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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 FIFTH
STATUS REPORT**

*(JANUARY 1, 2018 THROUGH
MARCH 31, 2018)*

2:16-cv-00832-JNP

The Honorable Jill N. Parrish

Peggy Hunt, the Court-appointed Receiver (the “Receiver”) for Traffic Monsoon, LLC and the assets of Charles David Scoville that were obtained directly or indirectly from Traffic Monsoon, hereby submits this *Fifth Status Report* (the “Status Report”) for the period of January 1, 2018 through March 31, 2018 (the “Reporting Period”). This Status Report is posted on the website for the receivership at www.trafficmonsoonreceivership.com (the “Receivership Website”).

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I. Introduction

This Status Report includes a brief summary of key events in this case to date as set forth in Part II below. Part III is a summary of the Receiver's work during the Reporting Period, and Part IV provides a summary of key findings to date. Part V is a financial summary of the Receivership Estate. All of the documents filed with the Court that are referenced in this Status Report are posted on the Receivership's website at www.trafficmonsoonreceivership.com (the "Receivership Website")

Please note that a more detailed discussion about the background in this case is set forth in the *Receiver's First Status Report (July 26, 2016 Through March 31, 2017)* (the "First Status Report"),¹ which incorporated the Receiver's *Declarations* outlining the initial findings of her investigation.² Since filing that First Status Report, the Receiver has continued to file quarterly Status Reports that also may be consulted for information about this case. To date the following additional Status Reports have been filed: *Receiver's Second Status Report (April 1, 2017 Through June 30, 2017)*;³ *Receiver's Third Status Report (July 1, 2017 Through September 30, 2017)*;⁴ and *Receiver's Fourth Status Report (October 1, 2017 Through December 31, 2017)*⁵ (these Reports, together with the First Status Report, are the "Prior Status Reports"). All of the Prior Status Reports are posted on the Receivership Website.

¹ Docket No. [91](#).

² See *Declaration of Receiver Peggy Hunt (Communications)* (the "Communications Declaration"), Docket No. [54](#); and the *Declaration of Peggy Hunt (Business Operations)* (the "Business Operations Declaration"), Docket No. [55](#).

³ Docket No. [104](#).

⁴ Docket No. [108](#).

⁵ Docket No. [122](#).

II. Summary of Key Events

A. Commencement of The Civil Enforcement Case and the TRO

On July 26, 2016, the above-captioned case (the “Civil Enforcement Case”) was commenced by the United States Securities and Exchange Commission (the “SEC”) against Defendants Traffic Monsoon, LLC (“Traffic Monsoon”) and Charles David Scoville (“Scoville” and, together with Traffic Monsoon, the “Defendants”). The SEC claims, among other things, that between October 2014 and July 26, 2016, the Defendants engaged in securities fraud and operated a Ponzi scheme. It is alleged that the Defendants took approximately \$207 million from over 162,000 investors primarily through the solicitation of an investment known as an “AdPack.”⁶

At the time that the Civil Enforcement Case was commenced, the United States District Court for the District of Utah (the “Court”) entered a *Temporary Restraining Order and Order Freezing Assets*, which, prior to the entry of the Preliminary Injunction discussed below, was amended by Orders entered on July 27, 2016 and on November 4, 2016 (collectively, the “TRO”).⁷ The TRO, among other things, prohibited the Defendants from operating and imposed an asset freeze of the Defendants’ assets.

B. Appointment of The Receiver and Employment of Professionals

On July 27, 2016, just after the entry of the TRO, the Court entered an *Order Appointing Receiver* (the “Receivership Order”),⁸ thus commencing the receivership. Ms. Hunt was

⁶ See [Docket No. 2](#) (Complaint ¶ 2).

⁷ Docket Nos. [8](#), [14](#) & [56](#).

