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Attorneys for Charles D. Scoville

IN THE UNITED STATES DISTRICT COURT

DISTRICT OF UTAH

SECURITIES AND EXCHANGE COMMISSION, Plaintiff, v. TRAFFIC MONSOON, LLC, a Utah Limited Liability Company, and CHARLES DAVID SCOVILLE, an individual, Defendants.	**CHARLES SCOVILLE'S REPONSE TO THE COURT'S ORDER GRANTING MOTION SEEKING ORDER TO SHOW CAUSE AND TO RECEIVER'S MOTION SEEKING ACCOUNTING** Civil No. 2:16-cv-00832 JNP

Charles Scoville hereby responds to the Court's Order Granting Motion Seeking an Order to Show Cause[1] and to the Receiver's Motion Seeking an Accounting of the Manchester Flat. Because the Receiver has presented no evidence that Mr. Scoville had anything to do with the sale of the property, and because objective evidence shows that he did not sign the document transferring the property and was not even present in the United Kingdom when and where the sale took place, Mr. Scoville should not be held in contempt of this Court's order. For the same reasons, and for the reasons set forth in a further sealed pleading to be filed roughly contemporaneous herewith, Mr. Scoville also objects to the Receiver's Motion Seeking an Accounting.

[1] D.E. 130.

I. APPLICABLE LAW

As the moving party, the Receiver has the burden of proving *by clear and convincing evidence* that (1) a valid court order existed, (2) Mr. Scoville had knowledge of the order and (3) Mr. Scoville disobeyed the order. *See United States v. Ford*, 514 F.3d 1047, 1051 (10th Cir. 2008).

To be clear, Mr. Scoville challenges only the Receiver's proof on the third element. Thus, the only question the Court must decide is whether the Receiver has shown by clear and convincing evidence that ***Mr. Scoville*** disobeyed the Court's order by transferring the specific property referenced in the Receiver's Motion and Declaration to a third party.

II. FACTUAL INTRODUCTION

(a) THE RECEIVER'S ALLEGATIONS

Mr. Scoville does not dispute many of the Receiver's factual assertions in her Motion[2] or her declaration.[3] As to the specific allegations in each paragraph of the Receiver's Declaration, Mr. Scoville answers as follows:

1. Admit.

2. Admit.

3. Admit.

4. Admit.

5. Admit.

6. Admit.

7. Admit.

8. Admit that keys were obtained by the Receiver; Mr. Scoville lacks sufficient knowledge to contest the remaining allegations in this paragraph—but for purposes of this motion—agrees that the Court can assume that they are true.

9. Admit.

10. Admit.

[2] D.E. 128.
[3] D.E. 129.

11. Admit.

12. Mr. Scoville lacks sufficient knowledge to contest this allegation—but for purposes of this motion—agrees that the Court can assume that the statements by Ms. Escobar were made as reported.

13. Denies that Mr. Scoville sold the property.

14. Admit.

15. Deny.

16. Admit.

17. Admit.

18. Admit.

19. Admit.

Based on the evidence submitted by the Receiver, the Court can conclude that the property was within the receivership estate established by this Court's order. The Court can also conclude that the property was transferred, without the Receiver's authorization or knowledge, out of the receivership estate.

However, as to the question of whether Mr. Scoville participated in the transfer, the Receiver has proffered only one piece of evidence that fails to meet her burden. While the Receiver alleges in conclusory fashion that, "I have recently learned that Scoville sold the Property," she does not provide facts to support her conclusion. The Receiver does not even bother to marshal the facts and evidence in support of her conclusion, leaving that task to Mr. Scoville.

The only fact proffered by the Receiver in support of her conclusion that Mr. Scoville in any way participated in the transfer actually tends to prove that he did not. Exhibit B to the Receiver's Declaration[4] is a standard property transfer form used in the United Kingdom. It purports to bear Mr. Scoville's signature. In fact, it is not Mr. Scoville's signature.

