

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION

UNITED STATES OF AMERICA,)
)
Plaintiff,)
vs.) Case 2:15-cv-00828-DN-EJF
)
RAPOWER-3, LLC, INTERNATIONAL,) Judge David Nuffer
AUTOMATED SYSTEMS, INC., LTB1,)
LLC, R. GREGORY SHEPARD,)
NELDON JOHNSON, and ROGER)
FREEBORN,)
)
Defendants.)
_____)

30(b)(6) DEPOSITION OF LTB1, LLC (NELDON JOHNSON)

JULY 1, 2017

SALT LAKE CITY, UTAH

Excerpts from
Plaintiff
Exhibit
576

1 Deposition of NELDON JOHNSON, produced
2 as a witness at the request of Plaintiff,
3 taken on July 1, 2017, at 9:10 a.m., at Salt
4 Lake Marriott Downtown at City Creek, before
5 Amanda Richards, certified shorthand reporter
6 in and for the State of Utah, pursuant to
7 Notice.

8
9 APPEARANCES OF COUNSEL:

10 FOR PLAINTIFF:

11 Erin Healy Gallagher
12 U.S. Department of Justice
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18
19 FOR DEFENDANT NELDON JOHNSON:

20 Steven Paul
21 Nelson Snuffer Dahle & Poulsen
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26 ALSO PRESENT:

27 Glenda Johnson

28 * * * * *

1 SALT LAKE CITY, SATURDAY, JULY 1, 2017, 9:10 A.M.

2 * * * * *

3 NELDON JOHNSON,

4 called as a witness herein, having been first duly sworn,

5 was examined and testified as follows:

6 MS. GALLAGHER: Good morning. We are on the record in
7 the case of United States vs. RaPower3, et al., on July 1st
8 at just about 9:10 a.m. My name is Erin Healy Gallagher of
9 the United States Department of Justice in the Tax Division
10 appearing on behalf of the United States. Erin Hines and
11 Chris Mann are also representing the Unites States, but are
12 not here today.

13 Mr. Paul, would you like to make your appearance.

14 MR. PAUL: Yeah. I'm Steve Paul on behalf of the
15 Defendants in this case.

16 MS. GALLAGHER: Also not present today is Don Reay who
17 represents R. Gregory Shepard and Roger Freeborn.

18 This deposition will be governed by the Federal
19 Rules of Civil Procedure and the local rules of District of
20 Utah. All exhibits today will be taken away by the court
21 reporter after four days of deposition. We'll address any
22 other stipulation as the need arises.

23 EXAMINATION

24 BY MS. GALLAGHER:

25 Q. All right. Hello again, Mr. Johnson.

1 participation today is to give full and complete answers.

2 Do you understand that obligation?

3 A. Yes.

4 Q. And if you do not understand a question that I
5 ask, will you continue to ask -- let me know that?

6 A. Yes.

7 Q. And if it happens again, as it has on occasion, if
8 you remember additional information that would clarify or
9 supplement a previous answer, will you let me know?

10 A. Yes.

11 Q. Mr. Johnson, is there anything today that would
12 prevent you from understanding and answering my questions
13 with the full capacity of your recollection?

14 A. No.

15 Q. Are you taking any medications or drugs of any
16 kind that might interfere with your memory?

17 A. No.

18 Q. Have you had anything alcoholic to drink in the
19 last eight hours?

20 A. No.

21 Q. Are you currently under a doctor's care for any
22 illness?

23 A. No.

24 Q. Mr. Johnson, what does LTB1-LLC, do?

25 A. It isn't involved in any operations at the present

1 time.

2 Q. So LTB1-LLC does not currently do anything?

3 A. No. It is no longer even an active company.

4 Q. Okay. Let's start with when was LTB1-LLC formed?

5 A. I'm not sure when it was formed, but it's, yeah,

6 it was sometime in around 2006 or 7. Something like that.

7 I'm not sure exactly when.

8 Q. And when was LTB1-LLC -- was it dissolved?

9 A. It was dissolved in 2016, I believe, or 2015, but

10 I'm not exactly positive.

11 Q. Okay. So during the time of its existence, what,

12 if anything, did LTB1-LLC do?

13 A. It had no operations or management functions or
14 disseminating of any information for any customers directly
15 or indirectly.