⁸ Docket No. [11](#).

appointed as the receiver of Traffic Monsoon and the assets of Scoville pending a determination as to whether a preliminary injunction should be entered in the Civil Enforcement Case. Ms. Hunt is an attorney whose primary area of practice over the last 26 years has focused on bankruptcy (both liquidation and reorganization), insolvency and receivership law. She serves as a trustee in bankruptcy cases filed in the District of Utah, and regularly represents trustees and equity receivers appointed in cases involving Ponzi schemes and other types of securities fraud.

The Receiver immediately took control of known assets and commenced an investigation. This investigation, which is discussed in further detail in the Prior Status Reports and below, is ongoing. To assist with the investigation and the discharge of her duties, the Receiver obtained Court approval to employ Dorsey & Whitney LLP (“Dorsey”) as her legal counsel, and Berkley Research Group (“BRG”) as her forensic and general accounts.⁹ The Receiver also contracted with a company called “Epiq” primarily to assist her with securing electronic data on Traffic Monsoon’s servers and in managing investor communications.

C. The Preliminary Injunction

The SEC requested that the Court enter a preliminary injunction in the Civil Enforcement Case against Scoville and Traffic Monsoon. This request was contested by Scoville, and Scoville also filed a *Motion to Set Aside Receivership*.¹⁰ On March 28, 2017,¹¹ after concluding

⁹ Docket Nos. [11](#) & [25](#) (Orders authorizing employment).

¹⁰ Docket Nos. [32](#), [33](#), [45](#); *see also* Docket Nos. [38](#), [39](#), [48](#), [49](#), [53](#) (SEC response).

¹¹ Before the Court ruled on matters under advisement, Scoville filed a *Motion to Dismiss*, which is based substantially on the same arguments made in conjunction with his opposition to the entry of a preliminary injunction. Docket No. [70](#). Scoville has agreed that the SEC does not need to file a response to his Motion to Dismiss at this time. Docket Nos. [73-74](#) and [89](#).

a contested evidentiary hearing, the Court entered a *Preliminary Injunction* and an *Amended Order Appointing Receiver* (“Amended Receivership Order”).¹² As a result, Scoville’s objections to the SEC’s request for the entry of a preliminary injunction were overruled, and Scoville’s request to set aside the receivership was denied. Thus, Ms. Hunt has continued to serve as receiver.

While the exact terms of the “Preliminary Injunction” should be reviewed, the Court generally prohibits Scoville from operating Traffic Monsoon “or a business model substantially similar to Traffic Monsoon’s sale of AdPacks.”¹³ The Court also imposes an asset freeze of all “assets, of whatever kind and wherever situated, of Traffic Monsoon, LLC and Charles D. Scoville that were obtained directly or indirectly from Traffic Monsoon, LLC. . . .”¹⁴ And, the Court has ordered a stay of all litigation in any court against either or both of the Defendants.¹⁵ In conjunction with the Preliminary Injunction, the Court entered a *Memorandum Decision and Order*,¹⁶ which includes significant factual findings and a comprehensive legal analysis. While the findings are summarized in part in the Receiver’s First Status Report, important to note is that the Court concluded that a clear showing had been made that the SEC was likely to succeed in establishing that Traffic Monsoon was a Ponzi scheme.

¹² Docket Nos. [79](#) – [80](#). See Docket No. [91](#) (First Status Report, at 3 (summary of the preliminary injunction hearing)).

¹³ Docket No. [80](#) (Preliminary Injunction, p. 1).

¹⁴ Docket No. [80](#) (Preliminary Injunction, p. 2).

¹⁵ Docket No. [80](#) (Preliminary Injunction, p. 3).

¹⁶ Docket No. [79](#).

D. *The Appeals*

Scoville appealed the Amended Receivership Order and Preliminary Injunction, and this appeal is currently pending before the United States Court of Appeals for the Tenth Circuit (the “Tenth Circuit Appeal”).¹⁷ During the Reporting Period, Scoville also appealed a *Second Amended Order Appointing Receiver* (defined below)¹⁸ related to his authority to appeal and advance arguments on behalf of Traffic Monsoon in the Tenth Circuit Appeal (the “Second Appeal”).¹⁹

Oral argument on the Tenth Circuit Appeal was held on March 21, 2018, and the Tenth Circuit has the matter under advisement. On April 26, 2018, the Tenth Circuit entered an *Order* abating the Second Appeal.