[4] See D.E. 129 ¶ 14.a.; D.E. 129-2

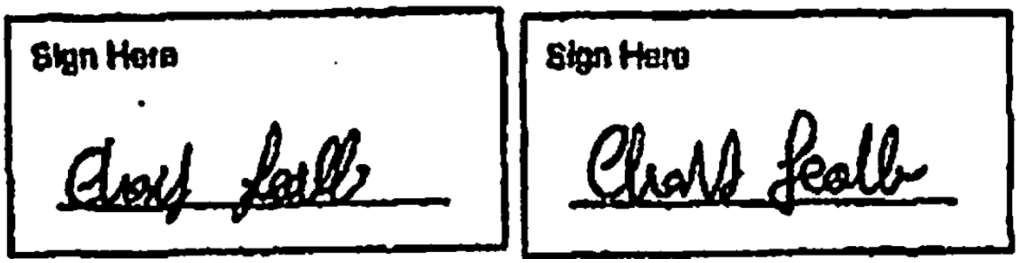
(b) ADDITIONAL FACTS FROM THE RECEIVER'S RECORDS

With her Declaration and Motion, the Receiver provided several documents that describe when and how title to the flat formerly owned by Mr. Scoville was transferred to the present titled owner.

The transfer document allegedly signed by Mr. Scoville[5] is a standard form transfer document, TR1, which is published by Her Majesty's Land Registry.[6] In order to be a valid transfer, this form must be signed and the signature must be witnessed by an independent witness who is not a party to the transaction.[7] Here, the signature was allegedly witnessed by someone named "Kuddus Qureshi."[8] Mr. Qureshi reports on the form that he lives in London, at 24 Heigham Road, postal code E6 2JG.

(1) The Signature on The Transfer Records Is Not Mr. Scoville's Signature

The transfer document is purportedly signed four times by Charles Scoville. To be clear, other than the face of the document, the Receiver provides no evidence that Mr. Scoville signed this document or participated in any other way in the transfer of this property. However, upon examination it appears Mr. Scoville did not participate in transferring the property. The signatures on the property transfer form are reproduced here:[9]



[5] *See* D.E. 129-2 at pp.5–6.

[6] *See* https://www.gov.uk/government/publications/registered-titles-whole-transfer-tr1 (visited March 28, 2018).

[7] *See* https://www.gov.uk/government/publications/registered-titles-whole-transfer-tr1/guidance-completing-form-tr1-for-the-transfer-of-registered-property (visited March 28, 2018) (See item 3.12).

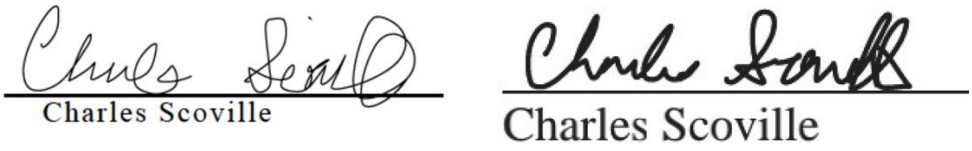
[8] *See* D.E. 129-2 at pp.5–6.

[9] *See* D.E. 129-2 at pp.5–6.



If this is not Mr. Scoville's signature, then the Receiver has provided no evidence—much less clear and convincing evidence—that Mr. Scoville participated in the transfer of the property. While the transfer might constitute a fraud against the Receivership estate by someone, the Receiver has not met its burden to show that Mr. Scoville was in any way involved.

Exemplars of Mr. Scoville's signature demonstrate that the signatures on the Form TR1 are not his. Mr. Scoville has signed two declarations in this case, both before the date of the alleged transfer.[10] Those signatures appear as follows:



Additionally, the SEC has (graciously) provided counsel with bank records obtained in their investigation. Mr. Scoville's signatures on a bank signature card obtained from JP Morgan by the SEC as part of its investigation were recorded as follows[11]:

[10] These signatures appear on Mr. Scoville's declaration in support of his Opposition to Motion for Summary Judgment, D.E. 32-1, and his declaration in support of his Reply to Plaintiff's Opposition to Motion to Set Aside Receivership, D.E. 45-1. The latter was signed the undersigned law office in the presence of his staff.

