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Attorneys for Court-Appointed Receiver Peggy Hunt

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

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff.

v.

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

Defendants.

**RECEIVER'S RESPONSE TO MOTION
FOR RELIEF FROM FILING FUTURE
STATUS REPORTS AND UPDATES**

2:16-cv-00832-JNP

The Honorable Jill N. Parrish

Peggy Hunt, as the Court-appointed Receiver in the above-captioned case (the "Receiver"), by and through counsel, hereby files this *Response* to the *Status Report and Motion for Relief from Filing Future Status Reports and Updates* [Docket No. 150] (the "Motion"), filed by Defendant Charles D. Scoville ("Scoville"). For the reasons stated herein, the Receiver requests that the Court deny the Motion and require Scoville to continue filing status reports with the Court. In support hereof, the Receiver replies and states as follows:

I. RELEVANT FACTS

1. On May 14, 2018, Scoville met with the Receiver, Receiver's counsel, and counsel for the SEC.

2. At the meeting, Scoville denied any involvement in the transfer of the "Property" located in Manchester, England, as alleged in the Receiver's *Ex Parte Motion Seeking an Order to Show Cause Why Charles D. Scoville Should Not Be Held in Contempt* [Docket No. 128]. Scoville also stated that he wanted to cooperate with the Receiver in determining who transferred the Property.

3. On May 16, 2018, the Receiver's counsel sent an email to Scoville's counsel asking Scoville to sign a letter authorizing the British company which allegedly acted on Scoville's behalf in the transfer of the Property to divulge information about the transfer to the Receiver. Receiver's counsel also attached a draft of the letter (the "Authorization Letter") for Scoville's approval and execution. A true and correct copy of this email and the attached letter is attached hereto as **Exhibit A**.

4. Scoville's counsel did not respond to this email.

5. On June 5, 2018, the Receiver's counsel sent a follow up email to Scoville's counsel requesting an update on the Authorization Letter. A true and correct copy of this email is attached hereto as **Exhibit B**.

6. Scoville's counsel did not respond until June 15, 2018, when he notified the Receiver's counsel that getting Scoville's signature on the Authorization Letter would be delayed because Scoville had been arrested and was in the Salt Lake County Jail.

7. On June 17, 2018¹, Scoville signed the Authorization Letter, and Scoville's counsel sent the executed Authorization Letter to the Receiver's counsel on June 18, 2018. A true and correct copy of the executed Authorization Letter is attached hereto as **Exhibit C**.

II. ARGUMENT

The Receiver believes it is important that the Court and the parties in this action continue to receive reports on the status of Scoville's whereabouts. Although Scoville agreed to assist the Receiver in investigating the transfer of the Property, he has been slow to respond to the Receiver's requests. Scoville states in the Motion that since the May 14, 2018 meeting, "no request for assistance has been made" by the Receiver to Scoville. This is incorrect. The Receiver first requested that Scoville sign the Authorization Letter on May 16, 2018, more than two weeks before Scoville filed the Motion claiming no requests for assistance had been made. Additionally, it took more than a month for Scoville to sign the Authorization Letter after the Receiver first requested that he do so.

The fact that Scoville now faces criminal charges in the State Court makes it even more important that he continue to file status reports with this Court to allow the Receiver and the Court to follow his whereabouts and status. Therefore, the Receiver requests that the Court deny the Motion, and continue to require Scoville to file status reports and to ensure his cooperation with the Receiver.

¹ While the executed Authorization Letter is dated June 7, 2018, it is clear from correspondence received from Scoville's counsel that Scoville did not sign the Authorization Letter until June 17, 2018.

DATED this 18th day of June, 2018.

DORSEY & WHITNEY LLP

/s/ Michael F. Thomson

Peggy Hunt

Michael F. Thomson

John J. Wiest

Attorneys for Receiver, Peggy Hunt

CERTIFICATE OF SERVICE

I hereby certify that on this 18th day of June, 2018, I caused the foregoing to be electronically filed with the Clerk of the Court using the CM/ECF system, which will send notification of the filing to all counsel of record in this case.