III. **Work Done By The Receiver And Her Professionals During The Reporting Period**

A. *Attending to Unauthorized Manchester Flat Transfer*

One of the assets of the Receivership Estate is an interest in a flat located in Manchester, United Kingdom and a related parking space that Scoville purchased in August 2015 using funds obtained from Traffic Monson (the “Manchester Flat”). As reported in the First Status Report, the Receiver obtained the keys to the Manchester Flat and paid fees associated with the Manchester Flat to a homeowner’s association.²⁰ Since that time, the Receiver has also paid other related fees associated with the Manchester Flat.

¹⁷ *SEC v. Traffic Monsoon, LLC et al.*, Case No. 17-4059 (10th Cir.). Copies of documents filed in the Tenth Circuit Appeal are on the Receivership Website under the tab titled “Scoville Appeal Documents”.

¹⁸ Docket No. [120](#).

¹⁹ Docket No. [124](#).

²⁰ Docket No. [91](#) (First Status Report, p. 13).

During the Reporting Period, the Receiver discovered that the Manchester Flat had been sold in violation of the Preliminary Injunction without notice to or authorization by the Receiver and the Court. On March 16, 2018, the Receiver filed the following documents: (1) *Motion Seeking Accounting and Turnover of Manchester Flat Proceeds* (the “Turnover Motion”);²¹ (2) *Ex Parte Motion Seeking an Order to Show Cause Why Charles D. Scoville Should Not Be Held in Contempt*;²² and (3) *Declaration of Peggy Hunt, Receiver*.²³ The Receiver also issued subpoenas to discover information related to the unauthorized transfer, and made requests of solicitors in the United Kingdom involved in the transaction.

On March 19, 2018, the Court entered an *Order Granting Motion Seeking an Order to Show Cause* (the “OSC”),²⁴ ordering Scoville to respond and appear at a hearing on April 11, 2018. On March 30, 2018, Scoville filed a *Response* to the OSC and to the Turnover Motion,²⁵ in which his counsel admitted that he was unable to contact Scoville, but denied that Scoville was involved in the unauthorized transfer of the Manchester Flat.²⁶ Shortly after the close of the Reporting Period, Scoville’s counsel also filed *Motion For Leave to File Motion Under Seal* and a *Redacted Motion to Excuse Appearance of Defendant Charles Scoville at Upcoming Evidentiary Hearing and Motion to Excuse Compliance With Subpoena*²⁷ representing that

²¹ Docket No. [127](#).

²² Docket No. [128](#).

²³ Docket No. [129](#).

²⁴ Docket No. [130](#).

²⁵ Docket Nos. [135](#) and [137](#).

²⁶ See Declaration of Shirley Scoville, Docket No. [136](#).

²⁷ Docket No. [138](#).

Scoville's medical condition prevented him from preparing a response, responding to document requests, or from appearing in Court as required under the OSC.

Further information about this matter will be included in the Receiver's next status report. But, as of the time of the filing of this Status Report, the Receiver's investigation of this matter is ongoing.

B. Recreating Business Records

Traffic Monsoon did not maintain independent financial or accounting records. Thus, as discussed with the Court at a status conference held on February 8, 2018 (the "February 2018 Status Conference"), the primary focus of the Receiver since her appointment has been in recreating Traffic Monsoon's business records. Recreating Traffic Monsoon's records has been vital in determining (i) the identity of investors, (ii) those investors with claims and the amounts of their claims, and (iii) whether the Receivership Estate has claims that would be beneficial to pursue. As described in Prior Status Reports, this has been an immense job requiring, among other things, the collection of enormous amounts of information. In addition to the data on Traffic Monsoon's servers secured by the Receiver, information was in large part procured consensually by Dorsey and BRG from financial institutions and payment processors that served Traffic Monsoon and its investors. After collecting this data, which involved literally hundreds of millions of records and transactions approximating a billion dollars, it was necessary for BRG to analyze, and then categorize the information in a manner that the Receivership Estate could effectively put to use.

