall immediately notify Owner if any alarm sounds an alert or otherwise goes off. Failure to notify Owner shall be grounds for eviction. Nothing in this addendum shall be deemed to obligate Owner to install any alarm, nor represent that such alarms exist. Resident acknowledges that it has inspected the premises and is aware of the existing alarms and verifies that they are all operational. Resident may provide its own alarms in addition to those in the premises.

**2. Maintenance.** Resident shall keep all carbon monoxide and smoke alarms in good repair. Resident agrees to periodically test the alarms to ensure the alarms are operable. Resident shall not remove the batteries from the alarms or render them inoperable except to replace the batteries in the alarm. It shall be the responsibility of Resident to replace batteries in the alarms at Resident's expense.

**3. Repair.** Resident shall notify the Landlord in writing if any carbon monoxide or smoke alarm is stolen, removed, found missing or found not operational during the Resident's occupancy of the Premises. Resident shall notify the Landlord in writing of any deficiency in any carbon monoxide or smoke alarm that the Resident cannot correct. Upon said written notification from the Resident, Landlord shall replace any carbon monoxide or smoke alarm that was stolen, removed, found missing, or found not operational during the Resident's occupancy or fix any deficiency in a carbon monoxide or smoke alarm. Resident shall have no cause of action in the event of an inoperable carbon monoxide or smoke alarm if Resident failed to give the Landlord notice of such.

**4. Hold Harmless.** Resident agrees that if the Landlord installs the carbon monoxide and/or smoke alarms in accordance with the manufacturer's published instructions, that Resident shall release Landlord from any claim for relief for any damages resulting from the operation, maintenance, or effectiveness of the alarms. Resident agrees on behalf of itself, its ancestors, dependents, children, heirs, executors, agents, administrators and assigns to release Landlord from any liability concerning the carbon monoxide or smoke alarms except for gross negligence. By this agreement, Resident on behalf of itself, its ancestors, dependents, children, heirs, executors, agents, administrators and assigns agrees to hold harmless Owner, its agents, management, assigns, and successors from any and all liability due to the failure for any reason of the carbon monoxide or smoke alarms. Resident on behalf of itself, its descendants, ancestors, dependents, children, heirs, executors, agents, administrators and assigns, further agrees to indemnify Owner, its agents, management, assigns, and successors from any liability, costs, or damages resulting from anything to do with the carbon monoxide or smoke alarms. Resident assumes full and complete responsibility for all risks and hazards attributable to, connected with or in any way related to the operation, malfunction or failure of the carbon monoxide and smoke alarms regardless as to whether such malfunction or failure is attributable to, connected with or in any way related to the use, operation, manufacture, distribution, repair, servicing or installation of said alarm. Landlord or Landlord's employees have not made and expressly disclaims any representations or warranties, express or implied, with respect to the said alarms, including Merchantability and Fitness for a Particular Performance. Landlord shall not be liable for damages or losses to person or property caused by (1) Resident's failure to regularly test the alarms; (2) Resident's failure to notify Landlord by writing of any problem, defect, malfunction, or failure of the alarms; (3) Resident's failure to notify Landlord by writing of theft of the alarms or its serviceable battery; (4) Resident's failure to replace batteries or to otherwise maintain the alarms in working order; and/or (5) false alarms produced by the alarms.

Charles Scoville

Resident - Charles Scoville

08/01/2016

Date

Apt #

Z-9

Owner's Representative -





## BEDBUG ADDENDUM

This document is an Addendum and is part of the Rental/Lease Agreement, dated 08/01/2016 between Hunters Woods "Owner/Agent" and Charles Scoville "Resident" for the premises located at 4927 S Murray Blvd Unit # Z-9, Murray, Utah 84123.

It is our goal to maintain the highest quality living environment for our Residents. The Owner/Agent has inspected the unit prior to lease and knows of no bedbug infestation. Residents have an important role in preventing and controlling bed bugs. While the presence of bed bugs is not always related to the personal cleanliness of housekeeping, good housekeeping will help control the problem by identifying bed bugs, minimizing an infestation and limiting its spread.

Resident(s) represent(s) that all furnishings and other personal property that will be moved into the unit are free of bedbugs.

CS (Resident Initials)

CS (Resident Initials)

CS (Resident Initials)

CS (Resident Initials)

Resident agrees to maintain the premises in a manner that prevents the occurrence of a bedbug infestation in the premises.

Resident agrees to uphold this responsibility in part by complying with the following responsibilities:

1. Resident shall practice good housekeeping, including the following:

- Resident shall **remove clutter**. Bed bugs like dark, concealed places, such as in and around piles of clothing, shoes, stuffed animals, laundry, especially under the bed and in closets. Reducing clutter also makes it easier to carry out housekeeping.
- Resident shall **keep the unit clean**. Vacuum and dust regularly, particularly in the bedroom, being especially thorough around and under the bed, drapes, and furniture. Use a brush attachment to vacuum furniture legs, headboard, and in and around the nightstand. While cleaning, look for signs of bed bugs, and report these immediately.
- Resident shall **avoid using secondhand or rental furnishings**, especially beds and mattresses. Used items are often infested with bed bugs. If you must use rented or secondhand items, inspect them carefully, and never accept any item that shows signs of bed bugs. Resident shall not bring discarded items from the curbside into the unit.
- Resident shall **cover mattresses and box springs with zippered, vinyl coverings**. These are relatively inexpensive, and can prevent bed bugs from getting inside the mattress, their favorite nesting spot. The covers will also prevent any bugs inside from getting out; they will eventually die inside the sealed cover (though this may take many months). Thicker covers will last longer.
- Residents shall **arrange furniture to minimize bed bug hiding places**. If possible, keep beds and upholstered furniture several inches away from the walls. Bed bugs can jump as far as three inches.
- Residents shall **check for hitch-hiking bedbugs**. If you stay in a hotel or another home, inspect your clothing, luggage, shoes, and belongings for signs of bed bugs before you enter your apartment. Check backpacks, shoes, and clothing after visits to friends or family, theaters, or after using public transportation. After guest visit, inspect beds, bedding, and upholstered furniture.

2. Residents shall report any problems immediately. Specifically, Residents shall:

- **Report any signs of bed bugs immediately**. Do not wait. Even a few bugs can rapidly multiply to create a major infestation that can spread from unit to unit.
- **Report any maintenance needs immediately**. Bed bugs like cracks, crevices, holes, and other openings. Request that all openings be sealed to prevent the movement of bed bugs from room to room.

3. Resident shall cooperate with the pest control efforts.

If your unit (or neighbor's unit) is infested with bed bugs, a pest management professional may be called in to apply pesticides. The treatment is more likely to be effective if your unit is properly prepared. Resident complies with the recommendations from the pest management professional, including:

- **Removing all bedding** (bed skirts too), drapes, curtains, and small rugs; bag these for transport to the laundry or dry cleaner.
- **Checking mattresses carefully**; those with minimal infestation may be cleaned, encased in vinyl covers, and returned to service. Heavily infested mattresses are not salvageable; seal these in plastic and dispose of the properly.
- **Emptying dressers, nightstands, and closets.** Remove all items from the floors and surfaces. Inspect every item for signs of bed bugs. Using sturdy plastic bags, bag all clothing, shoes, boxes, toys, stored goods, etc. Bag washable and non-washable items separately. Take care not to tear the bags, and seal them well. Used bags must be discarded properly.
- **Vacuuming floors**, including inside closets. Pay special attention to corners, cracks, and dark places.
- **Vacuuming all furniture**, including inside drawers and nightstands. Vacuum mattresses, box springs, and upholstered furniture, being sure to remove and vacuum all sides of loose cushions, as well as the undersides of furniture.
- **Carefully removing vacuum bags**, sealing bags in plastic, and discarding.
- **Cleaning all machine-washable bedding drapes, clothing, etc.** Use the hottest water the machine provides, and dry at highest heat setting. Take other item to a dry cleaner, but be sure to advise the dry cleaner that the items are infested. Discard any items that cannot be decontaminated.
- **Moving furniture toward the center of the room**, so that technicians can easily treat carpet edges where bed bugs congregate, as well as walls and furniture surfaces. Be sure to leave easy access to closets.

4. Resident agrees to indemnify and hold harmless the Owner/Agent from any actions, claims, losses, damages, and expenses, including, but not limited to, attorneys' fees that the Owner/Agent may sustain or incur as a result of the negligence of the Resident or any guest or other person living in, occupying, or using the premises.

The undersigned Resident(s) acknowledge(s) having read and understood the foregoing:

Charles Scoville  
Resident - Charles Scoville

08/01/2016  
Date

\_\_\_\_\_  
Owner's Representative - Apt # Z-9

# EXHIBIT 8

**From:** Thomson, Michael  
**Sent:** Thursday, October 27, 2016 12:11 PM  
**To:** Asmus, Natasha  
**Subject:** RE: Traffic Monsoon

**From:** Charles Scoville [mailto: [REDACTED]]  
**Sent:** Monday, August 01, 2016 4:11 PM  
**To:** Hunt, Peggy  
**Cc:** Thomson, Michael  
**Subject:** Re: Traffic Monsoon

I should tell you that this place in London is a place my wife is renting. It's in her name not mine. She has a house with her ex husband but they are not living together obviously because of their divorce, but the house is still in his and her name both. She moved out from there, and is renting here.

I have the flat in manchester and the rental in Murray. That's it. I wanted her to live with me in Manchester, but she said that place wasn't big enough for her and her kids along with my son. So I came here to be with her.

My wife has her house she owns it jointly with her ex. They are still working out what to do with their house.

She now rents here, and with her money she rented this place. She saved up money for an extension on her house, but after the split with her ex the plan to do that extension was something she didn't want to do anymore because what will happen with that house is still undecided.

My name isn't on the lease here. It never has been.

---

**From:** "hunt.peggy@dorsey.com" <hunt.peggy@dorsey.com>  
**To:** Charles.Scoville [REDACTED]; Charles.Scoville [REDACTED]  
**Cc:** thomson.michael@dorsey.com  
**Sent:** Monday, August 1, 2016 4:49 PM  
**Subject:** Traffic Monsoon

Charles,

What is your apartment address in London?

**Peggy Hunt**  
Partner  
Co-Chair, Bankruptcy Practice Group



DORSEY & WHITNEY LLP  
Kearns Building

136 South Main Street, Suite 1000 | Salt Lake City, UT 84101-1685

P: 801.933.8947

WWW.DORSEY.COM :: SALT LAKE CITY :: BIO :: V-CARD

**CONFIDENTIAL COMMUNICATION**

*E-mails from this firm normally contain confidential and privileged material, and are for the sole use of the intended recipient. Use or distribution by an unintended recipient is prohibited, and may be a violation of law. If you believe that you received this e-mail in error, please do not read this e-mail or any attached items. Please delete the e-mail and all attachments, including any copies thereof, and inform the sender that you have deleted the e-mail, all attachments and any copies thereof. Thank you.*

## EXHIBIT 9

Copies of Redacted Tax Returns are not being filed but will be provided to the Court.

# EXHIBIT 10



Copies of Redacted Tax Returns are not being filed but will be provided to the Court.

# EXHIBIT 11

### **SETTLEMENT AND MODIFICATION AGREEMENT**

Reference is made to that certain Consulting Agreement ("**Prior Agreement**") entered into on February 22, 2016 by and between: Charles Scoville ("**Scoville**") and Traffic Monsoon LLC, a Utah limited liability company ("**Company**"), on the one hand, and Simons Investment Company, a Colorado corporation ("**SIC**") and SMI Group LLC, a Delaware limited liability company ("**SMIG**"), on the other. Scoville and Company are collectively referred to herein as "**Client**."

This Settlement and Modification Agreement ("**Settlement Agreement**") is entered into by and among the Parties on July 22, 2016. Except as set forth in this Settlement Agreement, all terms defined in the Prior Agreement have the same meanings in this Settlement Agreement. The Prior Agreement and this Settlement Agreement are collectively referred to as the "**Complete Agreement**."

**Whereas** in connection with its efforts to resolve the PayPal Claims, Client retained the law firms Katten Muchin Rosenman LLP ("**KM**") as litigation counsel and Potter Anderson and Corron ("**PAC**") as local counsel in Delaware;

**Whereas** on April 19, 2016, Advisors commenced *Simons Investment Company et al v. Traffic Monsoon et al.* (Case SC125724) in California Superior Court, thereafter filed a related *ex parte* application for a writ of attachment with respect thereto, which the Court denied without prejudice and set a hearing on statutory notice. Prior to that hearing, on July 5, 2016, Advisors dismissed the complaint, without prejudice (the "**SIC Action**");

**Whereas** Client has provided an accounting to Advisors (the "**Gross Receipts Statement**") stating that Gross Receipts for the period from February 1, 2016 through June 26, 2016 totals \$28,901,521 (the "**June 26 Amount**") and Client represents and warrants the Gross Receipts Statement is accurate and sets forth all Gross Receipts for such period;

**Whereas** on July 5, 2016, Client paid to SMIG the sum of \$722,538 as the Percentage Fee for the June 26 Amount and SMIG is responsible for paying to SIC its portion thereof;

**Whereas** Client and Advisors agree that the PayPal balance for purposes of the PayPal Fee is \$47,211,684 ;

**Whereas** the Parties have determined that it is in their best interests to settle the SIC Action and that this Agreement does not constitute an admission of wrongdoing by any Party; and

**Whereas** the Parties may elect in the future to again collaborate, in which event the Parties will enter into mutually acceptable separate agreements with respect thereto.

The Parties hereby agree as to the recitals and further agree as follows:

**1. Certain Settlement Terms:**

**1.1.** The Term is hereby terminated, except that Phase I will continue until September 30, 2016 with respect only to certain limited services provided by Advisors described herein and Clients' obligations with respect thereto.

**1.2.** Promptly after complete execution of this Settlement Agreement and payment of the sum of \$1,525,000 to the Delman Vukmanovic LLP trust account ("**DVLLP**") as described below in Section 2.1, counsel for Advisors will advise counsel at Allied Wallet by email that the SIC Action has been fully and finally settled and will copy counsel for Client on such email. Thereafter, until September 30, 2016, Advisors will endeavor to facilitate an improvement in the

relationship between Allied Wallet and Client with the goal that Allied Wallet will resume servicing Company and thereafter support a credit card program with respect thereto (the "AW Effort").

1.3. Subject to Client providing requested information, in consultation with Client, until September 30, 2016 and thereafter if mutually agreed by the Parties, SIC and potentially SMIG will endeavor to develop traffic-building opportunities for Company. Any such efforts will be based on Client's representations, warranties and obligations to comply with applicable law. Advisors' efforts pursuant to this Section 1.3, including any AW Effort, do not and will not constitute an independent conclusion or representation by Advisors as to any legal matters pertaining to the potential business activity. The Parties understand and agree that Client may wish to seek advice of counsel with respect thereto.

