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*Attorneys for Peggy Hunt as Court-Appointed Receiver*

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

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SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff

v.

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

Defendants.

**RECEIVER'S EIGHTEENTH  
STATUS REPORT**

*(JULY 1, 2022 THROUGH  
SEPTEMBER 30, 2022)*

2:16-cv-00832-JNP

The Honorable Jill N. Parrish

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Peggy Hunt, the Court-appointed Receiver (the “Receiver”) for Traffic Monsoon, LLC (“Traffic Monsoon”), and the assets of Charles David Scoville that were obtained directly or indirectly from Traffic Monsoon, hereby submits this *Eighteenth Status Report* (the “Status Report”) for the period of July 1, 2022 through September 30, 2022 (the “Reporting Period”).

This Status Report is posted on the website for the receivership at [www.trafficmonsoonreceivership.com](http://www.trafficmonsoonreceivership.com) (the “Receivership Website”).

## I. Introduction

Final judgments have now been entered against Defendants Traffic Monsoon and Charles David Scoville (“Scoville”, together with Traffic Monsoon, the “Defendants”) in this civil enforcement action, and criminal charges are pending against the Defendants. The Receiver continues to administer the Receivership Estate with the goal of making a distribution of funds to those holding allowed claims against the Receivership Estate. This Status Report provides information about the Receiver’s administration of the Receivership Estate during the Reporting Period. The documents filed with the Court referenced in this Status Report are posted on the Receivership’s website at [www.trafficmonsoonreceivership.com](http://www.trafficmonsoonreceivership.com) (the “Receivership Website”).

## II. Status Reports

The Receiver files quarterly *Status Reports* which together with information posted on the Receivership Website may be consulted for information about this case, the Receiver’s ongoing investigation, and her administration of the Receivership Estate. To date the following Status Reports have been filed and are available on the Receivership Website: *Receiver’s First Status Report (July 26, 2016 Through March 31, 2017)*;<sup>1</sup> *Second Status Report (April 1, 2017 Through June 30, 2017)*;<sup>2</sup> *Third Status Report (July 1, 2017 Through September 30, 2017)*<sup>3</sup>;

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<sup>1</sup> Docket No. [91](#). At the time that this Status Report was filed, the Receiver also filed Declarations outlining her initial investigation in this case. 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](#).

<sup>2</sup> Docket No. [104](#).

<sup>3</sup> Docket No. [108](#).

*Fourth Status Report (October 1, 2017 Through December 31, 2017);*<sup>4</sup> *Fifth Status Report (January 1, 2018 Through March 31, 2018);*<sup>5</sup> *Sixth Status Report (April 1, 2018 Through June 30, 2018);*<sup>6</sup> *Seventh Status Report (July 1, 2018 Through June 30, 2019);*<sup>7</sup> *Eighth Status Report (July 1, 2019 Through March 30, 2020);*<sup>8</sup> *Ninth Status Report (April 1, 2020 Through June 30, 2020);*<sup>9</sup> *Tenth Status Report (July 1, 2020 Through September 30, 2020);*<sup>10</sup> *Eleventh Status Report (October 1, 2020 Through December 31, 2020);*<sup>11</sup> *Twelfth Status Report (January 1, 2021 Through March 31, 2021);*<sup>12</sup> *Thirteenth Status Report (April 1, 2021 Through June 30, 2021);*<sup>13</sup> *Fourteenth Status Report (July 1, 2021 Through September 30, 2021);*<sup>14</sup> *Fifteenth Status Report (October 1, 2021 Through December 31, 2021);*<sup>15</sup> *Sixteenth Status Report*

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<sup>4</sup> Docket No. [122](#).

<sup>5</sup> Docket No. [153](#).

<sup>6</sup> Docket No. [162](#).

<sup>7</sup> Docket No. [194](#).

<sup>8</sup> Docket No. [239](#).

<sup>9</sup> Docket No. [268](#).

<sup>10</sup> Docket No. [279](#).

<sup>11</sup> Docket No. [297](#).

<sup>12</sup> Docket No. [330](#).