At the February 2018 Status Conference, the Receiver disclosed to the Court that she has completed the primary work on records recreation. There is still some work left to be done in

this area, but the Receiver now has sufficient information to identify investors and determine claims, thus allowing her to take the next steps in administering the Receivership Estate. Work on these matters is continuing and will be discussed in future status reports.

C. *Investigating And Attending To Asset Recovery*

Early in December 2017, BRG provided the Receiver with an initial analysis of its recreation of Traffic Monsoon's records. As a result of this analysis, the Receiver determined that she should commence work involving investigating and identifying certain claims of the Receivership Estate that may exist against, among others, those who profited from their investments with Traffic Monsoon. At the February 2018 Status Conference, the Receiver discussed these matters with the Court and sought direction from the Court as to what would be permissible in light of the Tenth Circuit Appeal. Dorsey is assisting the Receiver with this work, and the work is ongoing.

D. *Investigating And Attending To Claims Procedures*

As noted above, in early December 2017, BRG provided the Receiver with an initial analysis of its recreation of Traffic Monsoon's records. As a result of this analysis, the Receiver determined that she should commence an investigation into an appropriate process for persons who lost money as a result of their investments in Traffic Monsoon, thereby allowing such persons to make claims for their losses. At the February 2018 Status Conference, the Receiver discussed a potential claims process and sought direction from the Court as to what would be permissible in light of the Tenth Circuit Appeal. Dorsey is assisting the Receiver with this work. In addition to reporting to the Court, during the Reporting Period, the Receiver continued to investigate an appropriate claims procedure in light of the issues in this case, including the fact

that there are over 100,000 potential claims and claimants are located in many different countries. A motion seeking approval of a proposed claims procedure is being drafted, and analysis of relevant issues is ongoing.

E. Communicating With Investors

The Receiver and Dorsey have spent time communicating with investors during the Reporting Period. A detailed summary of efforts in this regard through October 2016 is included in the Receiver's Communications Declaration. Below is a general summary and updated information.

Just prior to and immediately upon being appointed, the Receiver set up procedures at her law office for handling, responding to and tracking of investor phone calls, emails and all other written communications made to the Receiver at her office and through the Receivership Email Address (defined below). Two Dorsey employees have been tasked with managing these tasks for the Receiver, and this work is ongoing.

The Receiver and Dorsey also worked with Epiq to set up the "Receivership Website" at www.trafficmonsoonreceivership.com; and a "Call Center" to receive telephone calls, including providing translation services. The Receivership Website includes, among other things, (a) information about how to contact the Receiver, including a designated email address at trafficmonsoon.receiver.inquiries@dorsey.com ("Receiver Email Address") and telephone numbers for the Call Center; (b) updates about matters occurring in the Civil Enforcement Case, including the Tenth Circuit Appeal, and matters being handled by the Receiver; (c) a posting of key documents filed in the Civil Enforcement Case; and (d) a portal for Traffic Monsoon investors to provide information to the Receiver about their respective identities, as well as the

monies paid in and the monies received from Traffic Monsoon. Investor inquiries made through the Receiver Email Address are handled by Dorsey employees with information provided to them by the Receiver. The Receiver is collecting information provided to her through the Receiver Email Address and the investor information portal, and during the Reporting Period, this information has been used to supplement the recreation of Traffic Monsoon's records.

The Call Center is manned by Epiq with persons who are trained to obtain certain information from persons calling in, on how to answer the typical questions asked based on instructions provided by the Receiver, and on how to relay information about the Receivership Website. Epiq provides weekly reports to the Receiver summarizing the calls received and, if necessary, the Receiver communicates with Epiq about how to resolve certain inquiries.