1.4. Dan Bernstein has advised SMIG that he will assist Client with respect to creating a media campaign to communicate to people nationwide what Company has to offer in advertising services at cost savings over many other advertising service alternatives through at least late August 2016 for fees previously paid and reimbursement of any out of pocket costs and thereafter on financial terms mutually agreed by Bernstein and Client. Until September 30, 2016, SMIG will work with Bernstein or his successor and will direct that effort on behalf of Client. Advisors are not liable if Bernstein fails to perform in accordance with his advice to SMIG.

1.5. There can be no assurance as to the outcome of any activity undertaken by any of the Parties and no Party can guarantee the success of any strategy or effort. Client may determine in Client's sole discretion whether to enter into any arrangement or relationship referred to Client by Advisors. It is understood that the amount of time and nature of the contribution of each Advisor may vary. Advisors' services are rendered subject to the provisions of the Prior Agreement pertaining thereto.

1.6. Each Party represents, warrants and covenants that each of his or its representations and warranties set forth in the Prior Agreement also is true as of the date of this Settlement Agreement.

2. **Compensation:** Notwithstanding anything to the contrary in the Prior Agreement:

2.1. **Percentage Fee and PayPal Fee.** Immediately after execution of this Agreement by Advisors and delivery by email to William Rothbard by email, counsel for Client, Client will wire transfer to DVLLP the sum of \$1,525,000. Effective on receipt thereof, other than as set forth in Section 3.1a, below, Client has no further obligation to pay any Percentage Fee or PayPal Fee. DVLLP will be responsible for disbursing therefrom to Advisors amounts agreed by Advisors. DVLLP's wire transfer instructions are as follows:

Delman Vukmannovic LLP Client Trust Account  
Bank of America, N.A.  
P.O. Box 25118  
Tampa, FL 33622-5118  
Acct No: [REDACTED]  
Wire routing number: [REDACTED]  
ACH Routing No: [REDACTED]  
SWIFT #: BOFAUS3N

2.2. **Business Development Fee.** No Business Development Fee is payable as of the date of this Settlement Agreement. No Business Development Fee or Reimbursable Expenses will be payable with respect to the AW Effort. If Advisors are able to expand the Allied Wallet relationship to include additional products or services, a Business Development Fee will

pertain to the additional products or services. Notwithstanding termination of the Term, the Business Development Fee also will be paid with respect to other business development, including traffic-building introductions, if any, as described in the Prior Agreement. Client is under no obligation to enter into any agreement or relationship recommended by Advisors. Business Development Fees, if any, will be paid one-half to SMIG and one-half to SIC in accordance with the Prior Agreement.

**2.3. Allied Wallet Bonus.** If, in connection with the AW Effort, at Client's request, Advisors engage any consultants, then: (i) if within thirty (30) days after the receipt by DVLLP of the payment in Section 2.1 Allied Wallet provides email confirmation to Client that, subject to mutual fulfillment of technical requirements, Allied Wallet will restore services for Company; or (ii) within fourteen (14) days after the receipt by DVLLP of the payment in Section 2.1 Allied Wallet emails an invitation to meet with Scoville and then either before that meeting or within fourteen (14) days after that meeting, Allied Wallet provides email confirmation to Client that, subject to mutual fulfillment of technical requirements, Allied Wallet will restore services for Company, then within ten (10) days after restoration of services, Company will pay a one-time bonus to Advisors of \$100,000, by wire transfer of such amount to the account of DVLLP specified above. For avoidance of doubt, Advisors are not required to disclose their consultants for the AW Effort to Client and are responsible for any payments to those consultants which will not constitute Reimbursable Expenses.

**2.4. Purchase Right.** The Purchase Right described in Section 6 of the Prior Agreement is hereby deleted.

**2.5. Lawyers.** No later than execution of this Settlement Agreement, Client will pay KM and PAC all outstanding fees and costs with respect to services rendered through March 28, 2016. Each Party is responsible for its fees and costs related to the SIC Action and the negotiation and drafting of this Settlement Agreement.

**2.6. Information.** For the period through September 30, 2016 and with respect to amounts subject to Business Development Fees, to the extent available to Client and requested by Advisors, Client shall provide Advisors with real-time view-only access to the reports and information available on administrative web portals provided by payment processors.

**3. Waiver and Release:**

**3.1.** Except as set forth herein, each Party, on behalf of itself and its Affiliates (the "Releasing Parties"), hereby irrevocably and unconditionally relieves, releases and forever discharges the other Parties and their respective members, directors, officers, partners, employees, agents, attorneys and Affiliates, and the spouses of each of the foregoing of and from, and hereby waives, any and all claims, debts, liabilities, demands, obligations, promises, acts, agreements, costs, expenses (including but not limited to attorney's fees), damages, causes of action and claims for relief, of whatever kind or nature, whether known or unknown, arising from or relating to the Prior Agreement or any Party's performance or non-performance thereunder, PayPal Claims, SIC Action, any defenses or counterclaims that could have been asserted with respect thereto, or any act or omission related thereto or the basis therefore through the date of this Settlement Agreement.

**a.** These releases are not intended to, and do not, release Client from their indemnification or contribution obligations under the Complete Agreement accrued prior to this Settlement Agreement or with respect to any services provided by Advisors hereunder after the date hereof, or release any Party from its obligations pursuant to this Settlement Agreement. Releases granted by Advisors and their Affiliates are subject to the prompt execution and delivery

Traffic Monsoon Settlement Agreement  
Page 3 of 5

by Client of this Settlement Agreement and receipt by DVLLP of the payment in Section 2.1. If these conditions are not satisfied within three (3) business days after the execution of this Settlement Agreement by Advisors, Client will pay Advisors the Percentage Fee for one (1) day beyond September 30, 2016 for each day beyond three (3) business days until the payment and executed Settlement Agreement are received. Payment will be made by wire transfer on Monday of each week following accrual of any such amounts. Advisors' releases of Client are null and void until full payment pursuant to Section 2.1 and the executed Settlement Agreement are received. Each released Person is an intended third party beneficiary of these releases.

3.2. The Releasing Parties expressly waive any and all rights under Section 1542 of the Civil Code of the State of California and any similar provision in any other jurisdiction. Section 1542 provides as follows: "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor." The Releasing Parties expressly and completely waive and release any right or benefit which he or it has or may have under said Section 1542 of the Civil Code of the State of California pertaining to the matters set forth in this Settlement Agreement. In connection with such waiver and relinquishment, each member of the Releasing Parties acknowledges that he or it is aware that he or it may hereafter discover claims presently unknown or unsuspected, or facts in addition to or different from those which he or it now knows or believes to be true, with respect to the matters released in this Settlement Agreement. Nevertheless, subject to Section 3.1 of this Settlement Agreement, it is the intention of the Releasing Parties through this Settlement Agreement, and with the advice of counsel, to fully, finally and forever settle and release all such matters. In furtherance of such intention, releases in this Settlement Agreement given by the Releasing Parties shall be and remain in effect as full and complete releases of the matters released in this Settlement Agreement, notwithstanding the discovery or existence of any such additional or different claims or facts relative thereto.

4. **Non-Disparagement:** Client and Advisors shall not disseminate or assist others in disseminating public negative, disparaging, or derogatory statements about the other Parties or their businesses, including in particular, but without limitation, by means of emails, messaging services and the Internet. The Parties agree that it is difficult to compute the damages with respect to a breach of this provision. Accordingly, as liquidated damages and not as a penalty, the Parties agree that for each breach of this section, the breaching Party will pay to the disparaged Party \$10,000, provided that for each breach of this section after the fifth breach by a Party, the amount of liquidated damages with respect to that Party will be \$50,000 per breach. This provision does not limit a Party's right to engage in discussions with its professional advisors or to comply with applicable law or regulations. In addition, no Party will issue a publicly disseminated announcement pertaining to the existence or terms of this Settlement Agreement.

5. **Notices:** Required copies of each notice to Company or Scoville shall be concurrently sent to (which shall not constitute notice): Law Offices of William I. Rothbard, 1217 Yale Street, Suite 104, Santa Monica, California 90404 U.S.A., Attn: William I. Rothbard, Esq., Email: Bill@RothbardLaw.com, fax: +1.310.453.8715. Required copies of each notice to SIC or SMIG shall be concurrently sent to (which shall not constitute notice): (i) Richardson & Maloney LLP, 2321 Rosecrans Avenue, Suite 3225, El Segundo, California 90245 U.S.A., Attn: Edward T. Swanson, Esq., Email: es@richardsonmaloney.com, fax: +1.424.238.2162; and (ii) Delman Vukmanovic LLP, 2600 Michelson Drive, Suite 1700, Irvine, California 92612 U.S.A., Attn: Dana Delman, Esq., fax: +1.310.300.1017

6. **Representation by Counsel:** Each Party represents and warrants that he or it has: (i) been represented by counsel in the negotiation of this Settlement Agreement who has

explained to such Party the entire contents and legal consequences of this Settlement Agreement; and (ii) read this Settlement Agreement completely and thoroughly, and understands that, among other things, this Settlement Agreement conclusively settles any and all claims related to the SIC Action or any counterclaims that could have been asserted by Client with respect thereto.

7. **Other:** Notwithstanding Section 12 of the Prior Agreement, any Party may seek equitable or emergency relief, enforce rights under any security interest, lien or financing statement, or file related actions in a court sitting in Los Angeles County. The arbitrator or court shall award the prevailing party reasonable costs and expenses, including reasonable attorneys' fees and expert witness fees, to resolve the dispute and to enforce the final judgment. Except as provided for in this Settlement Agreement, Sections 2.2, 2.3, 3, 4.3, 5, 8 and 10 through 13 of the Prior Agreement govern this Settlement Agreement.

IN WITNESS WHEREOF, the Parties have executed this Settlement Agreement by their duly authorized representatives as of the day and year first above written.

**Traffic Monsoon LLC:**

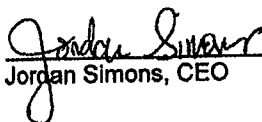
**Charles Scoville**

By: \_\_\_\_\_  
Charles Scoville, Manager and CEO

By: \_\_\_\_\_  
Charles Scoville

**Simons Investment Company:**

**SMI Group LLC:**

By:  \_\_\_\_\_  
Jordan Simons, CEO

By:  \_\_\_\_\_  
Kenin M. Spivak, CEO



## EXHIBIT 12

CM-010

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address): Dana Delman Esq. (SBN 167307) Delman Vulmanovic LLP 2600 Michelson Drive, Suite 1700 Irvine CA 92612 TELEPHONE NO.: 213-934-1340 FAX NO.: 310-300-1017 ATTORNEY FOR (Name): Plaintiffs Simons Investment Co. & SMI Group LLC		COVERED BY ORIGINAL FILED Superior Court of California County of Los Angeles APR 19 2016 Sherri R. Carter, Executive Officer/Clerk By: <u>Lisa Hart Cole</u> , Deputy N. Valles
SUPERIOR COURT OF CALIFORNIA, COUNTY OF Los Angeles STREET ADDRESS: 1725 Main Street MAILING ADDRESS: CITY AND ZIP CODE: Santa Monica 90401 BRANCH NAME: Santa Monica Courthouse, West Judicial District		
CASE NAME: SIMONS INVESTMENT CO. v. TRAFFIC MONSOON, LLC		
CIVIL CASE COVER SHEET <input checked="" type="checkbox"/> Unlimited (Amount demanded exceeds \$25,000) <input type="checkbox"/> Limited (Amount demanded is \$25,000 or less)		CASE NUMBER: SC125724
Complex Case Designation <input type="checkbox"/> Counter <input type="checkbox"/> Joinder Filed with first appearance by defendant (Cal. Rules of Court, rule 3.402)		JUDGE: DEPT:

Items 1-6 below must be completed (see instructions on page 2). LISA HART COLE

1. Check one box below for the case type that best describes this case:

<b>Auto Tort</b> <input type="checkbox"/> Auto (22) <input type="checkbox"/> Uninsured motorist (46) <b>Other PIP/DWD (Personal Injury/Property Damage/Wrongful Death) Tort</b> <input type="checkbox"/> Asbestos (04) <input type="checkbox"/> Product liability (24) <input type="checkbox"/> Medical malpractice (45) <input type="checkbox"/> Other PIP/DWD (23) <b>Non-PIP/DWD (Other) Tort</b> <input type="checkbox"/> Business tort/unfair business practice (07) <input type="checkbox"/> Civil rights (08) <input type="checkbox"/> Defamation (13) <input type="checkbox"/> Fraud (16) <input type="checkbox"/> Intellectual property (19) <input type="checkbox"/> Professional negligence (25) <input type="checkbox"/> Other non-PIP/DWD tort (35) <b>Employment</b> <input type="checkbox"/> Wrongful termination (36) <input type="checkbox"/> Other employment (15)	<b>Contract</b> <input checked="" type="checkbox"/> Breach of contract/warranty (06) <input type="checkbox"/> Rule 3.740 collections (09) <input type="checkbox"/> Other collections (09) <input type="checkbox"/> Insurance coverage (18) <input type="checkbox"/> Other contract (37) <b>Real Property</b> <input type="checkbox"/> Eminent domain/inverse condemnation (14) <input type="checkbox"/> Wrongful eviction (33) <input type="checkbox"/> Other real property (26) <b>Unlawful Detainer</b> <input type="checkbox"/> Commercial (31) <input type="checkbox"/> Residential (32) <input type="checkbox"/> Drugs (38) <b>Judicial Review</b> <input type="checkbox"/> Asset forfeiture (05) <input type="checkbox"/> Petition re: arbitration award (11) <input type="checkbox"/> Writ of mandate (02) <input type="checkbox"/> Other judicial review (39)	<b>Provisionally Complex Civil Litigation (Cal. Rules of Court, rules 3.400-3.403)</b> <input type="checkbox"/> Antitrust/Trade regulation (03) <input type="checkbox"/> Construction defect (10) <input type="checkbox"/> Mass tort (40) <input type="checkbox"/> Securities litigation (28) <input type="checkbox"/> Environmental/Toxic tort (30) <input type="checkbox"/> Insurance coverage claims arising from the above listed provisionally complex case types (41) <b>Enforcement of Judgment</b> <input type="checkbox"/> Enforcement of judgment (20) <b>Miscellaneous Civil Complaint</b> <input type="checkbox"/> RICO (27) <input type="checkbox"/> Other complaint (not specified above) (42) <b>Miscellaneous Civil Petition</b> <input type="checkbox"/> Partnership and corporate governance (21) <input type="checkbox"/> Other petition (not specified above) (43)
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2. This case ☐ is ☒ is not complex under rule 3.400 of the California Rules of Court. If the case is complex, mark the factors requiring exceptional judicial management:
- |  |  |
|--|--|
| a. <input type="checkbox"/> Large number of separately represented parties   | d. <input type="checkbox"/> Large number of witnesses  |
| b. <input type="checkbox"/> Extensive motion practice raising difficult or novel issues that will be time-consuming to resolve | e. <input type="checkbox"/> Coordination with related actions pending in one or more courts in other counties, states, or countries, or in a federal court |
| c. <input type="checkbox"/> Substantial amount of documentary evidence   | f. <input type="checkbox"/> Substantial postjudgment judicial supervision  |
3. Remedies sought (check all that apply): a. ☒ monetary b. ☒ nonmonetary; declaratory or injunctive relief c. ☐ punitive
4. Number of causes of action (specify): 7
5. This case ☐ is ☒ is not a class action suit.
6. If there are any known related cases, file and serve a notice of related case. (You may use form CM-015.)