<sup>13</sup> Docket No. [378](#).

<sup>14</sup> Docket No. [395](#).

<sup>15</sup> Docket No. [457](#).

(January 1, 2022 Through March 31, 2022);<sup>16</sup> and *Seventeenth Status Report (April 1, 2022 Through June 30, 2022)*<sup>17</sup> (collectively, the “Prior Status Reports”).

In addition to her quarterly Status Reports, the Receiver has filed the following three reports reporting on her administration of the Proofs of Claim submitted in this case: *Receiver’s Claim Status Report* (the “First Claims Report”);<sup>18</sup> *Receiver’s Status Report Regarding Omnibus Objections to Proofs of Claims* (the “Second Claims Report”);<sup>19</sup> and *Receiver’s Third Status Report Regarding Claims Filing and Objection Process* (the “Third Claims Report”, together with the First Claims Report and the Second Claims Report, the “Claims Reports”).<sup>20</sup>

### **III. Civil Judgments and Criminal Action Against the Defendants**

The Securities and Exchange Commission (“SEC”) commenced this civil enforcement action against Defendants in 2016, asserting that Defendants had violated securities laws of the United States. A *Temporary Restraining Order and Order Freezing Assets*<sup>21</sup> was entered by the Court, and the Receiver was appointed to, among other things, take custody and control of Traffic Monsoon and the assets of Scoville.<sup>22</sup> After an evidentiary hearing, the Court entered a

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<sup>16</sup> Docket No. [480](#).

<sup>17</sup> Docket No. [511](#).

<sup>18</sup> Docket No. [257](#).

<sup>19</sup> Docket No. [314](#) (relating to the initial claim objections filed by the Receiver).

<sup>20</sup> Docket No. [470](#) (discussing entire claim objection process through April 15, 2022).

<sup>21</sup> See Docket Nos. [8](#), [14](#).

<sup>22</sup> Docket No. [11](#) (entered July 27, 2016); see Docket Nos. [81](#), [120](#) (amendments).

*Preliminary Injunction*<sup>23</sup> together with a *Memorandum Decision and Order*<sup>24</sup> finding among other things, that the SEC made a clear showing that it was likely to succeed in establishing that Traffic Monsoon was a Ponzi scheme. Defendants appealed and in January 2019 the United States Court of Appeals for the Tenth Circuit affirmed the Court's orders.<sup>25</sup> The United States Supreme Court also denied the Defendants' *Petition for a Writ of Certiorari* in November 2019.<sup>26</sup>

Final judgments have now been entered in this case against Scoville<sup>27</sup> and Traffic Monsoon.<sup>28</sup> Scoville and his agents are enjoined from operating any business similar to Traffic Monsoon, and Scoville has been ordered to disgorge \$2,537,642.93 to the SEC for victim compensation and pay civil penalties in the amount of \$2,426,749.00.<sup>29</sup> Traffic Monsoon consented to entry of a final judgment against it, and agreed not to participate in the issuance, purchase, offer, or sale of any security. Traffic Monsoon also agreed to disgorge

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<sup>23</sup> Docket No. [80](#) (entered March 28, 2017).

<sup>24</sup> Docket No. [79](#) (entered March 28, 2017).

<sup>25</sup> See *SEC v. Scoville*, 913 F.3d 1204 (10th Cir. 2019).

<sup>26</sup> See S. Ct. Case No. 18-1566. The Court denied Scoville's requests for attorney's fees related to the appeals. See Docket No. [244](#).

<sup>27</sup> Docket No. [285](#) (*Final Judgment as to Defendant Charles Scoville*, entered Jan. 5, 2021); see Docket No. [284](#) (*Memorandum Decision and Order Granting Motion for Default Judgment Against Charles Scoville*, filed Jan. 5, 2021).

<sup>28</sup> Docket No. [448](#) (*Final Judgment as to Defendant Traffic Monsoon, LLC*, entered Feb. 4, 2022); see Docket No. [446](#) (*Consent of Defendant Traffic Monsoon, LLC*, filed Feb. 3, 2022).