The Receiver also has been given access to Traffic Monsoon's PayPal, Payza and Solid Trust Pay accounts. BRG used this access to assist it in recreating and analyzing Traffic Monsoon's financial records. Additionally, Dorsey has used this access to respond to numerous "chargeback" requests made by investors in an attempt to ensure that all investors are treated in a fair manner with respect to their claims against the Receivership Estate.²⁸

Finally, during the Reporting Period, the Receiver has been in continued communication with investor groups in various contexts, including counsel for a group of investors who claim that their money was invested with Traffic Monsoon through a person who is now involved in a security enforcement action outside of the United States.

²⁸ Docket No. [91](#) (First Status Report, at 12 (discussing chargeback issues)).

F. Collecting Investor Information

The Receiver continued during the Reporting Period to collect information from Traffic Monsoon investors about their identity and investments primarily from two sources: (i) the portal on the Receivership Website through which investors provide information about themselves and their Traffic Monsoon investments; and (ii) email inquiries to the Receiver Email Address and calls made to the Call Center. Among other things, the Receiver continues to collect this information and provide it to BRG to assist it in most accurately recreating Traffic Monsoon's records.

G. Working On Matters Related To The Appeals

The Receiver filed a request in the Tenth Circuit Appeal to appear as amicus curiae and a proposed amicus brief. On January 19, 2018, this Court entered an *Order* requesting briefs from the parties as to the scope of the Receiver's powers to direct and participate in the Tenth Circuit Appeal on behalf of Traffic Monsoon.²⁹ Although the Receiver researched and drafted a brief in response to the Court's Order, the issue was addressed prior to the briefing deadline at the February 2018 Status Conference. At that time, the parties represented to the Court that they believed that a stipulation could be reached to address the Court's concerns, and thereafter the parties submitted a proposed form of stipulated order to the Court.

On February 16, 2018, the Court entered a *Second Amended Order Appointing Receiver* (the "Second Amended Receivership Order")³⁰ which, among other things, authorized Scoville to appeal and advance arguments on behalf of Traffic Monsoon in the Tenth Circuit Appeal.

²⁹ Docket No. [114](#).

³⁰ Docket No. [120](#).

Also, the Court ruled that the Receiver must obtain Court approval prior to using Receivership Assets to present arguments on the merits of the Tenth Circuit Appeal or in any appeals from the Court's orders and judgments.³¹ In compliance with this Order, the Receiver filed an *Ex Parte Motion Seeking Approval to Use Receivership Assets*,³² requesting authorization to expend funds to attend the Tenth Circuit Appeal oral argument in light of the pending amicus curiae motion and brief. The Court denied this Motion,³³ and thus the Receiver spent a limited amount of time informing the Tenth Circuit that she would not be present at oral argument.

On March 13, 2018, Scoville filed the Second Appeal, appealing the Second Amended Receivership Order to the Tenth Circuit. That appeal, as noted in Part II above, has been abated pending a determination in the Tenth Circuit Appeal. The Receiver filed a *Notice of Non-Participation* in the Second Appeal to comply with Tenth Circuit procedures.

H. Attending to General Administration of The Receivership Estate

During the Reporting Period, the Receiver, Dorsey, and BRG have attended to numerous matters related to the administration of the Receivership Estate. These tasks include, but are not limited to, drafting and providing written status reports; preparing for and attending the February 2018 Status Conference; monitoring and managing bank accounts; following accounting protocols; preparing SFARs (as defined below); evaluating and paying costs related to

³¹ *Id.* (Second Amended Receivership Order, ¶ 5).

³² Docket No. [121](#).

³³ Docket No. [123](#).

administration; attending to mail;³⁴ evaluating issues related to compliance with applicable tax laws; filing papers required by applicable tax laws; communicating with investors and interfacing with financial account institutions; coordinating with governmental entities as requested; and, when necessary, responding statements made or inquires by Scoville and/or his counsel.