[11] *See* Exhibit 1 attached hereto.

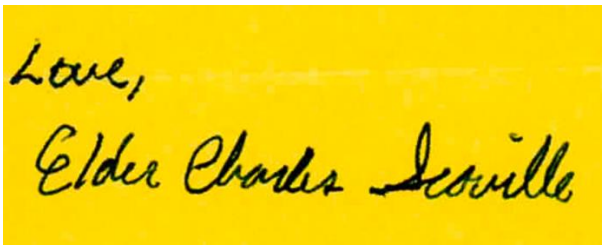
Member or Manager

SIGNATUR

Mr. Scoville's family has provided the following exemplars of Mr. Scoville's signature from a piece of artwork he created and signed:

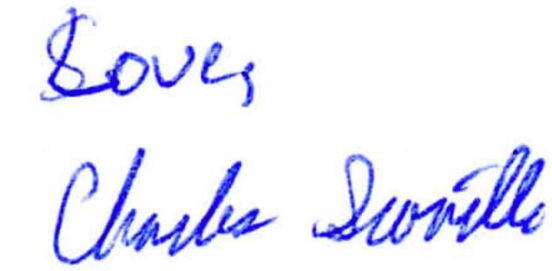


And additional exemplars from letters he sent to his family during his LDS Mission years ago:





And from other documents his family located containing his signature[12]



(2) There Are Various Aspects of The Signature on the Form TR1 That Are Inconsistent with Mr. Scoville's Signature

Because of Counsel's past experience with handwriting experts, Counsel did not retain an expert because the source to be examined—the Form TR1—is not an original ink signature copy; rather, it is a digital copy that is somewhat unclear.

However, even to the untrained eye there are significant differences between the signatures on the Form TR1 and Mr. Scoville's signature. First, Mr. Scoville always starts the signature of his last name from the bottom of the letter, and usually quite far to the left, and begins with a curving stroke to the upper right into the top loop of the cursive capital "S." In contrast, in all four instances of the signature on the Form TR1, the signature starts in the middle of the letter, well above the signature line.

Further, the lower loop in Mr. Scoville's cursive capital "S" has an angular appearance and the lower loop typically appears to curve to the right from the top of the upper loop. But, in the document relied upon by the Receiver, the lower loop of the cursive "S" is produced by drawing a loop to the left of a nearly vertical line produced after the upper loop has been rendered. The lower loop also lacks the angular appearance of Mr. Scoville's signature. Compare the known exemplar of a capital "S" (on the left) with the letter from the TR1 (on the right).

[12] *See* Exhibit A to Declaration of Shirley Scoville filed concurrently herewith.

Known Exemplar



Signature on Form TR1



Further, in Mr. Scoville's signature of his first name, the capital "C" and lower case "h" are spread apart; the "C" never overlaps over the "h" in the signature. Indeed, the upper loop of the "h" has a rightward slant, creating distance from the "h." In contrast, in the signatures on the TR1, the "C" overlaps or touches the "h" in three of the four exemplars, and is close to touching in the fourth exemplar. Further, the "h" has little slant and in some instances the "h" on the TR1 is virtually upright, rather than slanting away from the "C" as in Mr. Scoville's known signature exemplars. Again, compare the known exemplar with the signature on the Form TR1.

Known Exemplar



Signature on Form TR1



Finally, in most instances the end of Mr. Scoville's first name in his signature contains somewhat distinctive renditions of "l," "e," and "s." In contrast, in the TR1 signature, none contains a clear "l," "e," and "s." Again, a comparison of that element demonstrates the difference.

Known Exemplar



Signature on Form TR1



Because of these differences—and based on her lifelong exposure to Mr. Scoville's signature—it is Shirley Scoville's, Mr. Scoville's mother, opinion that the signatures on the Form TR1 are not Mr. Scoville's signature.[13] This opinion is also informed by the fact that Mrs. Scoville spoke with her son daily around the date the subject property was transferred, including twice on the date of the alleged transfer and Mr. Scoville was in the United States at the time, as illustrated below.