/s/ John J. Wiest

Exhibit A

Wiest, John

From: Thomson, Michael
Sent: Wednesday, May 16, 2018 10:25 AM
To: Loren Washburn
Cc: Hunt, Peggy; Daniel Wadley; Amy Oliver (OliverA@sec.gov) (OliverA@sec.gov)
Subject: Traffic Monsoon - Draft Letter for Mr. Scoville's Signature
Attachments: Letter from Charles Scoville to My Home Move-v2.docx

Loren,

As a follow up to our meeting on Monday, attached is a draft letter for Mr. Scoville's signature authorizing the release of documents and information related to sale of the Manchester property. Please let me know if you have any comments or would like to discuss. If the attached is acceptable, please complete the date brackets, have Mr. Scoville sign the letter, and then forward the original to me.

Thanks,
Mike

Michael F. Thomson
Partner



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Please help reduce paper and ink usage. Print only if necessary.

My Home Move
1 Frances Way
Grove Park
Enderby
Leicester
LE19 1SH
United Kingdom

Your reference: Kazminder Sangha

BY SPECIAL DELIVERY AND EMAIL

[DATE] May 2018

Dear Sirs,

Sale of Apartment 27 NV Building, 96 The Quays, Salford M50 3BB (the **Property**).

I, Charles David Scoville, instruct and authorise you to provide Melissa Moyle of Dorsey & Whitney (Europe) LLP with copies of all information and documents relating to the transfer of the Property to John Jarvis Hitchen on 28 November 2017 on which your firm acted.

Melissa's contact details are as follows:

- Telephone number: 020 7031 3787
- Email address: moyle.melissa@dorsey.com
- Address: Dorsey & Whitney (Europe) LLP, 199 Bishopsgate, London, EC2M 3UT, United Kingdom

Please confirm receipt of this letter and your compliance with its instructions by [7 days from sending] May 2018.

Yours faithfully,

.....

Charles David Scoville

Exhibit B

Wiest, John

From: Thomson, Michael
Sent: Tuesday, June 5, 2018 10:11 AM
To: Loren Washburn
Cc: Hunt, Peggy; Daniel Wadley; Amy Oliver (OliverA@sec.gov) (OliverA@sec.gov)
Subject: RE: Traffic Monsoon - Draft Letter for Mr. Scoville's Signature

Loren,
I'm writing to follow up on my request for Mr. Scoville's assistance below. Can you please give me an update?
Thanks,
Mike

Michael F. Thomson
Partner



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Please help reduce paper and ink usage. Print only if necessary.

From: Thomson, Michael
Sent: Wednesday, May 16, 2018 10:25 AM
To: 'Loren Washburn' <lwashburn@smithcorrell.com>
Cc: Hunt, Peggy <hunt.peggy@dorsey.com>; Daniel Wadley <WadleyD@SEC.GOV>; Amy Oliver (OliverA@sec.gov) (OliverA@sec.gov) <OliverA@sec.gov>
Subject: Traffic Monsoon - Draft Letter for Mr. Scoville's Signature

Loren,
As a follow up to our meeting on Monday, attached is a draft letter for Mr. Scoville's signature authorizing the release of documents and information related to sale of the Manchester property. Please let me know if you have any comments or would like to discuss. If the attached is acceptable, please complete the date brackets, have Mr. Scoville sign the letter, and then forward the original to me.
Thanks,
Mike

Michael F. Thomson
Partner



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Exhibit C

My Home Move
1 Frances Way
Grove Park
Enderby
Leicester
LE19 1SH
United Kingdom

Your reference: Kazminder Sangha

BY SPECIAL DELIVERY AND EMAIL

7 June 2018

Dear Sirs,

Sale of Apartment 27 NV Building, 96 The Quays, Salford M50 3BB (the **Property**).

I, Charles David Scoville, instruct and authorise you to provide Melissa Moyle of Dorsey & Whitney (Europe) LLP with copies of all information and documents relating to the transfer of the Property to John Jarvis Hitchen on 28 November 2017 on which your firm acted.

Melissa's contact details are as follows:

- Telephone number: 020 7031 3787
- Email address: moyle.melissa@dorsey.com
- Address: Dorsey & Whitney (Europe) LLP, 199 Bishopsgate, London, EC2M 3UT, United Kingdom

Please confirm receipt of this letter and your compliance with its instructions by 24 June 2018.

Yours faithfully,



Charles David Scoville