IV. Results of Preliminary Forensic Analysis

As discussed in Part III above and at the February 2018 Status Conference, BRG recreated a large part of Traffic Monsoon's financial records. There is still work to be done in this area. Based on its work to date, BRG has been able to not only identify a majority of the investors, but also to provide a preliminary report on individuals with claims against the Receivership Estate and those who profited from their involvement with Traffic Monsoon. Information about these preliminary findings was presented at the February 2018 Status Conference and is set forth in the Receiver's Prior Status Reports.

V. Financial Report

A. Standardized Fund Accounting Report ("SFAR")

A summary of the financial condition of the Receivership Estate as of the end of the Reporting Period is set forth in the SFAR, a copy of which is attached hereto as **Exhibit A**. At the end of the Reporting Period, the Receivership Estate had funds in the total amount of \$52,836,308.94.³⁵

³⁴ Shortly after her appointment, the Receiver redirected mail for the Defendants to her office. Since the entry of the Preliminary Injunction, the Receiver has informed Scoville through his counsel that she will forward his personal mail to him when it is received by her, and she has done so during the Reporting Period.

³⁵ See Exh. A (SFAR).

B. Administrative Expenses Requested And Paid During The Reporting Period

The fees and out of pocket expenses of the Receiver, Dorsey and BRG must be approved by the Court prior to payment. The Court has entered an *Order Establishing Administrative Expense Payment Procedures* (the “Fee Procedures Order”),³⁶ setting forth procedures for the request and payment of professional fees and expenses in this case. Among other things, the Fee Procedures Order authorizes the Receiver and her professionals to file monthly “Notices of Request for Payment”. Absent objection in accordance with the Fee Procedures Order, the Receiver may pay 80% of fees and 100% of out-of-pocket expenses requested in a Notice of Request for Payment. All monthly disbursements and any other requests for fees and expenses not requested pursuant to a Notice for Request for Payment are subject to Court approval through “Fee Applications” filed quarterly. Below is a summary of quarterly Fee Applications that have been filed during the Reporting Period, and of the fees and expenses that have been incurred during the current Reporting Period.

1. Quarterly Fee Applications Relevant to this Reporting Period

On December 7, 2017, the Receiver filed a *Third Interim Fee Application for Receiver and Receiver’s Professionals for Services Rendered From July 1, 2017 Through September 30, 2017* (the “Third Application”).³⁷ The Third Application was approved by the Court during the Reporting Period by *Order* entered on February 8, 2018,³⁸ and the Receiver was paid a total of

³⁶ Docket No. [101](#).

³⁷ Docket No. [109](#).

³⁸ Docket No. [119](#).

\$15,901.15 in allowed fees; Dorsey was paid a total of \$21,540.29 in allowed fees and expenses; and BRG was paid a total of \$127,694.30 in allowed fees and expenses.³⁹

In addition, during the Reporting Period, fees and expenses were paid pursuant to the Fee Procedures Order on account of a *Notice of Request for Payment by Receiver and Receiver's Professionals (November 1, 2017 Through November 30, 2017)* (the "November Notice")⁴⁰ filed on December 21, 2017. No objections were made to the November Notice and therefore, as of the close of the Reporting Period, the Receiver was paid \$3,099.96; Dorsey was paid \$7,746.67, and BRG was paid \$31,056.20. The Receiver will file a *Fourth Interim Fee Application* requesting allowance of fees and expenses for the period of October 1 through December 31, 2017, including those included in the November Notice.

2. Fees and Expenses Incurred During the Current Reporting Period

During the Reporting Period of January 1 through March 31, 2018, the Receiver has worked a total of 53.50 hours providing receivership services to the Receivership Estate for which fees in the total amount of \$17,170.65 have been incurred after voluntary reductions. Dorsey has worked a total of 194.3 hours and provided legal services to the Receivership Estate for which fees in the total amount of \$59,497.75 and out-of-pocket expenses in the total amount of \$185.07 have been incurred after voluntary reductions. And, BRG has worked a total of 94.5 hours providing forensic and general accounting services to the Receivership Estate for which fees in the total amount of \$36,856.50 and out-of-pocket expenses in the total amount of \$124.92 have been incurred after voluntary reductions.

