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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.	**COMPLAINT** Case No.: 2:16-cv-00832-DB Judge Dee Benson

Plaintiff, Securities and Exchange Commission (the "Commission"), for its Complaint against Defendants Traffic Monsoon, LLC and Charles David Scoville (collectively, "Defendants") alleges as follows:

INTRODUCTION

1. This matter involves an ongoing Ponzi scheme and offering fraud operated by Charles David Scoville ("Scoville") and Traffic Monsoon, LLC ("Traffic Monsoon"),

headquartered in Murray, Utah. Scoville formed Traffic Monsoon in October 2014.

2. Since inception, defendants have taken in from investors approximately $207 million in sales of a product called the "Banner AdPack" ("AdPack"). Over 162,000 investors throughout the world have invested in AdPacks. As of the beginning of 2016, Traffic Monsoon was taking in approximately $25 million in cash each month.

3. Defendants solicit investors through Traffic Monsoon's website and through YouTube videos featuring Scoville. The website states that Traffic Monsoon's mission is "to provide high quality ad services for affordable prices, and share revenues for a perfect winning combination that will lead to the ultimate success of our customers."

4. Defendants market Traffic Monsoon as a successful Internet advertising services company. They represent that it is a combination of an Internet traffic exchange, where users browse each others' websites, and a pay-per-click program, where users are paid to click on others' website banner ads. Defendants represent that its profit is derived from seven different highly desirable advertising products.

5. In reality, Traffic Monsoon's advertising business is a illusion designed to obscure the fact that it is offering and selling a security in a pure Ponzi scheme. Over 99% of Traffic Monsoon's revenue comes from the sale of AdPacks. The company has virtually no other revenue from any other source. All payments to investors are made out of these funds.

6. On an ongoing basis, Traffic Monsoon and Scoville are violating the antifraud provisions of the federal securities laws, Sections 17(a)(1) and (3) of the Securities Act of 1933 ("Securities Act") and Section 10(b) of the Securities Exchange Act of 1934 ("Exchange Act"),

and Rules 10b-5(a) and (c) thereunder; and the registration provisions of Sections 5(a) and 5(c) of the Securities Act.

7. In order to halt the ongoing fraud being perpetrated on investors, the Commission seeks a civil injunctive order against Traffic Monsoon and Scoville against further violations of the federal securities laws, as well as disgorgement, prejudgment interest and civil penalties from Traffic Monsoon and Scoville. The Commission also seeks emergency relief in the form of an *ex parte* temporary restraining order, a preliminary injunction, an *ex parte* asset freeze and order appointing a receiver over Traffic Monsoon and its customer funds, and the funds of Scoville, and an order prohibiting the destruction of documents, accelerating discovery, and requiring an accounting.

JURISDICTION AND VENUE

8. This Court has subject matter jurisdiction by authority of Sections 20 and 22 of the Securities Act [15 U.S.C. §§ 77t and 77v] and Sections 21 and Section 27 of the Exchange Act [15 U.S.C. §§ 78u and 78aa].

9. Defendants, directly and indirectly, singly and in concert, have made use of the means and instrumentalities of interstate commerce and the mails in connection with the transactions, acts and courses of business alleged herein, certain of which have occurred within the District of Utah.

10. Venue for this action is proper in the District of Utah under Section 22(a) of the Securities Act [15 U.S.C. § 77v(a)] and under Section 27 of the Exchange Act [15 U.S.C. § 78aa] because certain of the transactions, acts, practices, and courses of business alleged in this

Complaint took place in this district and because the Defendants reside in and transact business in this district.

11. Defendants, unless restrained and enjoined by this Court, will continue to engage in the transactions, acts, practices, and courses of business alleged herein and in transactions, acts, practices, and courses of business of similar purport and object.

12. Defendants' conduct took place in connection with the offer, purchase and/or sale of AdPacks.

DEFENDANTS

13. **Traffic Monsoon, LLC,** is a Utah limited liability company formed in October 2014. Traffic Monsoon's principal place of business is in Murray, Utah.

14. **Charles David Scoville,** 36, is a resident of Murray, Utah. Scoville is the only member and controlling person of Traffic Monsoon. He controls and oversees all of its business functions.

STATEMENT OF FACTS

The AdPack Product

15. Traffic Monsoon offers and sells seven different Internet advertising products. Only one of these products, the AdPack, entitles the member to share in the company's profits.