(c) MR. SCOVILLE WAS IN THE UNITED STATES DURING THE TIME THE SALE WAS COMPLETED IN THE UNITED KINGDOM

According to the Form TR1, the sale was completed on Tuesday, November 28, 2017. On that same day Mr. Scoville placed two phone calls to his mother's phone, one at 10:37 am for 17 minutes and one at 3:23 pm for 27 minutes. Both phone calls originated from "Salt Lake, UT."[14] Similarly, Mr. Scoville made phone calls to his mother or father every day between November 25 and December 3, 2017. Each of these phone calls originated either from, "Salt Lake, UT" or "Murray, UT." Mr. Scoville lives in an apartment in Murray, Utah, that was part of the

[13] *See* Declaration of Shirley Scoville.
[14] *See* Declaration of Shirley Scoville at ¶ 10 and accompanying Exhibit B.

Receivership estate and that the Receiver has searched through her agents. Murray is a suburb of Salt Lake, which is where the other calls on or around November 28, 2017, originated.

In other words, Mr. Scoville was not in the United Kingdom at the time the transfer supposedly took place. Given that the person who allegedly witnessed his signature lives in London, and that the signature is not Mr. Scoville's signature, the evidence demonstrates that Mr. Scoville was not present at, and did not sign the documents for, the transfer of the property.

III. CONCLUSION

The Receiver's Motion for an Order to Show Cause asked that Mr. Scoville be held in contempt based entirely on the claim that Mr. Scoville "sold" the subject property. The Receiver did not provide any supporting explanation for her assertion that he sold the property, and the records that she attached to her declaration do not establish that Mr. Scoville "sold" the property. At present the Receiver has establihed only that someone—but based on the document not bearing his signature and him not being in the United Kingdom at the time, apparently not Mr. Scoville—signed a document transferring the subject property to a third party and received funds in return. Mr. Scoville cannot be held in contempt where the record establishes only that someone else took action to transfer the property. Simply put, the Receiver has not met her burden and the Receiver's motion should be denied.

Because the Receiver has failed to identify any evidence that Mr. Scoville sold the property the Court should also deny the Receiver's Motion Seeking an Accounting.

DATED: March 30, 2018

SMITH CORRELL, LLP

/s/ D. Loren Washburn
D. Loren Washburn
Counsel for Charles Scoville

CERTIFICATE OF SERVICE

I hereby certify that on March 30, 2017, the foregoing **CHARLES SCOVILLE'S REPONSE TO THE COURT'S ORDER GRANTING MOTION SEEKING ORDER TO SHOW CAUSE AND TO RECEIVER'S MOTION SEEKING ACCOUNTING** was served upon the person(s) named below, at the address set out below by email and CM/ECF:

Daniel J. Wadley
Amy J. Oliver
Alison J. Okinaka
Cheryl M. Mori
SECURITIES EXCHANGE COMMISSION
351 South West Temple, Suite 6.100
Salt Lake City, Utah 84101

Peggy Hunt (Utah State Bar No. 6060)
Michael Thomson (Utah State Bar No. 9707)
John J. Wiest (Utah State Bar No. 15767)
DORSEY & WHITNEY LLP
111 South Main Street, UT 84111-2176
Salt Lake City, UT 84111-2176

/s/ Melina Hernandez

Exhibit 1

BUSINESS DEPOSITORY CERTIFICATE (Limited Liability Company)

CHASE

__X__NEW _____CHANGE

ACCOUNT NO.
[redacted]3256
ACCOUNT TITLE
TRAFFIC MONSOON LLC

BANK NAME/NUMBER
JPMorgan Chase Bank, N.A. (602)
BRANCH NAME AND NO.
Utah - 202

DATE
02/25/2016

BUSINESS ADDRESS
4927 S MURRAY BLVD APT Z9

PREPARED BY
KRESTA SPENCER

MURRAY, UT 84123-2761

PHONE NO.
(801) 481-5250

TAXPAYER ID NO.
[redacted]