³⁹ See Exh. A (SFAR).

⁴⁰ Docket No. [112](#).

The Receiver intends to file a *Fifth Interim Fee Application* for this Reporting Period shortly after the filing of this Status Report. In that Fee Application, the Receiver will request allowance of fees and expenses for the period of January 1, 2018 through March 30, 2018. None of these fees and expenses have been paid to date.

VI. Conclusion

The Receiver understands that making a distribution to those holding claims is of paramount importance. She and her team are diligently working collectively to move this case to the next step which will involve seeking Court approval of procedures for those Traffic Monsoon investors who lost money to submit claims against the Receivership Estate.

Dated this 22nd day of June, 2018.

RECEIVER

/s/
Peggy Hunt, Receiver

CERTIFICATE OF SERVICE

I hereby certify that on this 22nd day of June, 2018, I caused the foregoing *Fifth Status Report (January 1, 2018 Through March 31, 2018)* 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/ Candy Long

EXHIBIT A

STANDARDIZED FUND ACCOUNTING REPORT for Traffic Monsoon, LLC Receivership - Cash Basis

Receivership; Civil Court Case No. 2:16-00832
 REPORTING PERIOD 01/01/2018 TO 03/31/2018

FUND ACCOUNTING (See Instructions):				
		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 01/01/18)			\$52,949,602.87
	<i>Increases in Fund Balance:</i>			
Line 2	Business Income	-	-	
Line 3	Cash and Securities	-	-	
Line 4	Interest/Dividend Income	\$97,614.74	\$97,614.74	
Line 5	Business Asset Liquidation	-	-	
Line 6	Personal Asset Liquidation	-	-	
Line 7	Third-Party Litigation	-	-	
Line 8	Miscellaneous - Other	-	-	
	Total Funds Available (Lines 1-8):		\$97,614.74	\$53,047,217.61
	<i>Decreases in Fund Balance:</i>			
Line 9	Disbursements to Senior Secured Lenders/Investors	-	-	
Line 10	Disbursements for Receivership Operations		\$210,908.67	
Line 10	Internal Loans	-	-	
Line 10a	Disbursements to Receiver or Other Professionals	\$210,908.67		
	1. Fees:			
	Receiver	\$19,001.11		
	Legal Advisers	\$29,286.96		
	Accountants	\$158,750.50		
	Consultants	\$3,870.10		
Line 10b	Business Asset Expenses	-		
Line 10c	Personal Asset Expenses	-		
Line 10d	Hospital Settlements & Investment Expenses	-		
Line 10e	Third-Party Litigation Expenses	-		
	1. Attorney Fees	-		
	2. Litigation Expenses	-		
	Total Third-party Litigation Expenses	-		
Line 10f	Tax Administrator Fees and Bonds	-		
Line 10g	Federal and State Tax Payments	-		
	Total Disbursements for Receivership Operations		\$210,908.67	\$210,908.67
Line 11	Disbursements for Distribution Expenses Paid by the Fund:	-	-	
Line 11	Distribution Plan Development Expenses	-		
Line 11a	Distribution Plan Development Expenses:			
	1. Fees:			
	Fund Administrator	-		
	Independent Distribution Consultant (IDC)	-		
	Receiver	-		
	Legal Advisers	-		
	Accountants	-		
	Consultants	-		
	2. Administrative Expenses	-		
	3. Approved Living Allowance	-		
	4. Miscellaneous	-		
	Total Plan Development Expenses	-		
Line 11b	Distribution Plan Implementation Expenses:			
	1. Fees:			
	Fund Administrator	-		
	IDC	-		