Date: April 18, 2016  
 Dana Delman, Esq.

(TYPE OR PRINT NAME)

(SIGNATURE OF PARTY OR ATTORNEY FOR PARTY)

## NOTICE

- Plaintiff must file this cover sheet with the first paper filed in the action or proceeding (except small claims cases or cases filed under the Probate Code, Family Code, or Welfare and Institutions Code). (Cal. Rules of Court, rule 3.220.) Failure to file may result in sanctions.
- File this cover sheet in addition to any cover sheet required by local court rule.
- If this case is complex under rule 3.400 et seq. of the California Rules of Court, you must serve a copy of this cover sheet on all other parties to the action or proceeding.
- Unless this is a collections case under rule 3.740 or a complex case, this cover sheet will be used for statistical purposes only.

Page 1 of 2

Form Adopted for Mandatory Use  
 Judicial Council of California  
 CM-010 (Rev. July 1, 2007)

## CIVIL CASE COVER SHEET

Cal. Rules of Court, rules 2.30, 3.220, 3.400-3.403, 3.740,  
 Cal. Standards of Judicial Administration, std. 3.10  
 www.courtinfo.ca.gov

SHORT TITLE: Simons Investment Company v. Traffic Monsoon, LLC	CASE NUMBER SC125724
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**CIVIL CASE COVER SHEET ADDENDUM AND STATEMENT OF LOCATION  
(CERTIFICATE OF GROUNDS FOR ASSIGNMENT TO COURTHOUSE LOCATION)**

**This form is required pursuant to LASC Local Rule 2.0 in all new civil case filings in the Los Angeles Superior Court.**

Item I. Check the types of hearing and fill in the estimated length of hearing expected for this case:

JURY TRIAL? ☐ YES CLASS ACTION? ☐ YES LIMITED CASE? ☐ YES TIME ESTIMATED FOR TRIAL 6 ☐ HOURS/ ☒ DAYS

Item II. Select the correct district and courthouse location (4 steps – If you checked "Limited Case", skip to Item III, Pg. 4):

**Step 1:** After first completing the Civil Case Cover Sheet Form, find the main civil case cover sheet heading for your case in the left margin below, and, to the right in Column A, the Civil Case Cover Sheet case type you selected.

**Step 2:** Check one Superior Court type of action in Column B below which best describes the nature of this case.

**Step 3:** In Column C, circle the reason for the court location choice that applies to the type of action you have checked. For any exception to the court location, see Los Angeles Superior Court Local Rule 2.0.

**Applicable Reasons for Choosing Courthouse Location (see Column C below)**

- |   |  |
|---|--|
| 1. Class Actions must be filed in the County Courthouse, Central District.      | 6. Location of property or permanently garaged vehicle.    |
| 2. May be filed in Central (Other county, or no Bodily Injury/Property Damage). | 7. Location where petitioner resides.                      |
| 3. Location where cause of action arose.  | 8. Location wherein defendant/respondent functions wholly. |
| 4. Location where bodily injury, death or damage occurred.                      | 9. Location where one or more of the parties reside.       |
| 5. Location where performance required or defendant resides.                    | 10. Location of Labor Commissioner Office.                 |

**Step 4:** Fill in the information requested on page 4 in Item III; complete Item IV. Sign the declaration.

	A Civil Case Cover Sheet Category No.	B Type of Action (Check only one)	C Applicable Reasons - See Step 3 Above
Auto Tort	Auto (22)	<input type="checkbox"/> A7100 Motor Vehicle - Personal Injury/Property Damage/Wrongful Death	1., 2., 4.
	Uninsured Motorist (46)	<input type="checkbox"/> A7110 Personal Injury/Property Damage/Wrongful Death -- Uninsured Motorist	1., 2., 4.
	Asbestos (04)	<input type="checkbox"/> A6070 Asbestos Property Damage	2.
		<input type="checkbox"/> A7221 Asbestos - Personal Injury/Wrongful Death	2.
	Product Liability (24)	<input type="checkbox"/> A7260 Product Liability (not asbestos or toxic/environmental)	1., 2., 3., 4., 8.
Other Personal Injury/Property Damage/Wrongful Death Tort	Medical Malpractice (45)	<input type="checkbox"/> A7210 Medical Malpractice - Physicians & Surgeons	1., 2., 4.
		<input type="checkbox"/> A7240 Other Professional Health Care Malpractice	1., 2., 4.
	Other Personal Injury Property Damage Wrongful Death (23)	<input type="checkbox"/> A7250 Premises Liability (e.g., slip and fall)	1., 2., 4.
		<input type="checkbox"/> A7230 Intentional Bodily Injury/Property Damage/Wrongful Death (e.g., assault, vandalism, etc.)	1., 2., 4.
		<input type="checkbox"/> A7270 Intentional Infliction of Emotional Distress	1., 2., 3.
Non-Personal Injury/Property Damage/Wrongful Death Tort	<input type="checkbox"/> A7220 Other Personal Injury/Property Damage/Wrongful Death	1., 2., 4.	
	Business Tort (07)	<input type="checkbox"/> A6029 Other Commercial/Business Tort (not fraud/breach of contract)	1., 2., 3.
	Civil Rights (08)	<input type="checkbox"/> A6005 Civil Rights/Discrimination	1., 2., 3.
	Defamation (13)	<input type="checkbox"/> A6010 Defamation (slander/libel)	1., 2., 3.
	Fraud (16)	<input type="checkbox"/> A6013 Fraud (no contract)	1., 2., 3.

Non-Personal Injury/Property Damage/  
Wrongful Death Tort (Cont'd.)

Employment

Contract

Real Property

Judicial Review Unlawful Detainer

SHORT TITLE: Simons Investment Company v. Traffic Monsoon, LLC		CASE NUMBER
A Civil Case Cover Sheet Category No.	B Type of Action (Check only one)	C Applicable Reasons -See Step 3 Above
Professional Negligence (25)	<input type="checkbox"/> A6017 Legal Malpractice <input type="checkbox"/> A6050 Other Professional Malpractice (not medical or legal)	1., 2., 3. 1., 2., 3.
Other (35)	<input type="checkbox"/> A6025 Other Non-Personal Injury/Property Damage tort	2., 3.
Wrongful Termination (36)	<input type="checkbox"/> A6037 Wrongful Termination	1., 2., 3.
Other Employment (15)	<input type="checkbox"/> A6024 Other Employment Complaint Case <input type="checkbox"/> A6109 Labor Commissioner Appeals	1., 2., 3. 10.
Breach of Contract/ Warranty (06) (not insurance)	<input type="checkbox"/> A6004 Breach of Rental/Lease Contract (not Unlawful Detainer or wrongful eviction) <input type="checkbox"/> A6008 Contract/Warranty Breach -Seller Plaintiff (no fraud/negligence) <input type="checkbox"/> A6019 Negligent Breach of Contract/Warranty (no fraud) <input checked="" type="checkbox"/> A6028 Other Breach of Contract/Warranty (not fraud or negligence)	2., 5. 2., 5. 1., 2., 5. 1., 2., 5.
Collections (09)	<input type="checkbox"/> A6002 Collections Case-Seller Plaintiff <input type="checkbox"/> A6012 Other Promissory Note/Collections Case	2., 5., 6. 2., 5.
Insurance Coverage (18)	<input type="checkbox"/> A6015 Insurance Coverage (not complex)	1., 2., 5., 8.
Other Contract (37)	<input type="checkbox"/> A6009 Contractual Fraud <input type="checkbox"/> A6031 Tortious Interference <input type="checkbox"/> A6027 Other Contract Dispute(not breach/insurance/fraud/negligence)	1., 2., 3., 5. 1., 2., 3., 5. 1., 2., 3., 8.
Eminent Domain/Inverse Condemnation (14)	<input type="checkbox"/> A7300 Eminent Domain/Condemnation Number of parcels_____	2.
Wrongful Eviction (33)	<input type="checkbox"/> A6023 Wrongful Eviction Case	2., 6.
Other Real Property (26)	<input type="checkbox"/> A6018 Mortgage Foreclosure <input type="checkbox"/> A6032 Quiet Title <input type="checkbox"/> A6060 Other Real Property (not eminent domain, landlord/tenant, foreclosure)	2., 6. 2., 6. 2., 6.
Unlawful Detainer- Commercial (31)	<input type="checkbox"/> A6021 Unlawful Detainer-Commercial (not drugs or wrongful eviction)	2., 6.
Unlawful Detainer- Residential (32)	<input type="checkbox"/> A6020 Unlawful Detainer-Residential (not drugs or wrongful eviction)	2., 6.
Unlawful Detainer- Drugs (38)	<input type="checkbox"/> A6022 Unlawful Detainer-Drugs	2., 6.
Asset Forfeiture (05)	<input type="checkbox"/> A6108 Asset Forfeiture Case	2., 6.
Petition re Arbitration (11)	<input type="checkbox"/> A6115 Petition to Compel/Confirm/Vacate Arbitration	2., 5.

SHORT TITLE: Simons Investment Company v. Traffic Monsoon, LLC		CASE NUMBER
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Judicial Review (Cont'd.)	<b>A</b> Civil Case Cover Sheet Category No.	<b>B</b> Type of Action (Check only one)	<b>C</b> Applicable Reasons - See Step 3 Above
	Writ of Mandate (02)	<input type="checkbox"/> A6151 Writ - Administrative Mandamus <input type="checkbox"/> A6152 Writ - Mandamus on Limited Court Case Matter <input type="checkbox"/> A6153 Writ - Other Limited Court Case Review	2., 8. 2. 2.
	Other Judicial Review (39)	<input type="checkbox"/> A6150 Other Writ /Judicial Review	2., 8.
	Antitrust/Trade Regulation (03)	<input type="checkbox"/> A6003 Antitrust/Trade Regulation	1., 2., 8.
	Construction Defect (10)	<input type="checkbox"/> A6007 Construction defect	1., 2., 3.
	Claims Involving Mass Tort (40)	<input type="checkbox"/> A6006 Claims Involving Mass Tort	1., 2., 8.
	Securities Litigation (28)	<input type="checkbox"/> A6035 Securities Litigation Case	1., 2., 8.
	Toxic Tort Environmental (30)	<input type="checkbox"/> A6036 Toxic Tort/Environmental	1., 2., 3., 8.
	Insurance Coverage Claims from Complex Case (41)	<input type="checkbox"/> A6014 Insurance Coverage/Subrogation (complex case only)	1., 2., 5., 8.
	Enforcement of Judgment (20)	<input type="checkbox"/> A6141 Sister State Judgment <input type="checkbox"/> A6160 Abstract of Judgment <input type="checkbox"/> A6107 Confession of Judgment (non-domestic relations) <input type="checkbox"/> A6140 Administrative Agency Award (not unpaid taxes) <input type="checkbox"/> A6114 Petition/Certificate for Entry of Judgment on Unpaid Tax <input type="checkbox"/> A6112 Other Enforcement of Judgment Case	2., 9. 2., 6. 2., 9. 2., 8. 2., 8. 2., 8., 9.
	RICO (27)	<input type="checkbox"/> A6033 Racketeering (RICO) Case	1., 2., 8.
	Other Complaints (Not Specified Above) (42)	<input type="checkbox"/> A6030 Declaratory Relief Only <input type="checkbox"/> A6040 Injunctive Relief Only (not domestic/harassment) <input type="checkbox"/> A6011 Other Commercial Complaint Case (non-tort/non-complex) <input type="checkbox"/> A6000 Other Civil Complaint (non-tort/non-complex)	1., 2., 8. 2., 8. 1., 2., 8. 1., 2., 8.
	Partnership Corporation Governance(21)	<input type="checkbox"/> A6113 Partnership and Corporate Governance Case	2., 8.
	Miscellaneous Civil Petitions	Other Petitions (Not Specified Above) (43)	<input type="checkbox"/> A6121 Civil Harassment <input type="checkbox"/> A6123 Workplace Harassment <input type="checkbox"/> A6124 Elder/Dependent Adult Abuse Case <input type="checkbox"/> A6190 Election Contest <input type="checkbox"/> A6110 Petition for Change of Name <input type="checkbox"/> A6170 Petition for Relief from Late Claim Law <input type="checkbox"/> A6100 Other Civil Petition

SHORT TITLE: Simons Investment Company v. Traffic Monsoon, LLC	CASE NUMBER
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Item III. Statement of Location: Enter the address of the accident, party's residence or place of business, performance, or other circumstance indicated in Item II., Step 3 on Page 1, as the proper reason for filing in the court location you selected.

REASON: CHECK THE NUMBER UNDER COLUMN C WHICH APPLIES IN THIS CASE		ADDRESS: 9663 Santa Monica Blvd, Suite 1048
<input type="checkbox"/> 1. <input type="checkbox"/> 2. <input type="checkbox"/> 3. <input type="checkbox"/> 4. <input checked="" type="checkbox"/> 5. <input type="checkbox"/> 6. <input type="checkbox"/> 7. <input type="checkbox"/> 8. <input type="checkbox"/> 9. <input type="checkbox"/> 10.		
CITY: Beverly Hills	STATE: CA	ZIP CODE: 90210

Item IV. Declaration of Assignment: I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that the above-entitled matter is properly filed for assignment to the Santa Monica courthouse in the West District District of the Los Angeles Superior Court (Code Civ. Proc., § 392 et seq., and LASC Local Rule 2.0, subds. (b), (c) and (d)).

Dated: April 18, 2016

  
(SIGNATURE OF ATTORNEY/FILING PARTY)

PLEASE HAVE THE FOLLOWING ITEMS COMPLETED AND READY TO BE FILED IN ORDER TO PROPERLY COMMENCE YOUR NEW COURT CASE:
--

1. Original Complaint or Petition.
2. If filing a Complaint, a completed Summons form for issuance by the Clerk.
3. Civil Case Cover Sheet form CM-010.
4. Complete Addendum to Civil Case Cover Sheet form LACIV 109 (Rev. 01/07), LASC Approved 03-04.
5. Payment in full of the filing fee, unless fees have been waived.
6. Signed order appointing the Guardian ad Litem, JC form FL-935, if the plaintiff or petitioner is a minor under 18 years of age, or if required by Court.
7. Additional copies of documents to be conformed by the Clerk. Copies of the cover sheet and this addendum must be served along with the summons and complaint, or other initiating pleading in the case.