PRODUCT TYPE
Chase Platinum Business Checking

Legal Name of Organization: TRAFFIC MONSOON LLC (the "Organization")

State of Organization: UT

Type of Organization (check one):
[ ] Limited liability company managed by its members
[X] Limited liability company managed by one or more managers

The individuals signing this Certificate certify to JPMorgan Chase Bank, N.A. (the "Bank") as follows:

- the Organization is a limited liability company, duly organized under the laws of the state of organization listed above;
- the individuals signing this Certificate are, or are authorized representatives of, all of the members (if managed by its members) ("Members") or managers (if managed by managers) ("Managers") of the Organization; and
- the Organization has authorized all actions and agreements described in this Certificate in accordance with all requirements of law and of Organization's organizational documents and bylaws, if any, and the authorizations are now in full force and effect.

Account Opening and Contractual Authorization
Any of the people listed below ("Authorized Persons"), acting alone, may:

- Open or close one or more accounts with the Bank at any time, subject to the Bank's deposit account agreement;
- Act on behalf of the Organization in any matter involving any of the Organization's depository accounts at the Bank;
- Sign all agreements or other documents relating to any depository accounts or other business of the Organization. These agreements & other documents include but are not limited to funds transfer agreements, agreements for automated clearinghouse services, agreements for online services, and safe deposit agreements.

Deposit and Withdrawal Authorization
Each Authorized Person may deposit or withdraw the Organization's funds. Each Authorized Person may sign any and all checks, drafts, and orders drawn against any account of the Organization at the Bank, and may give instructions for account transactions without a signature, such as those initiated via electronic debit, payment, wire transfer, or other withdrawal of funds by computer, electronic or other means. The Bank is authorized to pay any checks or other transactions authorized by the Organization, even if doing so causes or increases an overdraft. Each Authorized Person may endorse for cash, collection, deposit, or negotiation any checks, drafts, notes, bills of exchange, or certificates of deposit, and order the payment or transfer of money between accounts at the Bank and other banks. Endorsements "for deposit" may be written or stamped. The Bank may accept any instrument for deposit to any depositary account of the Organization without endorsement or may supply the endorsement of the Organization. The Bank is authorized to pay all checks, drafts, and orders when signed, endorsed, or authorized by any Authorized Person without inquiry as to the circumstances of issue or disposition of the proceeds and regardless of to whom such instruments are payable or endorsed, including those payable to or endorsed to the Authorized Person.

Print Name	Title	Facsimile Signatures
CHARLES D SCOVILLE	Manager	

SIGNER(S) TO BE ADDED LATER

Facsimile Signature Authorization
The Bank is authorized and directed to pay checks bearing any form of facsimile or computer-generated signature. If the Organization either uses or provides a signature card authorizing any facsimile or computer-generated signature, the Organization will be solely responsible for any check bearing a similar signature.

Further Authorizations
Each Member or Manager, as applicable, acting alone, is authorized to certify to the Bank the name, title, specimen signature and facsimile signature of any additional Authorized Person, or to instruct the Bank to remove any Authorized Person. The Bank may rely on this Certificate until it receives express written notice of a change or revocation.

FOR THE PRECEDING PURPOSES, each of the undersigned has signed his/her name(s) on the date indicated above.
Exemption from FATCA reporting code (if any) _____ [According to the IRS Form W-9 instructions, if you are only submitting this form for an account you hold in the United States, you may leave this field blank.]

CERTIFICATION
The undersigned certifies under penalties of perjury that (1) the Organization's Taxpayer Identification Number shown above is correct, and (2) the Organization is not subject to backup withholding because: (a) the Organization is exempt from backup withholding, or (b) the Organization has not been notified by the Internal Revenue Service (IRS) that it is subject to backup withholding as a result of failure to report all interest or dividends, or (c) the IRS has notified the Organization that it is no longer subject to backup withholding, and (3) the Organization is a U.S. citizen or other U.S. person (as defined in the Form W-9 Instructions), and (4) the FATCA code(s) entered on this form (if any) indicating that the Organization is exempt from FATCA reporting is correct.