<sup>29</sup> See Docket Nos. [284](#), [285](#).

\$145,736,805.22 to the SEC, which is deemed satisfied by the collection efforts to date and the Receiver's future distribution of funds to those holding allowed claims.<sup>30</sup>

In addition to the above-described civil enforcement action, Defendants are facing criminal charges.<sup>31</sup> Specifically, on August 5, 2020, the United States obtained a criminal indictment against Defendants, charging them with wire fraud under 18 U.S.C. § 1343 and tax fraud under 26 U.S.C. § 7206.<sup>32</sup> This criminal case is pending.

#### **IV. Work Done by the Receiver and Her Professionals During the Reporting Period**

The primary work performed by the Receiver and her professionals during the Reporting Period is outlined below:

##### **A. Proofs of Claim Submitted**

Pursuant to the *Order Granting Renewed and Amended Motion Seeking Approval of (1) Claims Process; (2) Setting Claims Bar Date; and (3) Certain Notice Procedures* (the "Claims Process Order"),<sup>33</sup> the deadline to submit Proofs of Claim in this case expired at 11:59 p.m. (Mountain Time) on April 10, 2020. As part of the procedures approved by the Court in the Claims Process Order, Claimants were provided the amount of their claim as calculated by the Receiver (the "Scheduled Claim Amount") and given the option to accept the Scheduled Claim

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<sup>30</sup> See Docket Nos. [446](#), [448](#).

<sup>31</sup> See *United States v. Scoville et al.*, Case No. 2:20-cr-00242 (D. Utah).

<sup>32</sup> See *id.*, Docket No. [1](#).

<sup>33</sup> Docket No. [232](#).

Amount, or reject the Scheduled Claim Amount, assert a different amount and provide information about their asserted claim.

The Receiver received a total of 23,221 Proofs of Claim as outlined in the Claims Reports incorporated herein.<sup>34</sup> Excluding one Proof of Claim asserting a claim in the amount of \$99,999,999,999.99 (the “\$99 Trillion Claim”), investors submitted Proofs of Claim asserting \$216,496,877 in claims. PayPal also submitted a Proof of Claim asserting a secured claim in the amount of \$3,144,021.<sup>35</sup> The procedures approved by the Court as part of the Claims Process Order proved to be successful as over 14,276 Proofs of Claim asserting claims totaling \$43,177,843 were allowed without the need for objection.<sup>36</sup> During the Reporting Period, the Receiver and her professionals have been working on matters related to contested Proofs of Claim as discussed below.

#### **B. Claim Objections and Unresolved Claims**

The Receiver proposed objection procedures for disputed Proofs of Claim which were approved by the Court pursuant to an *Order Granting Receiver’s Ex Parte Motion for Approval of Claims Objection Process and Settlement Authority* (the “Approved Objection Procedures”).<sup>37</sup> To date, the Receiver has served a total of twenty-two objections as set forth in the *Summary of*

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<sup>34</sup> See Third Claims Report ¶ 4.

<sup>35</sup> See Third Claims Report ¶ 4 and Exh. B.

<sup>36</sup> See Third Claims Report ¶ 5 and Exh. B. This amount has increased from the amounts stated in earlier Claims Reports and Prior Status Reports because of the work done during this Reporting Period discussed below.

<sup>37</sup> Docket No. [277](#).

*Served Claim Objections* attached as Exhibit A to the Third Status Report.<sup>38</sup> Below is a discussion of work related to disputed Proofs of Claim during the Reporting Period.