CONFORMED COPY  
ORIGINAL FILED  
Superior Court of California  
County of Los Angeles

APR 18 2018

Shorri R. Carter, Executive Officer/Clerk  
By: Lisa Hart Cole, Deputy  
N. Valles

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CASE MANAGEMENT CONFERENCE

Attorneys for Plaintiffs  
Simons Investment Company and SMI Group LLC

LISA HART COLE  
Date

5/8/18

Dep  
832

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

SC125724

SIMONS INVESTMENT COMPANY, a  
Colorado corporation and SMI GROUP  
LLC, a Delaware limited liability company,

Plaintiffs,

vs.

TRAFFIC MONSOON LLC, a Utah limited  
liability company; CHARLES SCOVILLE,  
an individual; PAYPAL, INC., a Delaware  
corporation; and DOES 1-10, inclusive,

Defendants.

) Case No.

) VERIFIED COMPLAINT FOR:

- ) 1. BREACH OF CONTRACT
- ) 2. BREACH OF COVENANT OF GOOD FAITH AND FAIR DEALING
- ) 3. ANTICIPATORY BREACH OF CONTRACT
- ) 4. DECLARATORY RELIEF
- ) 5. QUANTUM MERUIT (REASONABLE VALUE OF SERVICES)
- ) 6. UNJUST ENRICHMENT
- ) 7. ACCOUNTING

VERIFIED COMPLAINT



1 Simons Investment Company, a Colorado corporation ("SIC") and SMI Group LLC, a  
 2 Delaware limited liability company ("SMIG") (individually, a "Plaintiff" and collectively, the  
 3 "Plaintiffs") hereby allege as follows with respect to Traffic Monsoon LLC, a Utah limited liability  
 4 company (Traffic Monsoon") and Charles Scoville ("Scoville") (individually, a "Defendant" and  
 5 collectively, the "Defendants") and PayPal, Inc., a Delaware corporation ("PayPal"), named herein  
 6 with respect to the Prayer for Relief:

#### 7 NATURE OF ACTION

8 1. This is a complaint ("Complaint") for breach of contract and related claims of  
 9 consulting firms SIC and SMIG against Defendants Traffic Monsoon and Scoville for breach of a  
 10 written, fully-executed consulting agreement, including Defendants' failure and refusal to pay  
 11 compensation to Plaintiffs pursuant to that consulting agreement.

12 2. The consulting agreement ("Consulting Agreement") was entered into on February 22,  
 13 2016 by and between Defendants Traffic Monsoon and Scoville, on the one hand, and Plaintiffs SIC  
 14 and SMIG, on the other. A true and correct copy of the Consulting Agreement is attached hereto as  
 15 Exhibit 1.

16 3. In the Consulting Agreement, Plaintiffs are sometimes referred to as "Advisors," Traffic  
 17 Monsoon is sometimes referred to as "Company," and Traffic Monsoon and Scoville are sometimes  
 18 collectively referred to as "Client."

19 4. As used in this Complaint, the term "Defendants" will include Doe defendants when  
 20 named, but does not include PayPal, which is named herein so that it will be subject to the  
 21 declaratory and injunctive relief sought in this Complaint.

#### 22 PARTIES

23 5. Plaintiff SIC, a Colorado corporation, is a consulting company that, among other things,  
 24 provides the services of Jordan Simons ("Simons").

25 6. Plaintiff SMIG, a Delaware limited liability company, is a consulting company that,  
 26 among other things, provides the services of Kenin M. Spivak ("Spivak"), Ted Maloney  
 27 ("Maloney") and Edward Swanson ("Swanson").

28 7. Plaintiffs are informed and believe and based thereon allege that Traffic Monsoon is a

1 Utah limited liability company that in October 2014 founded and now owns and operates  
2 "trafficmonsoon.com," a website that helps small entrepreneurs generate web traffic, sales and  
3 profits.

4 8. Plaintiffs are informed and believe and based thereon allege that Scoville is an  
5 individual who resides in Salt Lake City, Utah and also is a resident of Dubai. Plaintiffs are further  
6 informed and believe and based thereon allege that Scoville is the owner and CEO of Traffic  
7 Monsoon.

8 9. Plaintiffs are informed and believe and based thereon allege that PayPal is a Delaware  
9 corporation that in or about October 2014 entered into a user agreement with Traffic Monsoon to  
10 provide payment processing services for trafficmonsoon.com and today holds approximately \$60  
11 million of Traffic Monsoon funds.

12 10. Plaintiffs are informed and believe and based thereon allege that at all times herein  
13 mentioned, Traffic Monsoon was owned and controlled by Scoville and Traffic Monsoon and  
14 Scoville were the agent, principal, employee, alter ego and/or controlling person of each other and in  
15 doing the acts herein alleged, was acting within the scope of such agency or relationship and with the  
16 permission and consent of the other Defendant, and both Defendants ratified and confirmed the acts  
17 of each and the other Defendant.

18 11. Plaintiffs are informed and believe and based thereon allege that at all times relevant  
19 hereto there existed a unity of interest of Defendants such that any individuality and separateness  
20 between Defendants has ceased, and each Defendant is the alter ego of the other Defendant.

21 12. Plaintiffs are informed and believe and based thereon allege that adherence to the fiction  
22 of the separate existence of Traffic Monsoon would permit an abuse of the corporate privilege and  
23 would sanction fraud and promote injustice in that Scoville and Traffic Monsoon would be permitted  
24 to use the fiction of the separate existence of Traffic Monsoon for the sole purpose of shielding  
25 Scoville from liability while enabling Traffic Monsoon to engage in breaches of contract and other  
26 improper acts, as alleged in this Complaint.

27 13. Defendants DOES 1 through 10 (collectively "Doe Defendants") are sued herein by their  
28 fictitious names for the reason that their true names are unknown. Plaintiff will seek leave to amend

1 this Complaint to allege such true names when the same are ascertained. Plaintiff is informed and  
 2 believes and based thereon alleges that these fictitiously named defendants are responsible as agents,  
 3 principals, alter egos, co-conspirators or otherwise for the acts alleged herein.

#### 4 JURISDICTION AND VENUE

5 14. Section 13.15 of the Consulting Agreement provides that the Consulting Agreement and  
 6 "the rights and obligations of the Parties and their subsidiaries, successors and assigns will be  
 7 governed by, construed, enforced and interpreted in accordance with the internal law of the State of  
 8 California, applicable to agreements made and performed solely within such State (including as to  
 9 statute of limitations)." It further provides that each party to the Consulting Agreement "irrevocably  
 10 consents to the jurisdiction of state and federal courts in Los Angeles, California as the sole and  
 11 exclusive jurisdiction and venue for resolution of any disputes and waives any objection thereto and  
 12 consents to the worldwide execution of any judgment entered by such courts." SMIG is based in  
 13 Los Angeles County. Defendants came to Los Angeles County in March 2016 to meet with Plaintiffs  
 14 and others to commence performance of the Consulting Agreement.

15 15. PayPal lists its headquarters as being in San Jose, California. Plaintiffs are informed and  
 16 believe and based thereon allege that PayPal has substantial numbers of customers who reside in Los  
 17 Angeles County and who transact business with PayPal from Los Angeles County. PayPal also has  
 18 availed itself of the protection and benefits of courts in Los Angeles County.

#### 19 COMMON FACTS

20 16. This is an action for breach of contract and related claims of consulting firms SIC and  
 21 SMIG against Defendants for failing and refusing to pay compensation pursuant to the Consulting  
 22 Agreement to Plaintiffs.

23 17. Plaintiffs are informed and believe and based thereon allege that Traffic Monsoon  
 24 founded, owns and operates "trafficmonsoon.com," a web site and online community that provides  
 25 online advertising at affordable prices. Traffic Monsoon describes trafficmonsoon.com as a site that  
 26 helps small entrepreneurs quickly generate traffic to their websites by mobilizing its large  
 27 community of over 3 million members and also provides ways for its members to earn compensation

28 //

1 online by providing services to trafficmonsoon.com. Those members entitled to earn compensation  
2 from trafficmonsoon.com are referred to herein as "affiliates."

3 18. Plaintiffs are informed and believe and based thereon allege that Traffic Monsoon's  
4 affiliates drive the value of Traffic Monsoon's advertising services by surfing trafficmonsoon.com  
5 and advertisers' websites. Affiliates' sources of revenue include commissions for referring other  
6 advertisers; a "sharing position" for viewing advertising on trafficmonsoon.com; and payments for  
7 viewing certain advertising on the websites of participating members. Affiliate satisfaction is  
8 essential for Traffic Monsoon's viability.

9 19. PayPal claims to be the world's largest online payment processing service. Plaintiffs are  
10 informed and believe and based thereon allege that until PayPal ceased accepting payments for  
11 Traffic Monsoon in or about February 2016, PayPal processed the overwhelming majority of  
12 payments to and from Traffic Monsoon.

13 20. Plaintiffs are informed and believe and based thereon allege that commencing in late  
14 January, 2016, PayPal started blocking outgoing payments from Traffic Monsoon's PayPal account,  
15 which at that time contained about \$55 million and inclusive of additional payments thereafter  
16 accepted by PayPal, contained nearly \$63 million. Prior to that time, Traffic Monsoon had been able  
17 to freely make payments out of its account. PayPal's hold on this account prevented Traffic  
18 Monsoon from accessing its own funds, meaning that Traffic Monsoon could not pay affiliates the  
19 compensation they earned, let alone its other operating costs, thereby strangling Traffic Monsoon  
20 and depriving its affiliates of income.

21 21. Compounding Traffic Monsoon's injury, Plaintiffs are informed and believe and based  
22 thereon allege that PayPal's customer service representatives falsely informed Traffic Monsoon  
23 customers that PayPal did not block payments from Traffic Monsoon's account and also accused  
24 Traffic Monsoon of being a scam.

25 22. Against the foregoing backdrop, in or about late January 2016, a mutual acquaintance  
26 of Simons' and Scoville's introduced Simons to Scoville for the purpose of Simons' potentially  
27 assisting Scoville to address the PayPal situation and thereafter help grow Traffic Monsoon. Simons  
28 //

1 has founded, co-founded, financed and advised numerous technology companies in a wide range of  
2 sectors.

3 23. Simons introduced Scoville to Dennis Burke ("Burke"), a former U.S. attorney for  
4 Arizona; Spivak, SMIG'S chairman and a former top executive of entertainment, technology,  
5 internet and marketing companies who holds a law degree and an MBA from Columbia University;  
6 and Richard Spitz ("Spitz"), a technology expert and former partner at Paul Hastings who was for  
7 many years the global manager of Korn/Ferry's executive placement practice in the technology  
8 sector. Thereafter, Simons and Spivak identified experts in public relations and various aspects of  
9 Traffic Monsoon's business and introduced some of these individuals and firms to Scoville.

10 24. Following a series of partially oral and partially written negotiations, Defendants and  
11 Plaintiffs entered into the Consulting Agreement. The Term of the Consulting Agreement is divided  
12 into two "phases." Pursuant to Section 1 of the Consulting Agreement, the first phase (Phase I) runs  
13 from February 1, 2016 through July 31, 2016. At Plaintiffs' elections, Phase II commences upon the  
14 expiration of Phase I. Absent mutual agreement of the parties, Phase II would continue until at least  
15 July 31, 2018.

16 25. Section 2 of the Consulting Agreement provides in pertinent part:

17 **2.1 Engagements.** . . . The Parties acknowledge that Advisors have  
18 identified counsel (Dennis Burke), a public relations firm (Dan Bernstein) and  
19 an individual with close ties to PayPal (Richard Spitz) to assist Client with  
20 respect to the PayPal Problem and that Client has retained Burke and  
21 Bernstein. Advisors will absorb any compensation payable to Spitz for his  
22 assistance during Phase I with respect to the PayPal Problem, provided that  
23 Client will reimburse Spitz's Reimbursable Expenses, if any.

22 **2.1.1** During Phase I, on behalf of Client and subject to Client's final  
23 approval, Advisors will support and direct Burke, Bernstein and Spitz and  
24 otherwise endeavor to resolve favorably the PayPal Problem. During Phase I,  
25 Advisors also will coordinate with Company . . . to undertake diligence about  
26 the Client to evaluate the services Advisors might provide during Phase II.

25 26. Section 1 of the Consulting Agreement defines the "PayPal Problem" as "PayPal's  
26 refusal to release to Client approximately \$60 million of Client funds held by PayPal."

27 27. During the negotiation of the Consulting Agreement, as base compensation, a monthly,  
28 flat retainer initially was discussed. In the end, a percentage fee based on Traffic Monsoon gross

1 revenues was agreed and Scoville proposed that to ensure accurate computation and payment to  
 2 Plaintiffs, the fee generally should be paid directly by Traffic Monsoon's payment processors  
 3 pursuant to special segregated accounts. Accordingly, Section 4.1 of the Consulting Agreement  
 4 provides in pertinent part:

5       **4.1 Percentage Fee.** Commencing with respect to February 2016 and  
 6 continuing with respect to each month during the Term, Client shall pay or  
 7 cause the payment to each of SIC and SMIG of a "Percentage Fee" equal to  
 8 one and one-quarter percent (1.25%) of Gross Receipts during that month (a  
 9 total of 2.5% for both Advisors). . . . With regard to Gross Receipts remitted  
 10 through gateway processors (e.g., PayPal or credit card companies), Client  
 11 will cause the processor to create a special account for each Advisor at each  
 12 gateway processor into which Advisor's Percentage Fee will be deposited.  
 Each Advisor will have sole ownership and control over that Advisor's special  
 account. Upon request of an Advisor, each gateway processor shall transfer to  
 that Advisor the funds in that Advisor's special account at a time and on terms  
 no less favorable to the Advisor than the timing and terms applicable to Client.  
 It is anticipated that payment might occur as often as daily. . . .

13       28. Section 1 of the Consulting Agreement defines "Gross Receipts" as

14       **"Gross Receipts"** means the total proceeds and other consideration received,  
 15 directly or indirectly by Client or Scoville Group, in connection with  
 16 Company's business inclusive of cash, securities, notes, in-kind consideration,  
 17 barter consideration and other property, including all payment gateways,  
 18 including member account balance purchases. Non-cash items will be valued  
 at the fair market price thereof, without any discount for marketability or  
 minority discount, reduced only by payments of sales tax, VAT and similar  
 taxes.