	Receiver	-		
	Legal Advisers	-		
	Accountants	-		
	Consultants	-		
	2. Administrative Expenses	-		
	3. Investor Identification:	-		
	Notice/Publishing Approved Plan	-		
	Claimant Identification	-		
	Claims Processing	-		
	Web Site Maintenance/Call Center	-		
	4. Fund Administrator Bond	-		
	5. Miscellaneous	-		
	6. Federal Account for Investor Restitution (FAIR) Reporting Expenses	-		
	<i>Total Plan Implementation Expenses</i>	-		
	Total Disbursements for Distribution Expenses Paid by the Fund	-		-
Line 12	Disbursements to Court/Other:	-		
Line 12	<i>Disbursements to Court</i>	-		
Line 12a	<i>Investment Expenses/Court Registry Investment System (CRIS) Fees</i>	-		
Line 12b	<i>Federal Tax Payments</i>	-		
	Total Disbursements to Court/Other:	-		-
	Total Funds Disbursed (Lines 9-12):			\$210,908.67
Line 13	Ending Balance (As of 03/31/18):			\$52,836,308.94
Line 14	Ending Balance of Fund - Net Assets:			
Line 14a	<i>Cash & Cash Equivalents</i>			\$52,836,308.94
Line 14b	<i>Investments</i>			-
Line 14c	<i>Other Assets or Uncleared Funds</i>			-
	Total Ending Balance of Fund - Net Assets			\$52,836,308.94

OTHER SUPPLEMENTAL INFORMATION:

		Detail	Subtotal	Grand Total
Line 15	Report of Items NOT To Be Paid by the Fund:			
	Disbursements for Plan Administration Expenses Not Paid by the Fund:	-	-	
Line 15	<i>Disbursements for Plan Administration Expenses</i>	-		
Line 15a	<i>Plan Development Expenses Not Paid by the Fund:</i>	-		
	1. Fees:	-		
	Fund Administrator	-		
	IDC	-		
	Receiver	-		
	Legal Advisers	-		
	Accountants	-		
	Consultants	-		
	2. Administrative Expenses	-		
	3. Approved Living Allowance	-		
	4. Miscellaneous	-		
	<i>Total Plan Development Expenses Not Paid by the Fund</i>		-	
Line 15b	<i>Plan Implementation Expenses Not Paid by the Fund:</i>	-		
	1. Fees:	-		
	Fund Administrator	-		
	IDC	-		
	Receiver	-		
	Legal Advisers	-		
	Accountants	-		

	Consultants	-		
	2. Administrative Expenses	-		
	3. Investor Identification:	-		
	Notice/Publishing Approved Plan	-		
	Claimant Identification	-		
	Claims Processing	-		
	Web Site Maintenance/Call Center	-		
	4. Fund Administrator Bond	-		
	5. Miscellaneous	-		
	6. FAIR Reporting Expenses	-		
	<i>Total Plan Implementation Expenses Not Paid by the Fund</i>	-		
Line 15c	<i>Tax Administrator Fees & Bonds Not Paid by the Fund</i>	-		
	Total Disbursements for Plan Administrative Expenses Not Paid by the fund	-		
Line 16	Disbursements to Court/Other Not Paid by the Fund:	-		
Line 16a	<i>Investment Expenses/CRIS Fees</i>	-		
Line 16b	<i>Federal Tax Payments</i>	-		
	Total Disbursements to Court/Other Not Paid by the Fund:	-		
Line 17	DC & State Tax Payments	-		
Line 18	No. of Claims:			
Line 18a	<i># of Claims Received This Reporting Period</i>			-
Line 18b	<i># of Claims Received Since Inception of Fund</i>			-
Line 19	No. of Claimants / Investors:			
Line 19a	<i># of Claimants / Investors Paid This Reporting Period</i>			-
Line 19b	<i># of Claimants / Investors Paid Since Inception of Fund</i>			-

Receiver:

By:

(signature)

Mary Margaret Hunt

(printed name)

Receiver

(title)

Date:

6-12-18