

May 4, 2017

Dear Traffic Monsoon Investor:

I am the Receiver that has been appointed by the U.S. District Court for the District of Utah (Court). I want to give you an update of this case.

The Lawsuit

The Securities and Exchange Commission (SEC) filed a lawsuit against Traffic Monsoon and Charles Scoville because it had evidence that Traffic Monsoon was being operated as a fraudulent enterprise. As part of that lawsuit, the SEC asked that Traffic Monsoon and Mr. Scoville be restrained from, among other things, operating Traffic Monsoon and that assets be frozen for the benefit of investors. I was appointed by the Court to do numerous things, including hold assets that were identified when the case was filed, collect additional assets, and ultimately, distribute those assets to investors.

Mr. Scoville originally said he would cooperate with the SEC. But, later he filed papers with the Court arguing that the Court's restraining order and asset freeze should be lifted, and that the receivership should be set aside. The Court held a two-day evidentiary hearing on these requests. Both the SEC and Mr. Scoville presented evidence to the Court. Recently, the Court entered a lengthy opinion rejecting Mr. Scoville's requests. The Court ordered, in material part, that assets remain frozen, that Mr. Scoville was restrained from operating Traffic Monsoon or any similar business model, and that the receivership should continue.

Mr. Scoville has appealed the Court's decision. This appeal will take some time to be decided by the U.S. Tenth Circuit Court of Appeals. During the appeal, the receivership will continue.

What is a Ponzi Scheme

My investigation to date reveals that Traffic Monsoon was operated as a Ponzi scheme. Importantly, the Court, after reviewing evidence that was comprised of information obtained from my investigation, found that the SEC will likely be able show that Traffic Monsoon was operated by Mr. Scoville as a Ponzi scheme.

The operation of a Ponzi scheme is illegal. The reason for this is that investors are not paid from the profits of an underlying business, but rather are receiving a return on their investments from funds obtained by other investors who invest money after them. Thus, when new investors cannot be found or the business is suspended, there is no way to pay investors.

My Role and What I Have Been Doing

I am an attorney who, as receiver, is obligated to report to the Court about my investigation and the assets I am holding. I cannot distribute any assets without Court approval. To date, the primary asset is approximately \$49 million in cash. It was important for this cash to be secured so that it could be preserved for the benefit of all investors who lost money. Ultimately, I will propose a "plan of distribution" to the Court that will provide for each investor who lost money to receive a share of the cash I am holding.

Please know that I am very committed to proposing a plan of distribution as quickly as possible. I have received many communications from investors. All of these communications are being read and registered. I know that you have been subjected to fraud and, in many cases, have lost money. I am working as quickly as I can to propose a plan of distribution.

But, sorting out Traffic Monsoon's business will take some time. Mr. Scoville kept no traditional business records. As a result, there are no "books" for Traffic Monsoon identifying investors, the amount each investor paid to Traffic Monsoon, or the amount each investor received back from Traffic Monsoon. While some of you have contacted me to give me your information, many have not. I am required to identify to the best of my ability all investors and to independently determine which investors have claims to the funds that I hold so that all investors are treated fairly and equally. This requires that I essentially "recreate" Traffic Monsoon's books.

I have taken two primary steps to assist in recreating the books. First, shortly after the case was filed, I secured Traffic Monsoon's servers. The servers contain electronic data of Traffic Monsoon's transactions with investors. Second, I have been obtaining the financial records held by the payment processors and financial institutions through which Traffic Monsoon did business. Forensic accountants are using the information from the servers and the third-party records to piece together the monies that were paid to Traffic Monsoon by each investor, and the monies each investor received. This process is time-consuming due to the sheer volume of information (totaling almost 6 million records). Once this information is organized and analyzed, I will be in a better position to move forward with this case.

Ways To Obtain Information

I am trying to contain the costs of the receivership. Thus, I am not personally taking phone calls or responding to emails. That does not mean that your requests for information are unheard by me. People knowledgeable about this case that work for me are registering your requests for information and responding to all requests with input from me. I recognize that there may be some frustration that the information provided is often repetitive. I understand this frustration, but unfortunately, given the state of the records discussed above, I simply am not in a position to provide more information at this time.

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The very best way to get information about the case is on the receivership website at www.trafficmonssonreceivership.com. I post documents filed in the case on the website and provide updates when they exist. Now that I know that the receivership will continue, I will be filing quarterly Status Reports with the Court, and those Reports also will be posted on the website.

Additionally, the website has a link providing information about how to contact me by email (Trafficmonsoon.receiver.inquiries@dorsey.com) and by telephone. Translation services are available if you call the telephone numbers provided. Please know that if you contact me through these avenues, your requests for information are being heard and registered.

Sincerely,

A handwritten signature in blue ink, appearing to read "Peggy Hunt", with a long horizontal flourish extending to the right.

Peggy Hunt, Receiver

PH:cl