19       29. During the negotiation of the Consulting Agreement, the parties also initially agreed that  
 20 Plaintiffs' compensation would include, among other things, 2.5% of any amounts released by  
 21 PayPal. Scoville then requested that the percentage be changed so that it would be higher if funds  
 22 were released more rapidly. Accordingly, Section 4.2 of the Consulting Agreement provides  
 23 (emphasis supplied):

24       **4.2 PayPal Fee.** If and as PayPal Amount releases amounts it has restricted,  
 25 the "PayPal Fee" will be concurrently paid to SIC and SMIG, payable one-  
 26 half thereof to SIC and one-half thereof to SMIG. The PayPal Fee will equal:  
 27 (i) 3.5% of the amounts released by PayPal, if at least a cumulative total of  
 \$10 million is released by April 30, 2016, or (ii) 2.5% of the amounts released  
 28 by PayPal if the cumulative total released first reaches \$10 million during  
 May 2016, or (iii) otherwise, 1.5% of the amounts released by PayPal. At

1 present there is about \$60 million in the account, but the Parties acknowledge  
2 that if PayPal offsets the deposit against customer credits, the balance could  
3 decline. Funds are deemed "released" when approved by PayPal for  
4 transfer to Client, Client's lawyer or other account acceptable to Client, it  
5 being anticipated that PayPal will distribute amounts through or by  
6 arrangement with Company's lawyer and concurrent payment will be  
7 made to SIC, SMIG and others from each such distribution.

8 30. Section 2.2 of the Consulting Agreement provides in pertinent part: "Client will engage  
9 lawyers, accountants and tax advisors mutually acceptable to Advisors to work with Client and  
10 Advisors hereunder."

11 31. Section 3 of the Consulting Agreement provides in pertinent part: "In addition to  
12 reimbursing Reimbursable Expenses, Client is responsible for all fees, costs and expenses related to  
13 its other professionals, including legal counsel, accountants and experts."

14 32. Section 10 of the Consulting Agreement provides in pertinent part: "During the Term,  
15 Scoville will be promptly available for consultations with Advisors. Client will promptly furnish  
16 Advisors with all relevant information regarding the business, operations, properties, financial  
17 condition, management and prospects of Client (the "Disclosure Information")."

18 33. Section 13.8 of the Consulting Agreement provides as follows:

19 "Further Cooperation. Each Party shall promptly execute, acknowledge and  
20 deliver, or promptly procure the execution, acknowledgement and delivery, of  
21 any and all further certifications, agreements and instruments which may be  
22 necessary or expedient to effectuate the purposes of this Agreement."

23 34. Even prior to execution of the Consulting Agreement, Plaintiffs began their work. To  
24 date, some of the activities Plaintiffs performed during Phase I of the Term include:

25 a. Plaintiffs invited Scoville to Los Angeles, where they spent time with him on  
26 March 1, 2016 at Spivak's home and a restaurant to learn about his business and to introduce  
27 him to Dan Bernstein (the PR consultant), Maloney and Swanson of SMIG, Spitz, other  
28 experts in transactional websites and a veteran of online marketing. Bernstein spent time  
with Scoville to learn more about the business and exchange ideas. Swanson asked questions  
specific to the due diligence requirement. Spivak, Simons and other participants shared  
possible business ideas with Scoville, some of which Scoville described as very innovative  
and exciting.



b. After considerable interaction with Scoville and the individuals who attended the March 1 meetings in Los Angeles, Spivak developed a memorandum of metrics required for due diligence and to gain a sufficient understanding of trafficmonsoon.com so that Plaintiffs could seek opportunities for Traffic Monsoon. Seeking such opportunities was intended to be a key feature of a potential Phase II, as described in the attached Consulting Agreement.<sup>1</sup> Thereafter, Spivak visited with Scoville in Salt Lake City on March 10, 2016. While there, Spivak and Scoville discussed plans for Traffic Monsoon, and for the first time, Spivak learned about a key cost center through which affiliates received earnings that Scoville had not previously described. Spivak promptly refined the request for metrics. A true and correct copy of the initial memorandum dated March 3, 2016 is attached hereto as Exhibit 2. A true and correct copy of the revised memorandum dated March 8, 2016 is attached hereto as Exhibit 3.

c. With Defendants' consent and direction, Spivak and attorney Burke began a dialogue with PayPal, in the course of which PayPal made a number of material admissions against interest. Spivak developed a strategy around demonstrating that PayPal's actions were not "reasonable" as required by its User Agreement with Traffic Monsoon and further developed, and with Burke executed, a strategy by which PayPal ultimately agreed to release funds to Traffic Monsoon's customers. However, PayPal insisted that distributions of sums earned by affiliates be denominated as "refunds" when distributed. Scoville declined to distribute funds as so denominated. Spivak then designed a strategy by which PayPal was unable to demonstrate why it would release funds when denominated as "refunds" but not release the same funds when correctly denominated as "payments."

d. Spivak then developed a two-pronged strategy of seeking injunctive relief in court, while pursuing an arbitration in AAA for damages. With Scoville's and Burke's consent, Spivak brought in highly experienced counsel, Katten Muchin Rosenman LLP

<sup>1</sup> Section 2.1.2 of the Consulting Agreement provides in pertinent part that Phase II is "anticipated to include advising and assisting with soliciting, structuring and negotiating strategic partnerships, complex transactions, marketing, brand development, public relations and potentially transactions and financings. . . ."



1 ("KM"), to evaluate the strategy, help determine the best jurisdiction in which to bring an  
2 injunctive action and take the lead in drafting motion papers. Spivak negotiated a reduced  
3 \$35,000 retainer and other financial concessions from KM. Spivak also obtained the  
4 assistance of a senior partner of one of the country's largest law firms, without compensation.

5 (1) As a result of the foregoing, Spivak developed – and after approval  
6 from Scoville – supervised and with counsel executed nearly to completion a strategy  
7 that consisted of: (i) emergency injunctive relief to be sought in the Delaware Court  
8 of Chancery; (iii) arbitration and Rule 38 injunctive relief to be sought under AAA  
9 arbitration in Salt Lake City (as required by the User Agreement); (iv) complaints to  
10 be filed with two federal regulatory agencies (including one with which Burke had a  
11 close relationship); and (v) issuance of a press release via trafficmonsoon.com,  
12 Facebook and PR Newswire. The specific strategy contemplated that Burke, a former  
13 U.S. attorney, would serve as spokesperson. The strategy was not completed solely  
14 because Plaintiffs ceased communicating with Defendants, failed to provide  
15 information required for the filings and failed to pay KM by the time of the intended  
16 filing.

17 (2) Spivak personally drafted a significant portion of the complaints and  
18 other pleadings for the AAA and Delaware actions, and further developed a strategy  
19 to re-purpose certain papers prepared in one action for use in the other. The  
20 voluminous papers prepared by the team included, among others: (i) a complaint for  
21 filing with AAA, specifically approved by Scoville before he went "dark," (ii) a  
22 complaint, motion for emergency injunctive relief and opening brief for filing in the  
23 Delaware Court of Chancery, and (iii) a Rule 38 motion, opening brief and Scoville  
24 declaration for filing with the AAA in Salt Lake City. Because these documents were  
25 nearly completed when, on Easter Sunday, March 27, 2016, Spivak and Burke  
26 realized that Scoville had gone "dark," these documents were not finalized for filing.

27 e. With input from the SMIG team, the PR professional selected by SMIG,  
28 counsel and Scoville, Spivak wrote a letter to be posted on the trafficmonsoon.com website

1 prior to filing the lawsuits, a short blurb for the home page and a press release for issuance  
2 after filing the lawsuits. Each document went through multiple drafts. A true and correct  
3 copy of the last draft of the letter for posting on the trafficmonsoon.com website is attached  
4 hereto as Exhibit 4. A true and correct copy of the post-filing press release is attached hereto  
5 as Exhibit 5.

6 f. The Consulting Agreement does not require Traffic Monsoon business  
7 building activities in Phase I, and conditions all activities in both Phases on "Advisors'  
8 satisfactory completion of due diligence and the absence of material adverse changes in  
9 Client's business, financial condition or prospects" (Consulting Agreement §2.3), which had  
10 not yet occurred. Nevertheless, Simons and to a very limited extent, SMIG, began  
11 discussions with potential strategic partners. In particular, while Spivak focused on the  
12 PayPal situation and related legal and public relations activities, as well as the information  
13 required both for the PayPal litigation and Plaintiffs' due diligence, Simons devoted  
14 considerable time and business relationships to lining up several traffic-building transactions  
15 that were not dependent upon the completion of due diligence.

16 35. In the period from February through March 2016, Plaintiffs devoted hundreds of hours  
17 to Traffic Monsoon; developed innovative and cost-effective strategies to pursue PayPal and create  
18 traffic-building opportunities for Traffic Monsoon; prevailed upon their relationships to participate in  
19 the effort; and met with Scoville in Los Angeles and Salt Lake City.

20 36. By March 20, 2016, Scoville had not created the accounts as required Section 4.1 of the  
21 Consulting Agreement. Simons discussed this failure with Scoville, who agreed promptly to  
22 establish the accounts.

23 37. While Spivak was visiting with Scoville in Utah, Scoville inquired about what Simons  
24 was doing to help build Traffic Monsoon and questioned why he should pay SIC. Spivak explained  
25 that Simons was doing, but also reminded Scoville that Phase I was about PayPal and due diligence,  
26 not building new business for Traffic Monsoon, that he (Spivak) was working very long hours, and  
27 that any inequality between SMIG and SIC was a matter to be adjusted between SMIG and SIC, not  
28 by Traffic Monsoon. Spivak specifically advised Scoville that payment to both SMIG and SIC was

1 required and that it did not matter to Defendants who among the Advisors performed the necessary  
 2 work, so long as the work was performed. Scoville stated that he understood and agreed. He further  
 3 agreed promptly to create the accounts.

4 38. During the next week, while Spivak focused on the PayPal situation (and fought an  
 5 illness that caused him fever, chills and other discomforts), Simons corresponded with Scoville by  
 6 WhatsApp on March 20, 2016. Scoville refused to set up the accounts for SIC, but replied that he  
 7 was happy with Spivak's performance.

8 39. On March 21, 2016, Scoville sent Simons a follow-up email to their WhatsApp  
 9 discussion, which posited questions and answered those questions. That email stated in part  
 10 (underlined emphasis supplied; bold in initial line in original):

11 "Am I planning to pay you and Kenin

12 - Answer: yes. I am. I think it's also fair to know what work you are doing for  
 13 this payment.

14 Also, when Kenin was out here I was asking him what he's been working on  
 15 and he gave me a full understanding of what he's been doing, and what he's  
 16 working towards achieving with me. I feel very comfortable with paying  
Kenin, and working with Kenin.

17 I see emails from Kenin showing me something he's written and has been  
 18 working on -- but I'm not seeing emails from you relating to what you're  
 19 working on.

20 I'm asking you what you're doing, what you're working on, and aiming to  
 21 achieve.. and what you're doing each day working towards these goals and I  
 22 am not really given any specifics.. and instead, I'm given an attitude for even  
 asking. So, after repeatedly asking, and not getting any answers-- but you  
 asking to be paid... I'm really wondering even more what you're doing? The  
 attitude you hear from me, is a mirror of the attitude I'm getting from you."

23 40. Plaintiffs are informed and believe and based thereon allege that Defendants never set up  
 24 any accounts for SIC or SMIG or otherwise paid any amounts to either.

25 41. Once it became clear that seeking emergency injunctive relief was an appropriate first  
 26 step in the litigation strategy against PayPal, Burke and Spivak discussed that strategy with Scoville  
 27 and obtained his approval to proceed, confirmed by Spivak in writing. Based on discussions with  
 28 Burke and the substantial workload and expertise required to execute the strategy, Spivak discussed

1 with Scoville the advisability of retaining a large firm with experience in such matters to work with  
2 Burke. Scoville was apprehensive about whether Burke would be upset. However, once Burke  
3 confirmed that he liked the approach and it would bring needed firepower, Scoville approved of the  
4 plan.

5 42. Scoville latter specifically approved of KM to be the principal law firm for the Delaware  
6 action and its retainer (\$35,000), as well as Potter Anderson and Corron ("PAC") as local counsel  
7 and its billing rates of \$355 per hour to \$865 per hour. Scoville received the KM engagement  
8 agreement, which included KM's other fees and disbursements. He repeatedly assured Spivak and  
9 Burke that he would sign the KM engagement agreement and transfer the retainer. By the time of  
10 the intended filing, the retainer still not had been paid, despite Scoville's repeated promises to do so.

11 43. Thereafter, during the week before Easter, on Good Friday and throughout Easter  
12 weekend, Spivak and Burke provided regular progress reports by email, text and WhatsApp to  
13 Scoville. Spivak and Burke also requested certain additional information from Scoville. At first,  
14 Scoville supplied the information, but on or about March 22, 2016, he ceased taking calls from  
15 Spivak or Burke and ceased responding to their emails, texts and WhatsApp messages.

16 44. Because Scoville had occasionally gone "dark" for a day or two, Spivak was not at first  
17 concerned and Burke communicated no concern to Spivak. Thereafter, on Easter Sunday, after all of  
18 the lawyers and Spivak and worked feverishly to be ready to file, when Spivak could not reach  
19 Scoville and Burke represented to Spivak that he had been unable to do so, Spivak instructed the  
20 lawyers to stand down.

21 45. Spivak and, Plaintiffs believe and based thereon allege, also Burke, repeatedly tried to  
22 reach Scoville. Finally, on March 28, 2016, Burke called the local police to check on Scoville to  
23 make certain he was not injured. The police reported that Scoville was at home. Apparently, -  
24 Scoville had simply chosen to ignore Spivak and Burke. Ultimately, after the police visit, Scoville  
25 spoke to Burke (as Scoville confirmed in a WhatsApp message to Spivak). According to Burke,  
26 Scoville explained that he was angry at Simons for seeking payment and for purportedly doing no  
27 work. He also said he was rethinking the strategy, but again confirmed he would pay KM.

28 46. Scoville's WhatsApp message to Spivak stated: "Hi kenin .. I spoke with Dennis and

1 had a good conversation with him .. Thank you so much for your concern. How are you?" Spivak  
2 promptly responded, but Scoville did not respond to Spivak's message.

3 47. After his message to Spivak, Scoville again went "dark," and ignored repeated emails,  
4 texts, WhatsApp messages and phone calls. Accordingly, on March 30, Spivak emailed Scoville to  
5 explain that Scoville had to pay KM its retainer and that Scoville should call Spivak to discuss an  
6 "unwind" and "termination." A true and correct copy of that email is attached hereto as Exhibit 6.  
7 Spivak sent a text and a WhatsApp message to Scoville pointing out that it was very important  
8 Scoville read the email.

9 48. This time, Scoville responded on WhatsApp, writing:

10 3/30/16, 10:33:47 AM: Charles Scoville: Hi kenin, there has been a lot on my mind and  
11 I'm evaluating so much plus we just finished building in allied wallet and required  
12 people to upload ID .. And there are so many ID being uploaded for review, and these  
13 must be reviewed before people can make a purchase.. ..so its quite important and  
14 customer impacting.. Plus there are a number of other normal daily things to work  
15 through along with personal matters... And I'm just trying to do too much [Sic].