16. Traffic Monsoon has two kinds of members, "free" and "paying." A "free" member is someone who participates in the traffic exchange without buying any services, merely clicking on ads which Traffic Monsoon calls "cash links." A "paying" member is someone who has purchased any product, including the AdPack, from the Traffic Monsoon website.

17. AdPacks cost $50 each. For this price, the investor receives 20 clicks to his banner ad, 1,000 visitors to his website from the traffic exchange, and the ability to share in Traffic Monsoon's profit.[1]

18. If the 20 clicks and 1,000 traffic exchange credits were purchased separately from Traffic Monsoon, they would cost $10.95. The investor is paying just under $40 for the remaining component of the AdPack, the profit sharing opportunity.

19. Of the $50 paid for each AdPack, Scoville distributes10% as a commission to the person who introduced the investor; 4.5% for payment of Traffic Monsoon expenses; 1.5% to the company's programmer; 79% to the company reserve fund; and 5% to a fund for sharing profit with AdPack purchasers.

20. Scoville uses the reserve fund, which initially was maintained at PayPal Holdings Inc. ("PayPal"), to supplement investors' profit sharing. His system automatically adds reserve funds to the profit sharing every hour. The reserve fund is used in this way to "smooth out" the profit sharing payments.

21. Investors are not informed that the reserve fund is used to supplement the sharing of Traffic Monsoon profit.

22. Scoville has programmed the Traffic Monsoon system to share profits with qualified accounts based on sales that took place 24 hours earlier. In YouTube videos he has created for Traffic Monsoon, Scoville uses the analogy of a bucket, which fills gradually with small drops of profit until the contents reach the "fill line" of $55.

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[1] In order to buy AdPacks, the member must have a banner ad. If the member does not have a banner ad, Traffic Monsoon will supply a Traffic Monsoon banner ad to him. Many members simply use these company banners.

23. Once the AdPack earns $55 it cannot earn additional profit. The investor may then withdraw his funds or, if he wishes to continue to participate in profit sharing, he may buy a new AdPack.

24. The Traffic Monsoon website claims that there is no set timeframe for the investor's account to reach $55, or any assurance that it will ever in fact reach $55.

25. Traffic Monsoon treats the investor's $50 payment for an AdPack (except for the 10% referral commission portion) as revenue to the company at the time it is paid.

26. Traffic Monsoon's website discloses that the $50 payment for an AdPack is all deemed revenue to the company at the time it is paid. The website provides no assurance that the investor's "bucket" will ever reach the $55 "fill line."

27. Nevertheless, historically, investor accounts receive a return of about $1 a day, meaning that investors receive their $50 back, plus a $5 return, after about two months. This equates to a return of 10% over approximately two months.

28. If investors continue to roll their returns over to purchase a new AdPack every two months, they will receive an annual return on investment of approximately 60% a year.

29. Scoville established this 10% rate of return and controls how quickly investors accounts accumulate returns, in part by adding to the profit sharing from the reserve fund.

30. In order to share in company profit, AdPack investors must "qualify." To qualify, they must click on 50 banner ads in the traffic exchange in any given 24-hour period.

31. Traffic Monsoon makes it very easy for investors to complete their 50 clicks. When they log into their dashboard they see (1) a banner ad to click on; and (2) the hours and minutes remaining in the 24-hour period. The investor is required to view each banner ad for

only 5 seconds, and a counter appears that counts down the 5 seconds for him. At the end of that time the investor must click on an image that appears, to verify that he is a human, and then the next banner ad appears automatically. The act of completing the 50 clicks takes the investor 4.1 minutes per day.

32. Regardless of how many AdPacks an investor owns, he is only required to click on 50 banner ads for 5 seconds each in a 24-hour period to remain qualified to share in profits.

Traffic Monsoon Revenue

33. Traffic Monsoon and Scoville represent to investors that the company generates profit from all the advertising services it sells. Scoville went further in posting a statement on his website www.charlesscoville.com to the effect that the AdPack was a lower volume product than the other Traffic Monsoon products:

> We sell 1 service LOWER in demand which includes a profit sharing position, and share profits from the services with HIGHER demand with those who click a minimum of 10 ads per day.

34. Scoville does not disclose to investors that Traffic Monsoon's revenue comes almost exclusively from the sale of the AdPack product. Instead, Defendants imply that the majority of the revenue comes from the sale of Traffic Monsoon's many advertising products.

