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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 and CHARLES  
D. SCOVILLE,

Defendants.

**SECOND AMENDED ORDER  
APPOINTING RECEIVER**

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

District Judge Jill N. Parrish

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**IT IS HEREBY ORDERED:**

1. Mary Margaret Hunt of Dorsey & Whitney LLP is hereby appointed to serve without bond as receiver (Receiver) for the purpose of marshaling and preserving all assets of Traffic Monsoon, LLC and all assets of Charles D. Scoville (Scoville) that were obtained directly or indirectly from Traffic Monsoon (Receivership Assets).

2. From the date of the entry of this Order until further notice is provided by this court, the Receiver shall have the following general powers and duties.

**I. General Powers and Duties of Receiver**

3. Except for the powers reserved for Scoville described in paragraph 5 below, the Receiver shall have all powers, authorities, rights and privileges heretofore possessed by the officers, directors, managers and general and limited partners of Traffic Monsoon, and any affiliated entities owned or controlled by Traffic Monsoon or Scoville (Receivership Defendants) under applicable law, by the governing charters, by-laws, articles and/or agreements in addition to all powers and authority of a receiver at equity, and all powers conferred upon a receiver by

the provisions of 28 U.S.C. §§ 754, 959 and 1692, and Rule 66 of the Federal Rules of Civil Procedure.

4. The trustees, directors, officers, managers, employees, investment advisors, accountants, attorneys and other agents of Traffic Monsoon shall have no authority with respect to Traffic Monsoon's operations or assets, except to the extent as may hereafter be expressly granted by the Receiver. The Receiver shall assume control of the Receivership Assets and the operation of Traffic Monsoon and any affiliated entities owned or controlled by the Receivership Defendants and shall pursue and preserve all of their claims.

5. Scoville is granted authority to appeal and advance arguments on behalf of Traffic Monsoon in the appeal presently pending in the United States Court of Appeals of the Tenth Circuit pursuant to the Notice of Interlocutory Appeal [Dkt. 85] or any further appeal seeking to modify the following Orders of this court:

- a. *Order granting Motion to Appoint Receiver* [Dkt. 11] and *Amended Order Appointing Receiver* [Dkt. 81];
- b. *Temporary Restraining Order and Order Freezing Assets* [Dkt. 8] and *Amended Temporary Restraining Order and Order Freezing Assets* [Dkt. 56];
- c. *Memorandum Decision and Order Granting A Preliminary Injunction and Denying The Defendants Motion To Set Aside The Receivership* [Dkt. 79]; and
- d. *Preliminary Injunction* [Dkt. 80].

If Scoville wishes to make arguments on behalf of Traffic Monsoon upon remand to this court, he may petition the court to do so. Scoville and his counsel shall have no right to payment or reimbursement from the Receivership Assets for any fees, expenses, or costs incurred in this action or any appeal therefrom. The Receiver must obtain prior approval from this court before

using Receivership Assets to present arguments on the merits of the Securities and Exchange Commission's claims against Traffic Monsoon and Scoville in the above captioned action (Case Number 2:16-cv-00832-JNP) or in any appeals from the orders or judgments of this court.

## **II. Access to Information**

6. The Receivership Defendants and the past and/or present officers, directors, agents, managers, general and limited partners, trustees, attorneys, accountants, agents, including those maintaining and/or hosting servers or websites, and employees of the entity Receivership Defendants, as well as those acting in their place, are hereby ordered and directed to immediately preserve and turn over to the Receiver forthwith all paper and electronic information of, and/or relating to Traffic Monsoon and/or all property interests of Traffic Monsoon; such information shall include but not be limited to books, records, documents, accounts and all other instruments and papers.

7. The Receivership Defendants and their agents shall provide any passwords and execute any documents required to access any computer or electronic files of Traffic Monsoon in any medium, including but not limited to electronically stored information stored, hosted or otherwise maintained by an electronic data host.

## **III. Access to Books, Records and Accounts**

8. The Receiver is authorized to take immediate possession of all assets, bank accounts or other financial accounts, books and records and all other documents or instruments relating to Traffic Monsoon or the Receivership Assets. All persons and entities having control, custody or possession of any Receivership Assets are hereby directed to turn such property over to the Receiver.

9. The Receivership Defendants, as well as their agents, servants, employees, attorneys,

accountants any persons acting for or on behalf of the Receivership Defendants, and any persons receiving notice of this Order by personal service, facsimile transmission or otherwise, having possession of Receivership Assets or books, records, or accounts of Receivership Assets are hereby directed to deliver the same to the Receiver, her agents and/or employees.