### **1. Claim Objection Order Entered During the Reporting Period**

The Receiver filed and served two omnibus *Objections to Proofs of Claim* on December 13, 2021,<sup>39</sup> objecting to a total of 1,580 Proofs of Claim that provided insufficient supporting documentation or asserted claims in excess of the Receiver's records. The deadline to respond to these Objections expired on January 14, 2022, and 1,410 claimants did not respond. On April 15, 2022, the Receiver filed a *Sixth Verified Motion Requesting Order (I) Disallowing Certain Proofs of Claim in Their Entirety and (II) Allowing Certain Proofs of Claim in a Modified Amount (No Response Claims)*.<sup>40</sup> On July 7, 2022, the Court entered an *Order* granting this Motion, reducing asserted claims by approximately \$6.2 million.<sup>41</sup>

### **2. Actions Regarding Unresolved Claims**

On April 15, 2022, the Receiver filed her Third Claims Report which reported on the Receiver's comprehensive analysis and review of all Proofs of Claim that had not yet been allowed or disallowed through the procedures approved as part of the Claim Process Order and subsequent Orders entered in accordance with the Claim Objection Procedures. The primary goal

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<sup>38</sup> Docket No. [470](#).

<sup>39</sup> Docket Nos. [420](#) – [421](#).

<sup>40</sup> Docket No. [468](#).

<sup>41</sup> Docket No. [492](#).



of collecting the information included in the Third Claims Report was to determine the most efficient way to bring the claims process to an end. At the time that the Third Claims Report was filed, the Receiver had obtained the allowance and/or disallowance of 22,710 of the total 23,221 submitted Proofs of Claim.<sup>42</sup> Of these amounts, the \$99 Trillion Claim and disputed investor claims asserting \$123,551,256 were disallowed – resulting in an approximate 70% reduction of asserted investor claims (not including the \$99 Trillion Claim).<sup>43</sup> There were only 511 disputed claims that had not yet been resolved as of April 15<sup>th</sup> (the “Unresolved Claims”).<sup>44</sup>

Since April 15<sup>th</sup>, the Receiver and her professionals have continued work on reducing the number of Unresolved Claims. Toward this end, the Receiver exercised her settlement authority under the Approved Objection Procedures during the Reporting Period regarding certain of the Unresolved Claims where the variance between the amount asserted by the Claimant and the Receiver’s Scheduled Claim Amount was less than \$10,000. Using a standardized methodology she had developed, the Receiver made offers to certain holders of Unresolved Claims to compromise the amount of their Proof of Claim and many of the Claimants contacted accepted the compromise. On August 31, 2021, the Receiver filed a *Motion to Approve Compromises of Large Variance Claims and Allow Claims in Compromised Amount*,<sup>45</sup> which was granted by the

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<sup>42</sup> Third Claims Report ¶¶ 4, 13 and Exh. B.

<sup>43</sup> Third Claims Report, ¶ 13 and Exh. B.

<sup>44</sup> Third Claims Report, ¶¶ 14, 15 and Exh. B.

<sup>45</sup> Docket Nos. [503](#), [505](#); see Docket No. [504](#) (*Declaration in Support*).

Court by *Order* entered on September 7, 2022.<sup>46</sup> The Receiver also requested that certain Claimants with allowed Proofs of Claim who hold additional Unresolved Claims withdraw the remaining disputed Proofs of Claim. The Receiver has had success with this effort and intends to file a motion related to the withdrawn Proofs of Claim soon.

Knowing that not all Unresolved Claims could be compromised, the Receiver and her professionals devised procedures for the adjudication of Unresolved Claims, mindful that Claimants holding these Claims should be afforded notice and an opportunity for hearing. On June 1, 2022, the Receiver filed an *Ex Parte Motion Seeking Approval of Procedures for Adjudication of Unresolved Investor Claims and Memorandum in Support* (the “Adjudication Motion”)<sup>47</sup> and requested a status conference to address the issues raised in the Adjudication Motion with the Court.<sup>48</sup> On July 8, 2022, the Court held a status conference and discussed the need for appointing a special master pursuant to Fed. R. Civ. P. 53.<sup>49</sup>

### **3. Efforts Related to the Appointment of a Special Master**

After the July 8<sup>th</sup> status conference, the Court entered an *Order* denying the Adjudication Motion.<sup>50</sup> Based on the Court’s direction at the status conference, the Receiver commenced an

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<sup>46</sup> Docket No. [506](#). Since the entry of this Order, approximately 2 Claimants have stated that they no longer want to compromise their Proofs of Claim as stated in the related Motion. The Receiver intends to include such Proofs of Claim as Unresolved Claims for determination by a special master.