35. Traffic Monsoon's revenue sources since October 2014, when it was formed, are as follows:

Revenue from purchases of AdPacks, including rollovers	$738.5 mm	99.6%
Revenue from purchases of products other than AdPacks[2]	3.0 mm	0.4%
Total revenue	**741.5 mm**	**100.0%**

[2] This number does not include revenue from one of the products, the cash links product, which does not generate revenue for Traffic Monsoon.

36. Since inception, more than 99% of the money Traffic Monsoon has distributed to investors came from investors purchasing new AdPacks. Only approximately 0.4% of the money it has distributed to investors came from all of its other advertising products, combined.

37. Of its revenue since inception, Traffic Monsoon has shared approximately $618 million with AdPack purchasers. Almost all the company's revenue, however, comes from the sales of AdPacks, with only approximately $3 million coming from other sources.

38. There is no way any returns could be paid to investors without the sale of new AdPacks. This fact is not, however, disclosed to Traffic Monsoon investors.

39. Traffic Monsoon's website falsely implies that revenues come from all of its advertising products, rather than almost exclusively from AdPacks:

> It's from the sale of all our services that we share revenues.
>
> When our members purchase a service from TrafficMonsoon, the revenues from that purchase are held by the company. Then, you can qualify to receive share of the profits! Naturally there is a cost associated with providing services. Each service provided generates a profit margin. We share those profits with you!

40. Scoville also omits to disclose to investors that the shared profit is periodically supplemented by payments from the reserve fund at Scoville's discretion and is, therefore, not truly revenue sharing.

41. Traffic Monsoon cannot in fact deliver the numbers of visitors it has promised to AdPack purchasers.

42. AdPack purchasers are supposed to receive 20 clicks to their banner ads, and 1,000 credits in the traffic exchange.[3] These traffic exchange credits come from the 50 clicks a day required of each member who owns one or more AdPacks.

43. As of May 16, 2016, Traffic Monsoon had sold 15,225,689 AdPacks. For each such AdPack, however, it must deliver 1,000 visitors, amounting to 15 billion visitors total. As of July 24, 2016, however, the Traffic Monsoon website states that the company had "delivered 1,618,996,340 visitors to our member's [sic] websites to date." This is only about a tenth of what would be required by Scoville's own program.

Payment Processors and Accounts Used by Traffic Monsoon and Scoville

44. Up until February 2016, when PayPal froze the Traffic Monsoon account, Scoville used PayPal almost exclusively to process payments both into and out of Traffic Monsoon. Almost all member funds were kept in PayPal, and each member had a PayPal subaccount and possessed the ability to log in and view his account balance. The company's funds were kept in PayPal as well.

45. Since inception, $134 million in investor cash went into PayPal, and approximately $61 million was paid out to Traffic Monsoon investors prior to the PayPal freeze of TM's accounts.

46. In early January 2016, PayPal contacted Scoville and notified him that it was considering limiting his account. PayPal's compliance department had noted that Traffic Monsoon's account had some earmarks of a Ponzi scheme, such as very rapid growth and almost no chargebacks or refund requests.

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[3] A credit in the traffic exchange entitles the member to a visit to his website.

47. On January 11, 2016, PayPal notified Scoville that it was blocking any transfers of funds out of PayPal, while still allowing member funds to be deposited. On February 11, 2016, PayPal notified Scoville that it was freezing the Traffic Monsoon account completely for a period of 180 days.

48. On January 12, 2016, Scoville created and posted a YouTube video for current and prospective investors. In the video he explained that for the sake of convenience he was planning to transition away from PayPal to eventually open a "Traffic Monsoon bank." He did not disclose the PayPal freeze.

49. Scoville did not disclose the PayPal freeze to investors until February 11, 2016, when he posted a news release on the Traffic Monsoon website and also posted another video on YouTube. During the intervening month, because PayPal was allowing investor funds in but not allowing them to be withdrawn, members who bought advertising services and transferred funds to Traffic Monsoon had no idea their funds would be frozen. Scoville, however, was aware of this fact.

50. As of February 11, 2016, approximately $60 million was frozen in Traffic Monsoon's PayPal accounts.

51. After the PayPal freeze, Scoville began using other payment processors more extensively: Solid Trust Pay, headquartered in Ontario, and Payza, headquartered in London with offices in New York. He has also used an account at JPMorgan Chase to receive investor funds.