#### **IV. Access to Real and Personal Property**

10. The Receiver is authorized to take immediate possession of all personal property of Traffic Monsoon, wherever located, including but not limited to electronically stored information, computers, laptops, hard drives, servers, external storage drives, and any other such memory, media or electronic storage devices, books, papers, data processing records, evidence of indebtedness, bank records and accounts, savings records and accounts, brokerage records and accounts, certificates of deposit, stocks, bonds, debentures, and other securities and investments, contracts, mortgages, furniture, office supplies and equipment.

11. The Receiver is authorized to take immediate possession of all real property of Traffic Monsoon, wherever located. Upon receiving actual notice of this Order by personal service, email or facsimile transmission or otherwise, all persons other than law enforcement officials acting within the course and scope of their official duties, are (without the express written permission of the Receiver) prohibited from: (a) entering such premises; (b) removing anything from such premises; or, (c) destroying, concealing, disposing of, transferring, or erasing anything on such premises.

12. In order to execute the express and implied terms of this Order, the Receiver is authorized to change door locks to the premises described above. The Receiver shall have exclusive control of the keys. The Receivership Defendants, or any other person acting or purporting to act on their behalf, are ordered not to change the locks in any manner, nor to have

duplicate keys made, nor shall they have keys in their possession during the term of the receivership.

13. The Receiver is authorized to open all mail directed to or received by or at the offices or post office boxes of the Traffic Monsoon, and to inspect all mail opened prior to the entry of this Order, to determine whether items or information therein fall within the mandates of this Order.

#### **V. Notice to Third Parties**

14. The Receiver is authorized to instruct the United States Postmaster to hold and/or reroute mail which is related, directly or indirectly, to the business, operations or activities of Traffic Monsoon (Receiver's Mail), including all mail addressed to, or for the benefit of, Traffic Monsoon. The Postmaster shall not comply with, and shall immediately report to the Receiver, any change of address or other instruction given by anyone other than the Receiver concerning the Receiver's Mail. The Receivership Defendants shall not open any of the Receiver's Mail and shall immediately turn over such mail, regardless of when received, to the Receiver. The foregoing instructions shall apply to any proprietor, whether individual or entity, of any private mail box, depository, business or service, or mail courier or delivery service, hired, rented or used by the Receivership Defendants. The Receivership Defendants shall not open a new mailbox, or take any steps or make any arrangements to receive mail in contravention of this Order, whether through the U.S. mail, a private mail depository or courier service.

#### **VI. Liability of Receiver**

15. Until further order of this court, the Receiver shall not be required to post bond or give an undertaking of any type in connection with her fiduciary obligations in this matter.

16. The Receiver, her counsel, and her agents, acting within scope of such agency

(Retained Personnel) are entitled to rely on all outstanding rules of law and orders of this court and shall not be liable to anyone for their own good faith compliance with any order, rule, law, judgment, or decree. In no event shall the Receiver or Retained Personnel be liable to anyone for their good faith compliance with their duties and responsibilities as Receiver or Retained Personnel, nor shall the Receiver or Retained Personnel be liable to anyone for any actions taken or omitted by them except upon a finding by this court that they acted or failed to act as a result of malfeasance, bad faith, gross negligence, or in reckless disregard of their duties.


## **VII. Fees and Expenses**

17. Subject to paragraphs 18–19 immediately below, the Receiver need not obtain court approval prior to the disbursement of receivership funds for expenses in the ordinary course of the administration and operation of the receivership, including but not limited to costs associated with communications with potential claimants and securing electronic information.

18. The Receiver is authorized to employ professionals to assist her in carrying out the duties and responsibilities described in this Order. The Receiver shall not engage any professionals without first obtaining an order of the court authorizing such engagement. The Receiver is authorized to retain Dorsey & Whitney LLP, a firm in which the Receiver is a partner, as the Receiver’s counsel in this matter.

19. The Receiver and Retained Personnel are entitled to reasonable compensation and expense reimbursement from the receivership estate as described in the “Billing Instructions for Receivers in Civil Actions Commenced by the U.S. Securities and Exchange Commission” agreed to by the Receiver. Such compensation shall require the prior approval of the court.

DATED February 16, 2018



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Jill N. Parrish

United States District Judge