<sup>47</sup> Docket No. [485](#).

<sup>48</sup> Docket No. [486](#) (*Ex Parte Motion to Set Status Conference and Memorandum in Support*).

<sup>49</sup> See Docket No. 489.

<sup>50</sup> Docket No. 502.

analysis of the best process to use in conjunction with a special master, drafted papers related to this process, and took steps to identify a special master as discussed below.

On July 29, 2022, the *Receiver* filed an *Ex Parte Motion to (I) Approve Notice of Intent to Appoint Special Master, (II) Authorize Method of Service, and (III) Approve Procedures for Responses and Memorandum in Support*,<sup>51</sup> seeking, among other things, approval of a form of Notice that would comport with the requirements of Fed. R. Civ. P. 53(b) (the “Rule 53(b) Notice”). The Court granted this Motion<sup>52</sup> and on August 2, 2022, the Receiver caused the Rule 53(b) Notice to be served on holders of Unresolved Claims.<sup>53</sup> The Rule 53(b) Notice afforded holders of Unresolved Claims an opportunity to object to the appointment of a special master or suggest a special master candidate. At the close of the deadline to respond to the Rule 53(b) Notice, August 26, 2022, five responses had been submitted. Two of the responses did not object to the appointment of a special master and the three objections that were raised did not provide any substantive basis for the objection. No suggestions for a special master were made by those served with the Rule 53(b) Notice.

In addition to providing notice of the Court’s intent to appoint a special master, considerable time was spent during the Reporting Period analyzing the requirements of Rule 53 and how to effectively use a special master to timely and effectively adjudicate Unresolved Claims. To

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<sup>51</sup> Docket No. [495](#).

<sup>52</sup> See Docket No. [496](#) (*Order*).

<sup>53</sup> See Fed. R. Civ. P. 53(b)(1); Docket No. [501](#) (*Certificate of Service*).

avoid unnecessary delay and expense, the Receiver used her background of the case and the claims process to devise and draft procedures to govern the special master in accordance with Rule 53. With these procedures in mind, the Receiver commenced an investigation of professionals who she thought may be well-suited to serve as special master and interviewed three professionals. At the conclusion of this process, the Receiver determined that she would propose Melanie J. Vartabedian as special master. A motion to approve the proposed procedures and appoint Ms. Vartabedian as special master was filed after the close of the Reporting Period, October 10, 2022,<sup>54</sup> and was granted by the Court, in part, on October 17, 2022,<sup>55</sup> thereby appointing Ms. Vartabedian as special master.

### **C. Italian Investor Settlement Agreement**

During the Reporting Period, the Receiver entered into a *Settlement Agreement* with 27 Claimants located in Italy who invested monies in Traffic Monsoon through Fabiano Santos (“Santos”) and his entity, Advertising Corp., related to the allowance of Proofs of Claim that the investors had submitted against the Receivership Estate.<sup>56</sup> On September 9, 2022, the Receiver filed a *Motion to Approve Settlement Agreement with Certain Italian Investors*, seeking approval

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<sup>54</sup> Docket No. [515](#).

<sup>55</sup> Docket No. [519](#). The Court denied the Adjudication Procedures proposed by the Receiver, finding it “unnecessary to hold a second hearing before the court to hear objections to the special master’s report and recommendation,” and ordered the Receiver to propose new adjudication procedures. The Receiver has now done so and this matter will be addressed in the next Status Report.

<sup>56</sup> Santos, who is currently under criminal investigation in Italy for fraud, also submitted several Proofs of Claim presumably based on the investments he made using the Italian investors’ money. The Receiver objected to Santos’s Proofs of Claim which have been disallowed.

of the Settlement Agreement from the Court.<sup>57</sup> The Court signed an *Order* granting this Motion just after the close of the Reporting Period, on October 4, 2022.