52. Since the freeze, PayPal has allowed Traffic Monsoon members to reverse AdPack purchases, refunding to them only their cash in and not any purported gains. As a result

of the claims paid, the Traffic Monsoon account at PayPal had $46,515,787 in the account as of July 11, 2016.

53. The PayPal freeze expired on July 11, 2016. Immediately after the expiration of the freeze, Scoville began withdrawing funds from PayPal.

54. PayPal withdrawals are limited to $100,000 per request. Since July 11, 2016, Scoville has made 256 withdrawal requests and withdrawn over $25 million. Scoville did attempt to withdraw an additional $10 million on July 21, 2016, but PayPal reversed those transactions.

55. As of July 21, 2016, the TM account at PayPal had a balance of $23,316,843.

56. Scoville has wired the funds withdrawn from PayPal to the Traffic Monsoon account at JPMorgan Chase in Park City, Utah. From there, he has transferred at least $21 million to his personal JPMorgan Chase account.

57. Scoville has never disclosed to investors, whether on the Traffic Monsoon website or on YouTube, that the PayPal freeze has expired, and has never informed members that they can request that their AdPack purchases be reversed. Since the freeze was lifted he has been withdrawing funds, apparently for his own benefit, as quickly as possible.

Investors

58. Scoville locates investors primarily through Traffic Monsoon's website, his personal website and YouTube videos. He also finds new investors by attending international seminars. Finally, Scoville offers a referral program in which sponsors can earn a commission on the purchases of new investors.

59. Traffic Monsoon investors are participating in its program not because they are interested in its advertising services, but because they are interested in the profit sharing opportunity.

60. Most investors own multiple AdPacks.

61. Traffic Monsoon reports that it has sold approximately 14 million AdPacks to about 162,000 investors. This equates to an average of 86.4 AdPacks per investor. Many investors, however, own tens of thousands of dollars' worth of AdPacks. Hundreds of investors have deposited more than $100,000 each into the Traffic Monsoon account at PayPal.

62. In the last three months of 2015, Traffic Monsoon took in increasing amounts of new cash, reaching approximately $1 million each day by the end of the year.

63. After the PayPal freeze, Scoville began using the JPMorgan Chase account more extensively for investor deposits. From March through June 2016, the information from this account shows that the largest single investment was $200,000, which would represent 4,000 AdPacks. Average funds per investor were as follows:

Month in 2016	**Average invested**	**by:**
March	$ 8,125	122 investors
April	9,220	122 investors
May	6,664	137 investors
June	5,500	175 investors

64. Most investors have been allowing their funds to accumulate in their Traffic Monsoon accounts and are using these account balances to purchase additional AdPacks.

65. The majority of the traffic to Traffic Monsoon member sites now comes from inside Traffic Monsoon, meaning that members are simply clicking on other members' ads.

66. Approximately 90%, or 145,000, of Traffic Monsoon investors reside outside the U.S. The program appears to be most popular in countries that are also some of the poorest in the world.[4] For example, the Traffic Monsoon website is the 385th most visited website in Bangladesh, 366th in Venezuela, and 517th most visited site in Morocco.

Traffic Monsoon is a Ponzi Scheme

67. Scoville offers six Internet advertising products besides the AdPack, to create the appearance that Traffic Monsoon is a legitimate and profitable business. However, only approximately 0.4% of its revenue comes from these other advertising products, combined.

68. More than 99% of Traffic Monsoon's revenue comes from the sale of AdPacks. Traffic Monsoon could not pay returns to investors without the sale of new AdPacks. Traffic Monsoon is a classic Ponzi scheme in which investors are paid from money contributed from new investors, and there is little real business activity.

69. The $50 price of the AdPack has nothing to do with the price of the advertising services it includes.

70. There is no rationale for the $55 profit sharing ceiling, other than that it represents a 10% return on the AdPack purchase amount.

Scienter

71. Scoville has always been the sole owner and controlling member of Traffic Monsoon. He is the architect of the Traffic Monsoon program.

[4] Some of these may be "free" rather than "paying" members.

72. Scoville is aware that the AdPacks could be considered an investment. In Traffic Monsoon's website and his YouTube videos, he goes out of his way to argue that the program does not involve a security or an investment.

73. In order to participate, Traffic Monsoon investors must agree to the company's Terms of Service, which include the following: "[y]ou agree to recognize TrafficMonsoon as a true advertising company which shares its revenues, and not as any form of investment of any kind."