16 49. Spivak responded, but until Plaintiffs sent a demand letter to Defendants on April 4,  
17 Scoville did not communicate with Plaintiffs by any means.

18 50. After the remainder of March 30 through the morning of April 4 passed with no  
19 communications from Scoville – despite repeated emails, texts and WhatsApp messages from Spivak  
20 and Simons, as well as attorney Burke's representation that he had been unable to reach Scoville, on  
21 April 4, 2016, Plaintiffs made written demand on Defendants to perform their obligations under  
22 Sections 2.2 and 4.1 of the Consulting Agreement and further demanded assurances that Plaintiffs  
23 would perform under Section 4.2 of the Consulting Agreement. A true and correct copy of the  
24 demand letter is attached hereto as Exhibit 7.

25 51. Scoville finally responded to the demand letter. Spivak and Scoville exchanged several  
26 emails explaining their respective positions. Scoville again confirmed that the KM retainer belatedly  
27 would be paid. Spivak repeatedly requested that Scoville call him or visit with him in person to  
28 attempt to resolve the problems, including as to whether Plaintiffs should continue to render all or  
some of the services described in the Consulting Agreement (which Spivak repeatedly made clear  
SIC and SMIG were ready to do), or that a termination or other modification might be arrived at by

1 compromise. Scoville never responded specifically to Spivak's repeated requests for a telephone or  
2 in-person conversation and essentially disregarded the scope of Phase I, his last-minute abrogation of  
3 the strategy he had approved regarding PayPal, or the process necessary for SIC and SMIG to secure  
4 business for Traffic Monsoon, including, for example, setting priorities, completing due diligence  
5 and ending or neutralizing PayPal's attacks on Traffic Monsoon. Scoville's emails instead described  
6 a scenario in which almost instantaneously, with no diligence or process, Scoville expected SIC and  
7 SMIG to cause PayPal to release the funds it was holding and generate "billions" in new revenues  
8 for Traffic Monsoon.

9 52. Scoville's emails to Spivak described terms and conditions for a relationship that were  
10 inconsistent with the Consulting Agreement, particularly as to the scope of Phase I and Defendants'  
11 obligations and instead described impractical expectations, even aside from the superseding fact that  
12 Defendants' multiple breaches of the Consulting Agreement had sabotaged the effort. In an April 7,  
13 2016 email, Scoville wrote: "[N]o work has contributed to the revenues currently coming into the  
14 company.. PayPal isn't releasing anything.. so until I see this plan get executed I feel extremely  
15 uneasy paying % of revenues to anyone." To this date, Defendants have not performed their material  
16 contractual obligations, as described in this Complaint.

17 53. In his emails, Scoville wrote of possibly paying SMIG for services rendered, but he  
18 conditioned payment of SIC and SMIG pursuant to Sections 4.1 and 4.2 of the Consulting  
19 Agreement on:

20 a. PayPal's prompt release of funds. That condition, which is not in the Consulting  
21 Agreement, is implausible because Scoville abrogated the strategy architected by Spivak and  
22 approved by Scoville; Defendants failed to provide the information required to file litigation;  
23 Defendants failed to timely pay the counsel involved in executing the strategy; and  
24 Defendants ceased communicating with Spivak and their attorney, Burke. Further, while the  
25 percentage applicable to the PayPal Fee increases if the release of funds is accelerated, the  
26 base percentage of 1.5% has no such condition; and

27 b. Immediate material revenue for Traffic Monsoon from business development  
28 efforts to be undertaken by Plaintiffs. The Consulting Agreement does not require business

1 development efforts during Phase I. Business development is a Phase II activity. Further,  
2 throughout the Term (Phases I and II), the percent and timing of the Percentage Fee are  
3 unrelated to Plaintiffs' business development efforts or results, though the base amount on  
4 which the Percentage Fee is computed likely would increase as a result of successful business  
5 development efforts. Importantly, there is a separate Business Development Fee in Section  
6 4.3 of the Consulting Agreement that is only payable based on the nature and success of  
7 Plaintiffs' business development activities. Moreover, the completion of due diligence is a  
8 condition to Plaintiffs' business development efforts. Spivak repeatedly made clear to  
9 Scoville that SMIG would not waive the requirement. SIC was somewhat flexible regarding  
10 pursuing very limited business development with Simons' close relationships who are in the  
11 same business as Traffic Monsoon prior to the completion of due diligence. As a practical  
12 matter, however, the same metrics Plaintiffs' requested for due diligence are needed for a  
13 proper understanding of Traffic Monsoon's business. Without that understanding, business  
14 development efforts generally would be embarrassing for Plaintiffs and unproductive for  
15 Defendants. In any event, Scoville discontinued business communications with SIC and then  
16 SMIG, and so SIC's business development efforts could not be brought to fruition.

17 54. Section 7.1 of the Consulting Agreement provides in pertinent part: "There can be no  
18 assurance that Client or Advisors will be successful in their efforts and no Party has made any  
19 representations to the contrary."

20 55. According to PayPal's report to Traffic Monsoon, as of about March 22, 2016, PayPal  
21 was holding \$61,152,494.07 of Traffic Monsoon funds, \$55,338,472.82 of which were "available"  
22 and \$4,814.021/25 of which were being held pending resolution of claims made by Traffic Monsoon  
23 customers.

24 56. All conditions required by the Consulting Agreement for Defendants' performance  
25 occurred. Without limitation, except as excused by Defendants' breaches, Plaintiffs have performed  
26 all obligations required by the Consulting Agreement through the date hereof.

27 //

28 //



FIRST CAUSE OF ACTION

(Breach of Contract)

(Plaintiffs against Defendants Traffic Monsoon, Scoville [and PayPal for relief only])

57. Plaintiffs incorporate by reference paragraphs 1 through 56 of this Complaint as though set forth in full herein.

58. Though Scoville approved of the retention of KM and PAC and repeatedly promised to execute the KM engagement agreement and immediately pay its retainer, Plaintiffs failed to execute the engagement agreement. Plaintiffs are informed and believe and based thereon allege that after numerous discussions and assurances, Defendants finally paid the KM retainer on April 13, 2016, too late to support filing of the PayPal litigation intended to result in the more rapid release of Traffic Monsoon funds held by PayPal.

59. Defendants additionally breached the Consulting Agreement by failing to set up the accounts required by Section 4.1 of the Consulting Agreement or otherwise pay the Section 4.1 Percentage Fee.

60. From March 22, 2016, Defendants have materially breached Section 10 of the Consulting Agreement by failing and refusing to accept phone calls from Spivak or Simons, failing and refusing to respond to phone calls, emails, texts or WhatsApp messages to advance Plaintiffs' performance under the Consulting Agreement and by failing to provide the information required for the action against PayPal or the due diligence required for Phase I. The only communications from Scoville since delivery of the demand pertained only to payment of KM's retainer and posturing. Scoville has refused to speak with Spivak or Simons by telephone or in person.

61. By failing to timely pay KM, failing to provide information necessary to file the litigation approved by Defendants and failing to communicate with Burke or Spivak, Defendants made it impossible to pursue the PayPal litigation and thereby thwarted the graduated fee provisions of the PayPal Fee requested by Scoville.

62. By failing to communicate with Simons or Spivak and failing ever to provide the required metrics and other due diligence information, Defendants made it impossible for Plaintiffs to perform and thereby frustrated the purposes of the Consulting Agreement.

//

63. As a direct and proximate result of Defendants' breach, Plaintiffs have been damaged in an amount that exceeds the jurisdictional limits of this Court, which will be established at trial.

64. Plaintiffs seek a preliminary injunction directing PayPal to withhold the PayPal Fee from any funds released to Traffic Monsoon and further to withhold an amount equal to the PayPal Fee from Traffic Monsoon's funds with respect to any other funds released from Traffic Monsoon's PayPal account.

65. Plaintiffs seek a permanent injunction, as more fully set forth below in the prayer for relief: (i) ordering Defendants and those acting in concert with them, to establish irrevocable, segregated accounts for each Plaintiff with its payment processors, including PayPal, Payza, Solidtrustpay and Allied Wallet, into which the Percentage Fee and PayPal Fee will be deposited in accordance with the Consulting Agreement; (ii) ordering PayPal: (a) to the extent Defendants have not established irrevocable, segregated PayPal accounts for each Plaintiff, to directly do so (b) with respect to Traffic Monsoon funds held by PayPal, deposit the PayPal Fee directly into Plaintiffs' segregated accounts, and (c) to release the PayPal Fees deposited in Plaintiffs' segregated accounts pro rata and *pari passu* with PayPal's unblocking or other distribution of other funds in the Traffic Monsoon PayPal accounts, and (iii) ordering Defendants to immediately pay KM and PAC any balance of their fees and costs.

**SECOND CAUSE OF ACTION**  
**(Breach of Covenant of Good Faith and Fair Dealing)**  
**(Plaintiffs against Traffic Monsoon, Scoville [and PayPal for relief only])**

66. Plaintiffs incorporate by reference paragraphs 1 through 56 of this Complaint as though set forth in full herein.

67. The Consulting Agreement is governed by California law. California law imposes a covenant of good faith and fair dealing in all contracts. Among other things, this covenant requires a party to a contract to perform in good faith so as not to frustrate the purposes of the contract.

68. By failing to timely pay KM, failing to provide information necessary to file the litigation approved by Defendants, failing to communicate with Simons and Spivak, and failing ever to provide the required metrics and other due diligence information and doing and failing to do the

1 other things described in this Complaint including in the First Cause of Action, Defendants frustrated  
 2 the purposes of the Consulting Agreement and made it impossible for Plaintiffs to perform their  
 3 services in Phase I or to evaluate whether to proceed with Phase II.

4 69. As a direct and proximate result of Defendants' breach, Plaintiffs have been damaged in  
 5 an amount that exceeds the jurisdictional limits of this Court, which will be established at trial.

6 70. Plaintiffs seek a preliminary injunction directing PayPal to withhold the PayPal Fee  
 7 from any funds released to Traffic Monsoon and further to withhold an amount equal to the PayPal  
 8 Fee from Traffic Monsoon's funds with respect to any other funds released from Traffic Monsoon's  
 9 PayPal account.

10 71. Plaintiffs seek a permanent injunction, as more fully set forth below in the prayer for  
 11 relief: (i) ordering Defendants and those acting in concert with them, to establish irrevocable,  
 12 segregated accounts for each Plaintiff with its payment processors, including PayPal, Payza,  
 13 Solidtrustpay and Allied Wallet, into which the Percentage Fee and PayPal Fee will be deposited in  
 14 accordance with the Consulting Agreement; (ii) ordering PayPal to (a) to the extent Defendants have  
 15 not established irrevocable, segregated PayPal accounts for each Plaintiff, to directly do so (b) with  
 16 respect to Traffic Monsoon funds held by PayPal, deposit the PayPal Fee directly into Plaintiffs'  
 17 segregated accounts, and (c) to release the PayPal Fees deposited in Plaintiffs' segregated accounts  
 18 pro rata and *pari passu* with PayPal's unblocking or other distribution of other funds in the Traffic  
 19 Monsoon PayPal accounts, and (iii) ordering Defendants to immediately pay KM and PAC any  
 20 remaining balance of their fees and costs.

21 **THIRD CAUSE OF ACTION**  
 22 **(Anticipatory Breach of Contract)**  
 23 **(Plaintiffs against Traffic Monsoon, Scoville [and PayPal for relief only])**

24 72. Plaintiffs incorporate by reference paragraphs 1 through 56 of this Complaint as though  
 25 set forth in full herein.

26 73. Defendants breached Section 4.1 of the Consulting Agreement by failing to pay the  
 27 Percentage Fee to SIC or SMIG or to set up accounts for Plaintiffs with Traffic Monsoon's payment  
 28 processors.

1           74. Defendants breached Section 10 of the Consulting Agreement by, among other things,  
2 ceasing to consult with Plaintiffs or provide necessary information regarding PayPal, due diligence  
3 or efforts to build Traffic Monsoon.

4           75. On April 4, 2016, Plaintiffs demanded written assurances from Defendants that  
5 Defendants would pay the Section 4.2 PayPal Fee. Thereafter, Scoville sent messages to Simons  
6 asserting that Defendants had no obligation to pay SIC and engaged in email exchanges with Spivak  
7 culminating in the assertion that Defendants would not pay Plaintiffs unless, apparently, PayPal took  
8 actions that are not a requirement for payment under the Consulting Agreement – and even then,  
9 Scoville did not confirm that payment would occur.

10          76. As recently as March 21, 2016, Scoville assured Simons via email that SMIG would be  
11 paid, that he asserted that SIC would not be paid. Notwithstanding the foregoing assurances, no  
12 payments have been made to SIC or SMIG and no accounts have been set up.

13          77. As described above, in emails sent to Spivak subsequent to the demand letter, Scoville  
14 conditioned payments to SIC and SMIG in accordance with the Consulting Agreement on activities  
15 and results that are not required by the Consulting Agreement for the Percentage Fee or PayPal Fee,  
16 are specifically excluded by Section 7.1 of the Consulting Agreement and are inconsistent with  
17 inclusion of the separate Business Development Fee in Section 4.2 of the Consulting Agreement.

18          78. As a result of the foregoing, Defendants have anticipatorily breached Section 4.2 of the  
19 Consulting Agreement, in that Defendants have asserted that no Section 4.2 PayPal Fee will be paid,  
20 absent activities and results not required by the Consulting Agreement and/or activities or results that  
21 cannot occur by reason of Defendants' breach of the Consulting Agreement and Defendants have  
22 specifically declined to confirm their intention to perform their obligations under Section 4.2 of the  
23 Consulting Agreement.

24          79. At the time of Defendants' repudiation, Plaintiffs had performed all of the conditions and  
25 things on their part to be done and performed, except as excused by Defendants' breaches of the  
26 Consulting Agreement and then were ready and remain ready, able, and willing to continue their  
27 performance.

28 //

82. Plaintiffs seek a permanent injunction, as more fully set forth below in the prayer for relief: (i) ordering Defendants and those acting in concert with them, to establish irrevocable, segregated accounts for each Plaintiff with its payment processors, including PayPal, Payza, Solidtrustpay and Allied Wallet, into which the Percentage Fee and PayPal Fee will be deposited in accordance with the Consulting Agreement; (ii) ordering PayPal to (a) to the extent Defendants have not established irrevocable, segregated PayPal accounts for each Plaintiff, to directly do so (b) with respect to Traffic Monsoon funds held by PayPal, deposit the PayPal Fee directly into Plaintiffs' segregated accounts, and (c) to release the PayPal Fees deposited in Plaintiffs' segregated accounts pro rata and *pari passu* with PayPal's unblocking or other distribution of other funds in the Traffic Monsoon PayPal accounts, and (iii) ordering Defendants to immediately pay KM and PAC any balance of their fees and costs.