#### **D. Asset Recovery**

During the Reporting Period, the Receiver and her professionals continued to pursue those who profited from their investment in Traffic Monsoon (“Net Winners”) as well as others. As previously reported, *Default Judgments* were obtained against Ernest Ganz III and David Barker,<sup>58</sup> both Net Winners who reside in the United States. The Receiver has domesticated those Default Judgments and is taking appropriate action related thereto.

The Receiver has continued to seek appropriate recourse against Net Winners located outside of the United States. Default Judgments have been entered against Net Winners in the United Kingdom,<sup>59</sup> and during the Reporting Period the Receiver continued to work with her counsel located in the United Kingdom to pursue avenues of recovery as to these Default Judgments. Additionally, Default Judgments against Vincent Boutin,<sup>60</sup> a Net Winner located in Canada, and Piotr Chajkowski,<sup>61</sup> a Net Winner located in Poland, have been obtained and the Receiver is taking appropriate action with regard to those Judgments.

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<sup>57</sup> Docket No. [507](#); see Docket No. [508](#) (Receiver’s Declaration).

<sup>58</sup> See *Hunt v. Aslam*, Case No. 2:19-cv-275, Docket Nos. [65](#), [66](#).

<sup>59</sup> *Hunt v. Aslam*, Case No. 2:19-cv-275, Docket Nos. [97](#), [98](#), [99](#), [100](#), [101](#).

<sup>60</sup> *Hunt v. Aslam*, Case No. 2:19-cv-275, Docket No. [112](#).

<sup>61</sup> *Hunt v. Aslam*, Case No. 2:19-cv-275, Docket No. [113](#).

The Receiver also has determined that there may be other claims held by the Receivership Estate, particularly related to certain entities' failure to turn over assets of the Receivership Estate in accordance with the Receivership Order and the Preliminary Injunction. During the Reporting Period, the Receiver continued efforts to obtain additional funds from Allied Wallet, an e-wallet company that turned over approximately \$4.3 million on the Receiver's demand, but improperly charged over \$1.8 million in fees and charges both before and after the commencement of this case. Allied Wallet is currently in liquidation proceedings in the United Kingdom, and the Receiver has submitted a formal claim in that proceeding. During the Reporting Period, additional information has been provided to the liquidator and the Receiver has continued efforts to negotiate an allowed claim.

The Receiver also has continued to investigate issues related to claims against MH Pillars Ltd., d/b/a Payza, another e-wallet company that it is believed held funds of Traffic Monsoon at the time that the Court froze Traffic Monsoon's assets. Through consensual exchanges of information, the Receiver obtained significant records from Payza that allowed her to recreate Traffic Monsoon's records. The Receiver made demand on Payza for Traffic Monsoon funds that it appeared Payza held at the time this case was commenced, but Payza refused to turn over any funds, claiming that if it was holding Traffic Monsoon funds, they were subject to chargebacks by account holders. Principals of Payza have since been indicted and Payza's assets have been the subject of criminal forfeiture proceedings. The Receiver was not provided notice of an opportunity to submit a claim in the forfeiture proceedings. During the Reporting Period, the

Receiver has continued efforts to have the Receivership Estate's petition seeking allowance of a claim recognized in the forfeiture proceedings.

**E. Attending to General Administration of the Receivership Estate**

During the Reporting Period, the Receiver and her professionals have attended to numerous matters related to the administration of the Receivership Estate. These tasks include, but are not limited to, monitoring and managing bank accounts; negotiating, when appropriate, applicable interest rates for funds on deposit; reviewing professional billings and requesting adjustments when appropriate; following accounting protocols; preparing SFARs (as defined below); communicating with investors; managing the Receivership Website and information provided through the Call Center; evaluating and paying costs related to administration and litigation; evaluating issues related to compliance with applicable tax laws; filing papers required by applicable tax laws; interfacing with financial account institutions; and coordinating with governmental entities as requested.

**V. Standardized Fund Accounting Report ("SFAR")**

A summary of the financial condition of the Receivership Estate for each quarter of the Reporting Period is set forth in the SFAR attached hereto as **Exhibit 1**. At the end of the Reporting Period, the Receivership Estate had funds in the total amount of \$49,565,448.06.<sup>62</sup>

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<sup>62</sup> See Exh. 1 (SFAR, Line 14).