74. On his website and in his videos, Scoville deliberately avoids calling the $55 payout a "return," and emphasizes that there is no assurance that it will be paid. However, the $55 payout has always been paid to investors.

75. The scienter of Scoville can be imputed to Traffic Monsoon because he is its only member and controlling person.

The AdPacks Are Securities Being Sold in Unregistered Transactions

76. The purchase of AdPacks involves the investment of money, in the form of the $50 purchase price.

77. Investor funds are aggregated together in PayPal, at other payment processors, and at JPMorgan Chase. Investors can see their status by logging into their subaccounts. A portion of investor funds also went to the Traffic Monsoon reserve fund, which was also maintained at PayPal. Payments are made out of the reserve fund to supplement profit sharing payments back to investors.

78. Payment of the investors' returns is almost entirely dependent on Scoville's ability to sell AdPacks. The financial success or failure of the investors are inextricably tied to the efforts of Scoville and Traffic Monsoon.

79. Investors have no role in managing Traffic Monsoon and rely on Traffic Monsoon to operate the traffic exchange, collect revenue, supplement the revenue from its reserve fund, and distribute it to members. Traffic Monsoon also sets up the banner ad rotator and tracks clicks by members seeking to qualify to share in profits.

80. The only actions that investors are required to take to participate in profit sharing is to click 50 ads each day for 5 seconds each. Whether an investor owns a single AdPack or several thousand, he is still only required to click 50 ads each day. The system automatically populates the investor's dashboard with the required 50 ads and counts down the 5-second time required.

81. Traffic Monsoon has raised millions of dollars in an unregistered continuous offering from tens of thousands of investors worldwide, from October 2014 through the present.

82. The AdPacks have been offered and sold through Traffic Monsoon's website. They have also been offered and sold by means of Scoville's YouTube videos. Both these media are open and publicly available to any user.

83. The AdPacks were offered and sold to persons who are not accredited within the meaning of the federal securities laws. Traffic Monson made no effort to determine whether these offerees were accredited.

FIRST CAUSE OF ACTION
EMPLOYMENT OF A DEVICE, SCHEME OR ARTIFICE TO DEFRAUD
Violation of Section 17(a)(1) of the Securities Act [15 U.S.C. § 77q(a)(1)]

84. The Commission realleges and incorporates by reference the allegations contained in Paragraphs 1 through 83, above.

85. Defendants Traffic Monsoon and Scoville, by engaging in the conduct described above, directly or indirectly, in the offer or sale of securities, by the use of the means or instruments of transportation or communication in interstate commerce or by use of the mails, with scienter, employed devices, schemes, or artifices to defraud.

86. By reason of the foregoing, Defendants, directly or indirectly violated, and unless enjoined will continue to violate, Sections 17(a)(1) of the Securities Act [15 U.S.C. § 77q(a)(1)].

SECOND CAUSE OF ACTION
FRAUD IN THE OFFER OR SALE OF SECURITIES
Violation of Section 17(a)(3) of the Securities Act [15 U.S.C. § 77q(a)(3)]

87. The Commission realleges and incorporates by reference the allegations contained in Paragraphs 1 through 83, above.

88. Defendants Traffic Monsoon and Scoville, by engaging in the conduct described above, directly and indirectly, in the offer and sale of securities, by the use of the means or instruments of transportation or communication in interstate commerce or by use of the mails, engaged in transactions, practices, or courses of business which operate or would operate as a fraud or deceit upon the purchaser.

89. By reason of the foregoing, Defendants, directly or indirectly, violated, and unless restrained and enjoined by this Court, will continue to violate, Section 17(a) (3) of the Securities Act [15 U.S.C. § 77q(a)(3)].

THIRD CAUSE OF ACTION
FRAUD IN CONNECTION WITH THE PURCHASE OR SALE OF SECURITIES
Violation of Section 10(b) of the Securities Act [15 U.S.C. § 78j(b)] and Rule 10b-5(a) and (c) thereunder [17 U.F.R. § 240.10b-5(a) and (c)]

90. The Commission realleges and incorporates by reference the allegations contained in Paragraphs 1 through 83, above.

91. Defendants Traffic Monsoon and Scoville, by engaging in the conduct described above, directly or indirectly, by the use of means or instrumentalities of interstate commerce or use of the mails, in connection with the purchase or sale of securities, with scienter, employed devices, schemes, or artifices to defraud, or engaged in acts, practices, or courses of business that operated or would operate as a fraud and deceit upon other persons.