(Plaintiffs against Traffic Monsoon, Scoville [and PayPal for relief only])

84. Defendants, failed to pay SIC or SMIG the Percentage Fee or set up accounts for Plaintiffs with Traffic Monsoon's payment processors.

27 86. An actual controversy has arisen and now exists relating to the rights and duties of the  
28 parties herein in that Plaintiffs contend that the Consulting Agreement requires that Defendants, by

1 this time, should be performing material obligations pursuant to Sections 2.2, 3, 4.1 and 10 of the  
 2 Consulting Agreement and also should be unconditionally confirming performance of Section 4.2  
 3 thereof, as described in this Complaint. Defendants, however, contend that they are not obligated to  
 4 pay any amounts to Plaintiffs unless and until: (i) Plaintiffs generate incremental revenues for Traffic  
 5 Monsoon, in amounts sometimes characterized as having to be in the “billions” of dollars; and  
 6 (ii) PayPal releases Traffic Monsoon funds, apparently prior to the 180-day initial hold PayPal  
 7 placed on such funds.

8 87. Plaintiffs desire a judicial determination of their rights and duties, and a declaration that  
 9 Plaintiffs’ interpretation of the Consulting Agreement is correct. A judicial declaration is necessary  
 10 and appropriate at this time under the circumstances in order that Plaintiffs may ascertain their rights  
 11 and duties under the Consulting Agreement. Declaratory relief would have practical effect by  
 12 informing the parties’ future conduct.

13 88. As a direct and proximate result of Defendants’ breach, Plaintiffs have been damaged in  
 14 an amount that exceeds the jurisdictional limits of this Court, which will be established at trial.

15 89. Plaintiffs seek a declaration of their rights and preliminary and permanent injunctions as  
 16 set forth below in the prayer for relief.

17 **FIFTH CAUSE OF ACTION**  
 18 **(Quantum Meruit - Reasonable Value of Services)**  
 19 **(Plaintiffs against all Defendants [against PayPal for relief only])**

20 90. Plaintiffs incorporate by reference paragraphs 1 through 56 of this Complaint of this  
 21 complaint as though set forth in full herein.

22 91. Plaintiffs devoted hundreds of hours of high-level consulting services to Defendants  
 23 during the period from February 1 through March 30, 2016. During that period, Simons, Spivak,  
 24 Maloney and Swanson diligently performed the services described above in this Complaint.

25 92. Plaintiffs further made introductions to Defendants, thereby placing their reputations at  
 26 risk for Defendants’ benefit.

27 //

28 //

4 94. All of the foregoing was undertaken on the basis of the various forms of compensation  
5 to be paid pursuant to the Consulting Agreement during the Term thereof, and thereafter, as provided  
6 for in the Consulting Agreement.

7 95. The reasonable value of the unpaid services provided by Plaintiffs will be established at  
8 trial of this action. The Consulting Agreement sets forth the parties' agreement as to the reasonable  
9 value of compensation for the services Plaintiffs provided to Defendants.

10 SIXTH CAUSE OF ACTION  
11 (Unjust Enrichment)  
12 (Plaintiffs against all Defendants [against PayPal for relief only])

13 96. Plaintiffs incorporate by reference paragraphs 1 through 56 of this Complaint of this  
14 complaint as though set forth in full herein.

15 97. Plaintiffs performed valuable services for Defendants that have assisted Defendants in  
16 securing the release of funds from PayPal; the reduction or cessation of PayPal disparagements of  
17 Defendants; introductions to lawyers and experts; and business ideas that can help convert  
18 trafficmonsoon.com's fringe business model into a more profitable mainstream business model.

19. 98. As a result of the foregoing, Defendants were unjustly enriched by receiving Plaintiffs'  
20 services and work product without paying adequate compensation therefor. To prevent injustice and  
21 the unjust enrichment of Defendants, Defendants should be required to pay to Plaintiffs the  
22 reasonable value received from Plaintiffs, including as to structural improvements in Defendants'  
23 business, improvements in accounting systems, acceleration of payment from PayPal and innovative  
24 ideas for making trafficmonsoon.com more mainstream.

25 ||

26 ||

27 || //

28 ||



**SEVENTH CAUSE OF ACTION**  
**(Accounting)**  
**(Plaintiffs against all Defendants except PayPal)**

99. Plaintiffs incorporate by reference paragraphs 1 through 56 of this Complaint as though set forth in full herein.

100. Based on the allegations set forth herein and the on-going computations to be made for the Section 4.1 Percentage Fee and Section 4.2 PayPal Fee, Plaintiffs are entitled to an accounting from Defendants regarding Gross Receipts and the amounts released by PayPal.

101. The amount of money due from Defendants to Plaintiffs is unknown to Plaintiffs and cannot be ascertained without an accounting of the Gross Receipts and amounts released by PayPal.

102. Contrary to the requirements of Sections 4.1, 4.2, 5 and 13.8 of the Consulting Agreement, Defendants have failed and refused, and continue to fail and refuse, to render an accounting and pay Plaintiffs.

**PRAYER FOR RELIEF**

WHEREFORE, Plaintiffs pray for judgment against Defendants and each of them as follows:

1. For compensatory damages according to proof, including payment to Plaintiffs of:  
(i) the PayPal Fee in the amount of \$2,140,337.29; plus (ii) the Percentage Fee in the amount of 2.5% of Gross Receipts with respect to the Phase I period from February 1, 2016 through July 31, 2016, in an amount to be established at trial and as of the date of this Complaint believed by Plaintiffs to be in excess of \$250,000; plus (iii) the Percentage Fee in the amount of 2.5% of Gross Receipts with respect to the first period of the Phase II, from August 1, 2016 through July 31, 2018, in an amount to be established at trial.

2. A declaration that:

(i) The Consulting Agreement is a valid, binding and enforceable contract between the parties thereto in accordance with its terms.

(ii) Plaintiffs have performed all obligations required of them under the Consulting Agreement, except as the performance thereof is excused by breaches of the Defendants.

1 (iii) Defendants must honor and immediately perform the obligations to pay the  
2 Percentage Fee and PayPal Fee to SIC and SMIG set forth Sections 4.1 and 4.2 of the  
3 Consulting Agreement.

4 (iv) With respect to Traffic Monsoon's Gross Receipts from and after February 1,  
5 2016 and Traffic Monsoon funds on deposit at PayPal, PayPal must create segregated  
6 accounts for the benefit of SIC and SMIG in accordance with Sections 4.1 and 4.2 of the  
7 Consulting Agreement.

8 (v) Defendants must pay KM and PAC any remaining balance of their fees and  
9 costs for services rendered with respect to the PayPal situation through and including  
10 services rendered on Easter Sunday, March 27, 2016 in accordance with Sections 2.2 and 3 of  
11 the Consulting Agreement.

12 3. A preliminary injunction directing PayPal to withhold the PayPal Fee from any funds  
13 released to Traffic Monsoon and further to withhold an amount equal to the PayPal Fee from Traffic  
14 Monsoon's funds with respect to any other funds released from Traffic Monsoon's PayPal account.

15 4. A permanent injunction ordering Defendants and all those acting in concert with  
16 them:

17 (i) To pay the Percentage Fee pursuant to Section 4.1 of the Consulting  
18 Agreement in an aggregate amount equal to 2.5% of Gross Receipts, as defined in the  
19 Consulting Agreement, payable one-half to SIC and one-half to SMIG with respect to the  
20 period commencing February 1, 2016 and continuing until July 31, 2018.

21 (a) All amounts accrued through the date of the order shall be paid within  
22 three business days of the Court's order by wire transfer directly to each of SIC and  
23 SMIG by Defendants.

24 (b) With regard to Gross Receipts remitted through gateway processors  
25 (e.g., PayPal, Payza, Solidtrustpay, Allied Wallet and credit card companies) after the  
26 date of the order and through July 31, 2018, Defendants shall be ordered to  
27 immediately cause each processor to create a special account for each of SIC and  
28 SMIG at that processor and to direct each such processor to deposit each of SIC's and

1 SMIG's percentage fees of 1.25% into their respective special accounts. From and  
2 after the date of the order, each of SIC and SMIG will have sole ownership and  
3 control over that Plaintiff's special account, such that upon request of a Plaintiff to the  
4 applicable processor, that processor shall transfer to that Plaintiff the funds in that  
5 Plaintiff's special account at a time and on terms no less favorable to the Plaintiff than  
6 the timing and terms applicable to Defendants.

7 (c) With respect only to any Gross Receipts received by PayPal from and  
8 after February 1, 2016, that PayPal also is ordered to comply with the requirements  
9 set forth in paragraph (i)(b).

10 (d) With regard to Gross Receipts remitted to an account for the direct or  
11 indirect benefit of Traffic Monsoon or Scoville, other than a payment processor  
12 covered by paragraph (i)(b) above (e.g., JPMorgan Chase & Co. or any other  
13 account) after the date of the order and through July 31, 2018, Defendants shall be  
14 ordered to immediately cause each such account-holder to create a special account for  
15 each of SIC and SMIG at that account-holder and to direct each such account-holder  
16 to deposit each of SIC's and SMIG's percentage fees of 1.25% into their respective  
17 special accounts immediately upon receipt of any deposits into that account. From  
18 and after the date of the order, each of SIC and SMIG will have sole ownership and  
19 control over that Plaintiff's special account, such that upon request of a Plaintiff to the  
20 applicable account-holder, that account-holder shall transfer to that Plaintiff the funds  
21 in that Plaintiff's special account at a time and on terms no less favorable to the  
22 Plaintiff than the timing and terms applicable to Defendants.

23 (e) As to any Gross Receipts accruing after the date of this Order for  
24 which the foregoing accounts are not duly created and the Percentage Fees fully and  
25 timely deposited therein, Defendants shall remit payment to Plaintiffs based upon  
26 estimated Gross Receipts within fifteen (15) days after the end of each calendar  
27 month. Reconciliations based on more complete data will be made on a calendar-  
28 quarterly basis within 45 days after each calendar quarter and again following

1 completion of each year's audited financial results and tax returns.

2 (ii) To pay the PayPal Fee in accordance with Section 4.2 of the Consulting  
3 Agreement, in an amount equal to 3.5% of the amounts released by PayPal, payable one-half  
4 to SIC and one-half to SMIG. Funds shall be deemed "released" when approved by PayPal  
5 for transfer to Defendants, Defendants' lawyer or other account acceptable to Defendants,  
6 including direct payment to Defendants' customers, members or affiliates.

7 (iii) To immediately pay KM and PAC any remaining balance of their fees and  
8 costs for services rendered with respect to the PayPal situation through and including  
9 services rendered on Easter Sunday, March 27, 2016, to be established at trial of this action,  
10 in accordance with Sections 2.2 and 3 of the Consulting Agreement. In the alternative, that  
11 Defendants must immediately pay such amounts to SMIG and SMIG shall immediately pay  
12 over such sums to KM and PAC.

13 (iv) To give written notice to Plaintiffs of any payment processor or other account-  
14 holder used by Defendants to receive Gross Receipts as of the date of the order, or used at  
15 any time from and after July 1, 2016 and through the date of the order, including the name  
16 and address of the processor or other account-holder, the name on the account, and the  
17 account number.

18 (v) To give prior written notice to Plaintiffs of any payment processor or other  
19 account-holder proposed to be used by Defendants to receive Gross Receipts with respect to  
20 the period from and after the date of the order and through July 31, 2018. Thereafter, as to  
21 each such payment processor or other account holder, within 24 hours after establishing the  
22 relationship, to provide the name and address of the processor or other account-holder, the  
23 name on the account, and the account number.

24 5. That the permanent injunction further order PayPal:

25 (i) To create a special irrevocable account for each of SIC and SMIG and deposit  
26 into each an amount equal to 1.25% of Gross Receipts, as defined in the Consulting  
27 Agreement, received by PayPal from and after February 1, 2016. Each of SIC and SMIG  
28 will have sole ownership and control over that Plaintiff's special account, such that upon

request of a Plaintiff to PayPal, PayPal shall transfer to that Plaintiff the funds in that Plaintiff's special account at a time and on terms no less favorable to the Plaintiff than the timing and terms applicable to Defendants. To the extent that Defendants first create the special irrevocable accounts with PayPal, PayPal shall not be required to duplicate that prior performance.

(ii) To irrevocably segregate an amount equal to 3.5% of the amounts held in all Traffic Monsoon accounts and not disburse those funds to any individual or entity, including PayPal, except as instructed by an order of this Court or pursuant to irrevocable, notarized instructions executed by all parties hereto with respect to the PayPal Fee pursuant to Section 4.2 of the Consulting Agreement.

6. On the Fifth Cause of Action, payment to Plaintiffs of the reasonable value of their services in an amount to be established at trial.

7. On the Sixth Cause of Action, payment to Plaintiffs of restitution in an amount to be established at trial.

8. On the Seventh Cause of Action, an accounting of all "Gross Receipts" (as defined in the Consulting Agreement) and amounts released by PayPal (as defined in the Consulting Agreement), for the period from February 1, 2016 through the date of the Court's order.

9. On the Seventh Cause of Action, for payment over to Plaintiffs of the amount due from Defendants as a result of the accounting, and interest thereon as allowed by contract and law.

10. Prejudgment interest;

11. Attorneys' fees as allowed by contract or law;

12. Costs of suit;

13. Such further relief as may be appropriate and as the Court may order.

Respectfully submitted,

DELMAN VUKMANOVIC LLP

By: 

Dana Delman, Esq.

Attorneys for Plaintiffs Simons Investment Company and SMI Group LLC

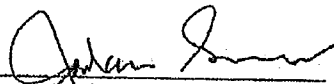
Dated: April 18, 2016

## VERIFICATIONS

1  
2 I, Jordan Simons, am the CEO of Simons Investment Company, one of the plaintiffs in the  
3 above-entitled action. I have read the foregoing Complaint and know the contents thereof. The  
4 same is true of my own knowledge, except as to those matters which are therein alleged on  
5 information and belief or pertain to SMIG, Spivak or interactions between Spivak and Defendants,  
6 and as to those matters, I believe them to be true.

7  
8 I declare under penalty of perjury under the laws of the State of California that the foregoing  
9 is true and correct and that this verification was executed at Beverly Hills, California.

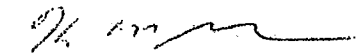
10  
11 Dated: April 18, 2016

12  
13   
14 Jordan Simons

15 I, Kenin M. Spivak, am the CEO of SMI Group LLC, one of the plaintiffs in the above-  
16 entitled action. I have read the foregoing Complaint and know the contents thereof. The same is  
17 true of my own knowledge, except as to those matters which are therein alleged on information and  
18 belief or pertain to SIC, Simons or interactions between Simons and Defendants, and as to those  
19 matters, I believe them to be true.

20 I declare under penalty of perjury under the laws of the State of California that the foregoing  
21 is true and correct and that this verification was executed at Beverly Hills, California.