Interest income has totaled \$12,491.78,<sup>63</sup> and expenses totaled \$201,894.58.<sup>64</sup> The expenses include disbursements to Epiq for data hosting and services, including services related to the Receivership Website, the Call Center, and the claims process.

**VI. Administrative Expenses During the Reporting Period**

The fees and out of pocket expenses of the Receiver, counsel Greenberg Traurig, LLP, accountants Berkeley Research Group and other approved professionals (collectively, the “Professionals”) must be approved by the Court prior to payment. The Court has entered an *Order Establishing Administrative Expense Payment Procedures* (the “Fee Procedures Order”),<sup>65</sup> 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 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”.

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<sup>63</sup> See *id.* (Line 4). During the Reporting Period, the Receiver requested the interest rate be reevaluated given the increase in interest rates. The Receiver will continue to monitor interest rate issues and take appropriate actions.

<sup>64</sup> See *id.* (Line 10).

<sup>65</sup> Docket No. [101](#).



**A. Fees and Expenses Related to Earlier Reporting Periods – Paid or Pending During This Reporting Period**

On May 16, 2022, the Receiver filed a *Sixteenth Interim Fee Application* for the Receiver and her Professionals requesting fees and expenses for services rendered from January 1, 2022 through March 31, 2022.<sup>66</sup> The Court entered an *Order* approving this Fee Application on July 7, 2022.<sup>67</sup> The fees and expenses requested in those Fee Applications were paid in full during the Reporting Period.

The Receiver filed *Notices of Request for Payment* for April, May and June 2022 during the Reporting Period.<sup>68</sup> No objections were filed and, accordingly, 80% of the fees outlined in those Notices were paid, and 100% of the expenses outlined were reimbursed as authorized by the Fee Procedures Order. Shortly after the Reporting Period, on October 5, 2022, the Receiver filed a *Seventeenth Interim Fee Application* seeking approval of the fees and expenses outlined in the Notices.<sup>69</sup> The *Seventeenth Interim Fee Application* was approved by the Court on October 11, 2022.<sup>70</sup>

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<sup>66</sup> Docket No. [483](#).

<sup>67</sup> Docket No. [491](#).

<sup>68</sup> Docket Nos. [484](#), [490](#), [494](#).

<sup>69</sup> Docket No. [514](#).

<sup>70</sup> Docket No. [517](#).

**B. Fees and Expenses Incurred During the Current Reporting Period**

After the Reporting Period, on October 18, 2022, the Receiver filed *Notices of Request for Payment* for July, August, and September 2022,<sup>71</sup> and intends to file an *Eighteenth Interim Fee Application* for those same months shortly. None of the fees and expenses for the Reporting Period have been paid to date. The Receiver anticipates paying the fees and expenses in accordance with the Fee Procedures Order after the appropriate requests are made.

**VII. Conclusion**

The Receiver currently holds over \$49 million which she would like to distribute to those with allowed claims against the Receivership Estate. The Receiver anticipates that she will be able to consider proposing a *Plan of Distribution* in the near future as the allowance or disallowance of Unresolved Claims are considered by the special master and a report and recommendation is made to the Court.

Dated this 31st day of October, 2022.

**RECEIVER**

/s/ Peggy Hunt  
Peggy Hunt, Receiver

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<sup>71</sup> Docket Nos. [520](#), [521](#), [522](#).

**CERTIFICATE OF SERVICE**

I hereby certify that on this 31st day of October, 2022, I caused the foregoing *Eighteenth Status Report (July 1, 2022 Through September 30, 2022)* 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

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

Receivership; Civil Court Case No. 2:16-00832  
 REPORTING PERIOD 07/01/2022 TO 09/30/2022