92. By reason of the foregoing, Defendants, violated, and unless restrained and enjoined will continue to violate Section 10(b) of the Exchange Act [15 U.S.C. §78j(b)] and Rule 10b-5(a) and (c) thereunder [17 C.F.R. § 240.10b-5(a) and (c)].

FOURTH CAUSE OF ACTION
OFFER AND SALE OF UNREGISTERED SECURITIES
Violation of Sections 5(a) and (c) of the Securities Act [15 U.S.C. § 77e(a) and (c)]

93. The Commission realleges and incorporates by reference the allegations contained in Paragraphs 1 through 83, above.

94. Defendants Traffic Monsoon and Scoville, by engaging in the conduct described above, directly or indirectly, through use of the means or instruments of transportation or communication in interstate commerce or the mails, offered to sell or sold securities or, directly or indirectly, or carried such securities through the mails or in interstate commerce, for the purpose of sale or delivery after sale.

95. No registration statement has been filed with the Commission or has been in effect with respect to these securities.

96. By reason of the foregoing, Defendants, directly or indirectly violated, and unless enjoined will continue to violate Sections 5(a) and (c) of the Securities Act [15 U.S.C. § 77e(a) and (c)].

RELIEF REQUESTED

WHEREFORE, the Commission respectfully requests that this Court:

I.

Issue findings of fact and conclusions of law that Defendants committed the violations charged herein.

II.

Issue in a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure orders that temporarily, preliminarily and permanently enjoin Traffic Monsoon and Scoville and their officers, agents, servants, employees, attorneys, and accountants, and those persons in active concert or participation with any of them, who receive actual notice of the order by personal service or otherwise, and each of them, from engaging in transactions, acts, practices, and courses of business described herein, and from engaging in conduct of similar purport and object in violation of Sections 17(a)(1) and (3) and Sections 5(a) and (c) of the Securities Act, Section 10(b) of the Exchange Act and Rule 10b-5(a) and (c) thereunder.

III.

Issue, in a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure, orders that temporarily, preliminarily and permanently enjoin Defendants, and their officers,

agents, servants, employees, attorneys, and accountants, and those persons in active concert or participation with any of them, who receive actual notice of the order by personal service or otherwise, and each of them, from: (A) transferring, changing, wasting, dissipating, converting, concealing, or otherwise disposing of, in any manner, any funds, assets, claims, or other property or assets owned or controlled by, or in the possession or custody of these Defendants; and (B) transferring, assigning, selling, hypothecating, or otherwise disposing of any assets of Traffic Monsoon or related entities, including but not limited to those entities identified in accompanying pleadings.

IV.

Issue in a form consistent with Rule 65(d) of the Federal Rules of Civil Procedure orders that temporarily, preliminarily and permanently restrain and enjoin Defendants, and each of them, and their officers, agents, servants, employees, attorneys, and accountants, and those persons in active concert or participation with any of them, who receive actual notice of the order by personal service or otherwise, and each of them, from destroying, mutilating, concealing, transferring, altering, or otherwise disposing of, in any manner, books, records, computer programs, computer files, computer printouts, correspondence, including e-mail, whether stored electronically or in hard copy, memoranda, brochures, or any other documents of any kind that pertain in any manner to the business of Defendants.

V.

Enter an order directing Defendants to pay civil money penalties pursuant to Section 20(d) of the Securities Act and Section 21(d)(3) of the Exchange Act.

VI.

Enter an order directing Defendants to disgorge all ill-gotten gains received during the period of violative conduct and pay prejudgment interest on such ill-gotten gains.

VII.

Grant such further equitable relief as this Court deems just, appropriate, and necessary, including, but not limited to, a freeze of assets, appointment of a receiver for Traffic Monsoon and the acceleration of discovery, including the forthwith production of documents..

VIII.

Retain jurisdiction of this action in accordance with the principles of equity and the Federal Rules of Civil Procedure in order to implement and carry out the terms of all orders and decrees that may be entered, or to entertain any suitable application or motion for additional relief within the jurisdiction of this Court.

Dated July 26, 2016.