22  
23 Dated: April 18, 2016

24  
25   
26 Kenin M. Spivak

SUM-100

# SUMMONS (CITACION JUDICIAL)

NOTICE TO DEFENDANT:  
(AVISO AL DEMANDADO):

TRAFFIC MONSOON LLC, a Utah limited liability company;  
Additional Parties Attachment form is attached

YOU ARE BEING SUED BY PLAINTIFF:  
(LO ESTÁ DEMANDANDO EL DEMANDANTE):

SIMONS INVESTMENT COMPANY, a Colorado corporation and SMI  
GROUP LLC, a Delaware limited liability company

FOR COURT USE ONLY  
(SOLO PARA USO DE LA CORTE)

CONFIRMED COPY  
ORIGINAL FILED  
Superior Court of California  
County of Los Angeles

APR 19 2016

Sherril R. Carter, Executive Officer/Clerk  
By: Valles, Deputy

NOTICE! You have been sued. The court may decide against you without your being heard unless you respond within 30 days. Read the information below.

You have 30 CALENDAR DAYS after this summons and legal papers are served on you to file a written response at this court and have a copy served on the plaintiff. A letter or phone call will not protect you. Your written response must be in proper legal form if you want the court to hear your case. There may be a court form that you can use for your response. You can find these court forms and more information at the California Courts Online Self-Help Center ([www.courtinfo.ca.gov/selfhelp](http://www.courtinfo.ca.gov/selfhelp)), your county law library, or the courthouse nearest you. If you cannot pay the filing fee, ask the court clerk for a fee waiver form. If you do not file your response on time, you may lose the case by default, and your wages, money, and property may be taken without further warning from the court.

There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may want to call an attorney referral service. If you cannot afford an attorney, you may be eligible for free legal services from a nonprofit legal services program. You can locate these nonprofit groups at the California Legal Services Web site ([www.lawhelpcalifornia.org](http://www.lawhelpcalifornia.org)), the California Courts Online Self-Help Center ([www.courtinfo.ca.gov/selfhelp](http://www.courtinfo.ca.gov/selfhelp)), or by contacting your local court or county bar association. NOTE: The court has a statutory lien for waived fees and costs on any settlement or arbitration award of \$10,000 or more in a civil case. The court's lien must be paid before the court will dismiss the case. ¡AVISO! Lo han demandado. Si no responde dentro de 30 días, la corte puede decidir en su contra sin escuchar su versión. Lea la información a continuación.

Tiene 30 DÍAS DE CALENDARIO después de que le entreguen esta citación y papeles legales para presentar una respuesta por escrito en esta corte y hacer que se entregue una copia al demandante. Una carta o una llamada telefónica no lo protegen. Su respuesta por escrito tiene que estar en formato legal correcto si desea que procesen su caso en la corte. Es posible que haya un formulario que usted pueda usar para su respuesta. Puede encontrar estos formularios de la corte y más información en el Centro de Ayuda de las Cortes de California ([www.sucorte.ca.gov](http://www.sucorte.ca.gov)), en la biblioteca de leyes de su condado o en la corte que le quede más cerca. Si no puede pagar la cuota de presentación, pida al secretario de la corte que le dé un formulario de exención de pago de cuotas. Si no presenta su respuesta a tiempo, puede perder el caso por incumplimiento y la corte le podrá quitar su sueldo, dinero y bienes sin más advertencia.

Hay otros requisitos legales. Es recomendable que llame a un abogado inmediatamente. Si no conoce a un abogado, puede llamar a un servicio de remisión a abogados. Si no puede pagar a un abogado, es posible que cumpla con los requisitos para obtener servicios legales gratuitos de un programa de servicios legales sin fines de lucro. Puede encontrar estos grupos sin fines de lucro en el sitio web de California Legal Services, ([www.lawhelpcalifornia.org](http://www.lawhelpcalifornia.org)), en el Centro de Ayuda de las Cortes de California, ([www.sucorte.ca.gov](http://www.sucorte.ca.gov)) o poniéndose en contacto con la corte o el colegio de abogados locales. AVISO: Por ley, la corte tiene derecho a reclamar las cuotas y los costos exentos por imponer un gravamen sobre cualquier recuperación de \$10,000 ó más de valor recibida mediante un acuerdo o una concesión de arbitraje en un caso de derecho civil. Tiene que pagar el gravamen de la corte antes de que la corte pueda desechar el caso.

The name and address of the court is:  
(El nombre y dirección de la corte es): West Judicial District

1725 Main Street  
Santa Monica, CA 90401

The name, address, and telephone number of plaintiff's attorney, or plaintiff without an attorney, is:  
(El nombre, la dirección y el número de teléfono del abogado del demandante, o del demandante que no tiene abogado, es):  
Dana Delman Esq., 2600 Michelson Dr., Ste 1700, Irvine, CA 92612 213-943-1340

CASE NUMBER:  
(Número del Caso):

SC125724

DATE: APR 19 2016  
(Fecha)

Sherril R. Carter, Clerk  
(Secretario)

, Deputy  
(Adjunto)

(For proof of service of this summons, use Proof of Service of Summons (form POS-010).)

(Para prueba de entrega de esta citación use el formulario Proof of Service of Summons, (POS-010)).

[SEAL]

## NOTICE TO THE PERSON SERVED: You are served

1. ☐ as an individual defendant.
2. ☐ as the person sued under the fictitious name of (specify):

3. ☒ on behalf of (specify): Traffic Monsoon LLC

- under: ☐ CCP 416.10 (corporation) ☐ CCP 416.60 (minor)  
☐ CCP 416.20 (defunct corporation) ☐ CCP 416.70 (conservatee)  
☐ CCP 416.40 (association or partnership) ☒ CCP 416.90 (authorized person)  
☐ other (specify):

4. ☒ by personal delivery on (date):



SUM-200(A)

SHORT TITLE:

SIMONS INVESTMENT CO. v. TRAFFIC MONSOON LLC

CASE NUMBER:

## INSTRUCTIONS FOR USE

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- If this attachment is used, insert the following statement in the plaintiff or defendant box on the summons: "Additional Parties Attachment form is attached."

List additional parties (Check only one box. Use a separate page for each type of party.):

☐ Plaintiff    ☒ Defendant    ☐ Cross-Complainant    ☐ Cross-Defendant

CHARLES SCOVILLE, an individual; PAYPAL, INC., a Delaware corporation; and DOES 1-10, inclusive

Page 2 of 2

Page 1 of 1

SUM-100

**SUMMONS**  
**(CITACION JUDICIAL)**

**NOTICE TO DEFENDANT:**  
**(AVISO AL DEMANDADO):**

TRAFFIC MONSOON LLC, a Utah limited liability company;  
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**YOU ARE BEING SUED BY PLAINTIFF:**  
**(LO ESTÁ DEMANDANDO EL DEMANDANTE):**

SIMONS INVESTMENT COMPANY, a Colorado corporation and SMI  
GROUP LLC, a Delaware limited liability company

FOR COURT USE ONLY  
(SOLO PARA USO DE LA CORTE)

CONFIRMED COPY  
ORIGINAL FILED  
Superior Court of California  
County of Los Angeles

APR 19 2016

Sherril R. Carter, Executive Officer/Clerk  
By: W. A. Vallejo, Deputy

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1725 Main Street  
Santa Monica, CA 90401

CASE NUMBER:  
(Número del Caso): SC125724

The name, address, and telephone number of plaintiff's attorney, or plaintiff without an attorney, is:  
(El nombre, la dirección y el número de teléfono del abogado del demandante, o del demandante que no tiene abogado, es):  
Dana Delman Esq., 2600 Michelson Dr., Ste 1700, Irvine, CA 92612 213-943-1340

DATE: APR 19 2016  
(Fecha)

Clerk, by: Sherril R. Carter, Clerk (Secretario) W. A. Vallejo, Deputy (Adjunto)

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[SEAL]

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2. ☐ as the person sued under the fictitious name of (specify):

3. ☐ on behalf of (specify):

- under: ☐ CCP 416.10 (corporation) ☐ CCP 416.60 (minor)  
☐ CCP 416.20 (defunct corporation) ☐ CCP 416.70 (conservatee)  
☐ CCP 416.40 (association or partnership) ☐ CCP 416.90 (authorized person)  
☐ other (specify):

4. ☒ by personal delivery on (date):

SUM-200(A)

SHORT TITLE:

SIMONS INVESTMENT CO. v. TRAFFIC MONSOON LLC

CASE NUMBER:

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☐ Plaintiff ☒ Defendant ☐ Cross-Complainant ☐ Cross-Defendant

CHARLES SCOVILLE, an individual; PAYPAL, INC., a Delaware corporation; and DOES 1-10, inclusive

Page 2 of 2

Page 1 of 1

# EXHIBIT 13

10/31/2016

**TRAFFIC MONSOON****Receipt & Disbursement Analysis (EVP International)**

For the Time Period May 1, 2016 to August 31, 2016

Chase Bank Accounts				Payza Account <sup>1</sup>			
Bank	Account Name	Account #	Clear Date	Payee / Payor	Reference No	Transaction Type	Transaction Current State
JPMorgan Chase	Charles D Scoville		06/13/16	EVP International			
JPMorgan Chase	Charles D Scoville		06/14/16	EVP International			
JPMorgan Chase	Charles D Scoville		06/15/16	EVP International			
JPMorgan Chase	Charles D Scoville		06/16/16	EVP International			
JPMorgan Chase	Charles D Scoville		06/17/16	EVP International			
JPMorgan Chase	Charles D Scoville		06/20/16	EVP International			
JPMorgan Chase	Charles D Scoville		06/21/16	EVP International			
JPMorgan Chase	Charles D Scoville		06/22/16	EVP International			
JPMorgan Chase	Charles D Scoville		06/23/16	EVP International			
JPMorgan Chase	Charles D Scoville		06/24/16	EVP International			
JPMorgan Chase	Charles D Scoville		06/27/16	EVP International			
JPMorgan Chase	Charles D Scoville		06/28/16	EVP International			
JPMorgan Chase	Charles D Scoville		06/29/16	EVP International			
JPMorgan Chase	Charles D Scoville		06/30/16	EVP International			
JPMorgan Chase	Charles D Scoville		07/01/16	EVP International			
JPMorgan Chase	Charles D Scoville		07/05/16	EVP International			
JPMorgan Chase	Charles D Scoville		07/06/16	EVP International			
JPMorgan Chase	Charles D Scoville		07/07/16	EVP International			
JPMorgan Chase	Charles D Scoville		07/08/16	EVP International			
JPMorgan Chase	Charles D Scoville		07/11/16	EVP International			
JPMorgan Chase	Charles D Scoville		07/12/16	EVP International			
JPMorgan Chase	Charles D Scoville		07/13/16	EVP International			
JPMorgan Chase	Charles D Scoville		07/14/16	EVP International			
JPMorgan Chase	Charles D Scoville		07/15/16	EVP International			
JPMorgan Chase	Charles D Scoville		07/18/16	EVP International			
JPMorgan Chase	Charles D Scoville		07/19/16	EVP International			
JPMorgan Chase	Charles D Scoville		07/20/16	EVP International			
Total Disbursements To EVP International From Account #							
							\$ 2,700,000.00
JPMorgan Chase	Charles D Scoville		07/21/16	EVP International			
Total Disbursements To EVP International From Account #							
							\$ 100,000.00
JPMorgan Chase	Traffic Monsoon LLC		06/23/16	EVP International			
JPMorgan Chase	Traffic Monsoon LLC		06/24/16	EVP International			
JPMorgan Chase	Traffic Monsoon LLC		06/27/16	EVP International			
JPMorgan Chase	Traffic Monsoon LLC		06/28/16	EVP International			
JPMorgan Chase	Traffic Monsoon LLC		06/29/16	EVP International			
JPMorgan Chase	Traffic Monsoon LLC		06/30/16	EVP International			
JPMorgan Chase	Traffic Monsoon LLC		07/01/16	EVP International			
JPMorgan Chase	Traffic Monsoon LLC		07/05/16	EVP International			
JPMorgan Chase	Traffic Monsoon LLC		07/06/16	EVP International			
JPMorgan Chase	Traffic Monsoon LLC		07/07/16	EVP International			
JPMorgan Chase	Traffic Monsoon LLC		07/08/16	EVP International			
JPMorgan Chase	Traffic Monsoon LLC		07/11/16	EVP International			
JPMorgan Chase	Traffic Monsoon LLC		07/12/16	EVP International			
JPMorgan Chase	Traffic Monsoon LLC		07/13/16	EVP International			
JPMorgan Chase	Traffic Monsoon LLC		07/14/16	EVP International			
JPMorgan Chase	Traffic Monsoon LLC		07/15/16	EVP International			
JPMorgan Chase	Traffic Monsoon LLC		07/18/16	EVP International			
JPMorgan Chase	Traffic Monsoon LLC		07/19/16	EVP International			
JPMorgan Chase	Traffic Monsoon LLC		07/20/16	EVP International			
JPMorgan Chase	Traffic Monsoon LLC		07/21/16	EVP International			
JPMorgan Chase	Traffic Monsoon LLC		07/22/16	EVP International			
JPMorgan Chase	Traffic Monsoon LLC		07/25/16	EVP International			
JPMorgan Chase	Traffic Monsoon LLC		07/26/16	EVP International			
Total Disbursements To EVP International From Account #807958256							
							\$ 1,150,000.00
Total Disbursements To EVP International							\$ 3,950,000.00

Reference No	Transaction Type	Transaction Current State	Time Stamp	Description	Amount
D8B11-F9B89-6B3EC	Deposit	Completed	6/20/2016 7:13	By Bank Wire	\$ 100,000.00
71AD9-C1476-8F1E9	Deposit	Completed	6/27/2016 4:22	By Bank Wire	100,000.00
C987C-2C445-257BC	Deposit	Completed	6/28/2016 6:31	By Bank Wire	100,000.00
18BDD-A3DB8-E16F2	Deposit	Completed	6/29/2016 5:52	By Bank Wire	100,000.00
1097B-CC826-98CB9	Deposit	Completed	6/30/2016 5:57	By Bank Wire	100,000.00
Total Receipts From EVP International					\$ 500,000.00
Total Receipts From EVP International					\$ -
1E93D-671C1-8B368	Deposit	Completed	6/28/2016 8:32	By Bank Wire	\$ 50,000.00
E1929-90D58-662BE	Deposit	Completed	6/29/2016 8:17	By Bank Wire	50,000.00
Total Receipts From EVP International					\$ 100,000.00
Total Receipts From EVP International					\$ 600,000.00

**Notes**

The transaction data received from Payza does not specifically identify the Payee as "EVP International," but instead includes the description "By Bank Wire," based on timing and amount, these transactions appear to relate to the EVP transactions identified in the Chase bank account activity. As shown in the schedule above, the majority of the EVP transactions have not been traced into the TM Payza account. Accordingly, it appears these transactions went to other unidentified Payza accounts or non-Payza accounts.

Prepared By BKJ