If the IRS has notified the Organization that it is subject to backup withholding due to underreporting interest or dividends on its tax return, cross out item 2 above.

CHASE

BUSINESS DEPOSITORY CERTIFICATE
(Limited Liability Company)

ACCOUNT NO. [redacted]3256

Note: For a disregarded entity, if the owner is not signing below, he, she or it must submit IRS Form W-9 or the appropriate Form W-8.

The Internal Revenue Service does not require your consent to any provision of this document other than the certifications required to avoid backup withholding.

Member or Manager [signature] Date Feb 25, 2016

Printed Name: CHARLES D SCOVILLE

Member or Manager Date

Printed Name:

Member or Manager Date

Printed Name:

Member or Manager Date

Printed Name:

Member or Manager Date

Printed Name:

Member or Manager Date

Printed Name:

Member or Manager Date

Printed Name:

Member or Manager Date

Printed Name:

(Attach additional pages if necessary to reflect all Members or Managers)

DISTRIBUTION: 1) National Account Services 2) Customer

JPMorgan Chase Bank, N.A. Member FDIC

M1207-04-CS (5/14 v2)

Scan

CHASE

Business Signature Card

ACCOUNT TITLE ("DEPOSITOR")
TRAFFIC MONSOON LLC

BUSINESS ADDRESS
4927 S MURRAY BLVD APT Z9

MURRAY, UT 84123-2761

ACCOUNT NUMBER [redacted]3256
ACCOUNT TYPE Chase Platinum Business Checking
TAXPAYER ID NUMBER [redacted]
DATE OPENED 02/25/2016
FORM OF BUSINESS Limited Liability Company - Manager Managed (LLC)
ISSUED BY JPMorgan Chase Bank, N.A. (602)
Highland Dr - 202
KRESTA SPENCER
(801) 481-5250
02/25/2016

PRIMARY ID TYPE	PRIMARY ID NUMBER	ISSUER	ISSUANCE DATE	EXPIRATION DATE
Website Documentation	[redacted]	UT	([redacted]	[redacted]
SECONDARY ID TYPE	**SECONDARY ID NUMBER**	**ISSUER**	**ISSUANCE DATE**	**EXPIRATION DATE**
None				

ACKNOWLEDGEMENT - By signing this Signature Card, the Depositor applies to open a deposit account at JPMorgan Chase Bank, N.A. (the "Bank"). The Depositor represents and warrants that (i) the signatures appearing below are genuine or facsimile signatures of the person(s) authorized to transact business and (ii) all necessary actions or formalities, where necessary, have been taken to authorize the named person(s) to so act. The Bank is entitled to rely on the authority of the named person(s) until written revocation of such authority is received by the Bank. The Depositor certifies that the information provided to the Bank is true to the best of its knowledge and authorizes the Bank, at its discretion, to obtain credit reports on the Depositor. The Depositor acknowledges receipt of the Bank's Deposit Account Agreement or other applicable account agreement, which include all provisions that apply to this deposit account, and other agreements and service terms for account analysis and other treasury management services if applicable, and agree to be bound by the terms and conditions contained therein as amended from time to time.

** When you give us your mobile phone number, we have your permission to contact you at that number about all your Chase or J.P. Morgan accounts. Your consent allows us to use text messaging, artificial or prerecorded voice messages and automatic dialing technology for informational and account service calls, but not for telemarketing or sales calls. It may include contact from companies working on our behalf to service your accounts. Message and data rates may apply. You may contact us anytime to change these preferences.

	PRINTED NAME	**TELEPHONE NUMBER	TAXPAYER ID #	TITLE	DATE	SIGNATURE
1)	CHARLES D SCOVILLE	**[redacted]7669	[redacted]	Manager	Feb 25, 16	Charles Scoville
2)						
3)						
4)						

M1207-01-13-CS (3/14 v3)

Scan

SEC-JPMCB-P-0000151

Redacted in its Entirety

SEC-JPMCB-P-0000152 to
SEC-JPMCB-P-0000200