Respectfully submitted,

/s/ Daniel J. Wadley
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JS 44 (Rev. 12/12)

CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. *(SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)*

I. (a) PLAINTIFFS

Securities and Exchange Commission

(b) County of Residence of First Listed Plaintiff _____
(EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys *(Firm Name, Address, and Telephone Number)*
Daniel J. Wadley
U.S. Securities & Exchange Commission
351 S. West Temple Ste. 6.100, Salt Lake City, UT 84101

DEFENDANTS

Traffic Monsoon, LLC; and
Charles David Scoville

County of Residence of First Listed Defendant Salt Lake County
(IN U.S. PLAINTIFF CASES ONLY)
NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys *(If Known)*

II. BASIS OF JURISDICTION *(Place an "X" in One Box Only)*

- ☒ 1 U.S. Government Plaintiff
- ☐ 2 U.S. Government Defendant
- ☐ 3 Federal Question *(U.S. Government Not a Party)*
- ☐ 4 Diversity *(Indicate Citizenship of Parties in Item III)*

III. CITIZENSHIP OF PRINCIPAL PARTIES *(Place an "X" in One Box for Plaintiff and One Box for Defendant)*

(For Diversity Cases Only)

	PTF	DEF		PTF	DEF
Citizen of This State	☐ 1	☐ 1	Incorporated *or* Principal Place of Business In This State	☐ 4	☐ 4
Citizen of Another State	☐ 2	☐ 2	Incorporated *and* Principal Place of Business In Another State	☐ 5	☐ 5
Citizen or Subject of a Foreign Country	☐ 3	☐ 3	Foreign Nation	☐ 6	☐ 6

IV. NATURE OF SUIT *(Place an "X" in One Box Only)*

CONTRACT
- ☐ 110 Insurance
- ☐ 120 Marine
- ☐ 130 Miller Act
- ☐ 140 Negotiable Instrument
- ☐ 150 Recovery of Overpayment & Enforcement of Judgment
- ☐ 151 Medicare Act
- ☐ 152 Recovery of Defaulted Student Loans (Excludes Veterans)
- ☐ 153 Recovery of Overpayment of Veteran's Benefits
- ☐ 160 Stockholders' Suits
- ☐ 190 Other Contract
- ☐ 195 Contract Product Liability
- ☐ 196 Franchise

TORTS

PERSONAL INJURY
- ☐ 310 Airplane
- ☐ 315 Airplane Product Liability
- ☐ 320 Assault, Libel & Slander
- ☐ 330 Federal Employers' Liability
- ☐ 340 Marine
- ☐ 345 Marine Product Liability
- ☐ 350 Motor Vehicle
- ☐ 355 Motor Vehicle Product Liability
- ☐ 360 Other Personal Injury
- ☐ 362 Personal Injury - Medical Malpractice

PERSONAL INJURY
- ☐ 365 Personal Injury - Product Liability
- ☐ 367 Health Care/ Pharmaceutical Personal Injury Product Liability
- ☐ 368 Asbestos Personal Injury Product Liability

PERSONAL PROPERTY
- ☐ 370 Other Fraud
- ☐ 371 Truth in Lending
- ☐ 380 Other Personal Property Damage
- ☐ 385 Property Damage Product Liability

FORFEITURE/PENALTY
- ☐ 625 Drug Related Seizure of Property 21 USC 881
- ☐ 690 Other

LABOR
- ☐ 710 Fair Labor Standards Act
- ☐ 720 Labor/Management Relations
- ☐ 740 Railway Labor Act
- ☐ 751 Family and Medical Leave Act
- ☐ 790 Other Labor Litigation
- ☐ 791 Employee Retirement Income Security Act

IMMIGRATION
- ☐ 462 Naturalization Application
- ☐ 465 Other Immigration Actions

BANKRUPTCY
- ☐ 422 Appeal 28 USC 158
- ☐ 423 Withdrawal 28 USC 157

PROPERTY RIGHTS
- ☐ 820 Copyrights
- ☐ 830 Patent
- ☐ 840 Trademark

SOCIAL SECURITY
- ☐ 861 HIA (1395ff)
- ☐ 862 Black Lung (923)
- ☐ 863 DIWC/DIWW (405(g))
- ☐ 864 SSID Title XVI
- ☐ 865 RSI (405(g))

FEDERAL TAX SUITS
- ☐ 870 Taxes (U.S. Plaintiff or Defendant)
- ☐ 871 IRS—Third Party 26 USC 7609