Fund Accounting (See Instructions):				
		Detail	Subtotal	Grand Total
Line 1	Beginning Balance (As of 06/30/22)			49,754,850.86
	<i>Increases in Fund Balance:</i>			
Line 2	Business Income	-	-	
Line 3	Cash and Securities	-	-	
Line 4	Interest/Dividend Income	12,491.78	12,491.78	
Line 5	Business Asset Liquidation	-	-	
Line 6	Personal Asset Liquidation	-	-	
Line 7	Third-Party Litigation	-	-	
Line 8	Miscellaneous-Other	-	-	
	<b>Total Funds Available (Lines 1-8):</b>		<b>12,491.78</b>	<b>49,767,342.64</b>
	<i>Decreases in Fund Balance:</i>			
Line 9	Disbursements to Senior Secured Lenders/Investors	-	-	
Line 10	Disbursements for Receivership Operations		201,894.58	
Line 10	Internal Loans	-		
Line 10a	Disbursements to Receiver or Other Professionals	201,894.58		
	1. Fees:	-		
	Receiver	14,869.91		
	Legal Advisors	59,075.36		
	Accountants	11,009.80		
	Consultants	116,939.51		
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	-		
	<i>Total Third-party Litigation Expenses</i>		-	
Line 10f	Tax Administrator Fees and Bonds	-		
Line 10g	Federal and State Tax Payments	-		
	<b>Total Disbursements for Receivership Operations</b>		<b>201,894.58</b>	<b>201,894.58</b>
Line 11	<b>Disbursements for Distribution Expenses Paid by the Fund:</b>	-	-	
Line 11	<i>Distribution Plan Development Expenses</i>	-		
Line 11a	<i>Distribution Plan Development Expenses:</i>	-		
	1. Fees:	-		
	Fund Administrator	-		
	Independent Distribution Consultant (IDC)	-		
	Receiver	-		
	Legal Advisors	-		
	Accountants	-		
	Consultants	-		
	2. Administrative Expenses	-		
	3. Approved Living Allowance	-		
	4. Miscellaneous	-		
	<i>Total Plan Development Expenses</i>		-	
Line 11b	<i>Distribution Plan Implementation Expenses:</i>	-		
	1. Fees:	-		
	Fund Administrator	-		
	IDC	-		
	Receiver	-		
	Legal Advisors	-		
	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	-		
	<b>Total Plan Implementation Expenses</b>		-	
	<b>Total Disbursement for Distribution Expenses Paid by the Fund</b>		-	-
Line 12	<b>Disbursements to Court/Other:</b>		-	
Line 12	Disbursements to Court	-		
	Investment Expenses/Court Registry Investment System (CRIS)			
Line 12a	Fees	-		
Line 12b	Federal Tax Payments	-		
	<b>Total Disbursements to Court/Other:</b>		-	-
	<b>Total Funds Disbursed (Lines 9-12)</b>			201,894.58
Line 13	<b>Ending Balance (As of 09/30/22)</b>			49,565,448.06
Line 14	<b>Ending Balance of Fund - Net Assets:</b>			
Line 14a	Cash & Cash Equivalents			49,565,448.06
Line 14b	Investments			-
Line 14c	Other Assets or Uncleared Funds			-
	<b>Total Ending Balance of Fund - Net Assets</b>			49,565,448.06

**OTHER SUPPLEMENTAL INFORMATION:**

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

Line 15c	Tax Administrator Fees & Bonds Not Paid by the Fund	-		
	Total Disbursements for Plan Administrative Expenses Not Paid by the fund		-	-
Line 16	Disbursements to Court/Other Not Paid by the Fund:	-	-	
Line 16a	Investment Expenses/CRIS Fees	-		
Line 16b	Federal Tax Payments	-		
	Total Disbursements to Court/Other Not Paid by the Fund		-	-
Line 17	DC & State Tax Payments	-	-	
Line 18	No. of Claims			
Line 18a	# of Claims Received This Reporting Period			-
Line 18b	# of Claims Received Since Inception of Fund			-
Line 19	No. of Claimants/Investors:			
Line 19a	# of Claimants/Investors Paid This Reporting Period			-
Line 19b	# of Claimants/Investors Paid Since Inception of Fund			-

Receiver:

By:

(signature)

Mary Margeret Hunt

(printed Name)

Receiver

(title)

Date:

10/31/22