OTHER STATUTES
- ☐ 375 False Claims Act
- ☐ 400 State Reapportionment
- ☐ 410 Antitrust
- ☐ 430 Banks and Banking
- ☐ 450 Commerce
- ☐ 460 Deportation
- ☐ 470 Racketeer Influenced and Corrupt Organizations
- ☐ 480 Consumer Credit
- ☐ 490 Cable/Sat TV
- ☒ 850 Securities/Commodities/ Exchange
- ☐ 890 Other Statutory Actions
- ☐ 891 Agricultural Acts
- ☐ 893 Environmental Matters
- ☐ 895 Freedom of Information Act
- ☐ 896 Arbitration
- ☐ 899 Administrative Procedure Act/Review or Appeal of Agency Decision
- ☐ 950 Constitutionality of State Statutes

REAL PROPERTY
- ☐ 210 Land Condemnation
- ☐ 220 Foreclosure
- ☐ 230 Rent Lease & Ejectment
- ☐ 240 Torts to Land
- ☐ 245 Tort Product Liability
- ☐ 290 All Other Real Property

CIVIL RIGHTS
- ☐ 440 Other Civil Rights
- ☐ 441 Voting
- ☐ 442 Employment
- ☐ 443 Housing/ Accommodations
- ☐ 445 Amer. w/Disabilities - Employment
- ☐ 446 Amer. w/Disabilities - Other
- ☐ 448 Education

PRISONER PETITIONS

Habeas Corpus:
- ☐ 463 Alien Detainee
- ☐ 510 Motions to Vacate Sentence
- ☐ 530 General
- ☐ 535 Death Penalty

Other:
- ☐ 540 Mandamus & Other
- ☐ 550 Civil Rights
- ☐ 555 Prison Condition
- ☐ 560 Civil Detainee - Conditions of Confinement

V. ORIGIN *(Place an "X" in One Box Only)*

☒ 1 Original Proceeding ☐ 2 Removed from State Court ☐ 3 Remanded from Appellate Court ☐ 4 Reinstated or Reopened ☐ 5 Transferred from Another District *(specify)* ☐ 6 Multidistrict Litigation

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing ***(Do not cite jurisdictional statutes unless diversity)***:
Sections 5(a), 5(c) and 17(a) of the Securities Act of 1933, section 10(b) of the Securities Exchange Act of 1934

Brief description of cause:
Unregistered securities offering and fraud

VII. REQUESTED IN COMPLAINT:

☐ CHECK IF THIS IS A **CLASS ACTION** UNDER RULE 23, F.R.Cv.P.

DEMAND $

CHECK YES only if demanded in complaint:
JURY DEMAND: ☐ Yes ☐ No

VIII. RELATED CASE(S) IF ANY

(See instructions): JUDGE _____ DOCKET NUMBER _____

DATE
07/26/2016

SIGNATURE OF ATTORNEY OF RECORD
Daniel J. Wadley

FOR OFFICE USE ONLY

RECEIPT # _____ AMOUNT _____ APPLYING IFP _____ JUDGE _____ MAG. JUDGE _____

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INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44

Authority For Civil Cover Sheet

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

I.(a) **Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.

(b) **County of Residence.** For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)

(c) **Attorneys.** Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".

II. **Jurisdiction.** The basis of jurisdiction is set forth under Rule 8(a), F.R.Cv.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.
United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here.
United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.
Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.
Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below**; NOTE: federal question actions take precedence over diversity cases.**)

III. **Residence (citizenship) of Principal Parties.** This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.

IV. **Nature of Suit.** Place an "X" in the appropriate box. If the nature of suit cannot be determined, be sure the cause of action, in Section VI below, is sufficient to enable the deputy clerk or the statistical clerk(s) in the Administrative Office to determine the nature of suit. If the cause fits more than one nature of suit, select the most definitive.

V. **Origin.** Place an "X" in one of the six boxes.
Original Proceedings. (1) Cases which originate in the United States district courts.
Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441. When the petition for removal is granted, check this box.
Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.
Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.
Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.
Multidistrict Litigation. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407. When this box is checked, do not check (5) above.

VI. **Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC 553 Brief Description: Unauthorized reception of cable service

VII. **Requested in Complaint.** Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P.
Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction.
Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.

VIII. **Related Cases.** This section of the JS 44 is used to reference related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.

Date and Attorney Signature. Date and sign the civil cover sheet.