16 Q. So did it do anything?

17 A. No.

18 Q. Who owned LTB1-LLC?

19 A. I'm not sure. It could have been DCL-16A, but I'm
20 not sure.

21 Q. Do you have any documentation that would show who
22 owned LTB1-LLC?

23 A. No. But I -- I've been told that you have that
24 information.

25 Q. Who told you that?

1 A. My previous attorney that says they turned over
2 all the documents.

3 Q. Was that Justin Heideman?

4 A. Justin Heideman, yes.

5 Q. Do you have any other corporate documentation for
6 LTB1-LLC?

7 A. No. But if you don't have those, we can -- we can
8 certainly get those to you.

9 Q. Did LTB-1, LLC, ever have a bank account?

10 A. No, it did not.

11 Q. During the time of its existence, who was in
12 charge of making decisions for LTB1-LLC?

13 A. I think Chris Taylor was the manager of LTB1 for
14 most of the -- most of its existence.

15 Q. Anyone other than Chris Taylor?

16 A. I'm not positive whether I was the manager at some
17 time of LTB1 or not, but I could have been. And, again, the
18 documentation, if you don't have it, we could probably get
19 that to you if you need to.

20 Q. So do you, Mr. Johnson, recall ever having made
21 decisions on behalf of LTB1-LLC?

22 A. No. There was no decision to be made other than
23 the organization procedures.

24 Q. So what, if anything, did you think LTB1
25 actually -- let me withdraw that.

1 Who decided to create LTB1-LLC?

2 A. Neldon Johnson as an individual.

3 Q. What inspired you to create LTB1-LLC?

4 A. I'm not sure of the rationale behind it, but we
5 felt like there should be an independent company that would
6 operate and maintain the energy production when it became
7 relevant.

8 Q. When you say "we," do you mean "I"?

9 A. I mean "I." Excuse me. I'm trying to get over
10 that. I been cussed out enough for that, so I'm trying to
11 improve myself.

12 Q. Mr. Johnson, why did you believe it would be a
13 good idea to have an independent company to operate and
14 maintain did you say energy production?

15 A. It was -- it was a personal decision made by the
16 information that I could -- that I -- that I would study
17 personally the laws involved and the legal responsibilities
18 of the different companies, and it looked to me that it
19 would be better to -- to make different companies to do
20 different operations in order to make it clear and distinct
21 who was responsible for everyone involved so there would be
22 no question of what the responsibilities were, nor the
23 people involved in the operations.

24 And it would be clearly discerned who was
25 responsible for the operation and maintenance and their

1 qualifications so there would be no question that the
2 information was not fully disclosed as to who would do what
3 in any circumstances. So that was the rationale. Because
4 of the way the laws are written, we felt like that in order
5 to eliminate a possible overreach in who was responsible by
6 putting those companies together, it would make it a clear,
7 defining role for each individuals' responsibilities.

8 Q. And by "we," do you mean "I?"

9 A. I mean "I," yes. Thanks. Excuse me again.

10 Q. Did LTB1 ever have any employees?

11 A. No, they did not.

12 Q. Did LTB1 ever make any money?

13 A. No, it did not.

14 Q. And I'll ask that a different way. Did anyone
15 ever pay any money to LTB1?

16 A. No, they did not other than for the legal fees
17 required to create the company.

18 Q. Okay. Who paid that money in?

19 A. Mr. Johnson did.

20 Q. So, Mr. Johnson, you paid money for LTB to be
21 created -- I'm sorry. You paid money for LTB1 to be created
22 as an entity?

23 A. I believe that's correct. It's my recollection.

24 Q. Do you recall having paid in any other money to
25 LTB1?

1 A. No, I have not.

2 Q. So since 2006 or 2007 when it was created through
3 the time that it was dissolved, LTB1 did not have any daily
4 operations; correct?

5 A. That is correct.

6 Q. We talked a bit in the last couple of days about
7 another entity called LTB-LLC. Do you remember that?

8 A. I believe so, yes.

9 Q. What's the difference between LTB1-LLC and
10 LTB-LLC?

11 A. The only difference would be the name, the
12 operations. Or it would be -- it would be the same
13 requirements for both companies.

14 Q. What does LTB stand for?

15 A. Lions, tigers, and bears.

16 MR. PAUL: Oh, my.

17 THE WITNESS: It was just something that I thought was
18 funny.

19 MS. GALLAGHER: Thank you for explaining that. Okay.

20 THE WITNESS: I just thought it rhymed and I thought
21 that's clever. I like that. I needed something to remember
22 it. Why the acronym.

23 Q. (BY MS. GALLAGHER) So do you recall,
24 Mr. Johnson -- I'll withdraw that.

25 Did you form or have formed LTB-LLC?

1 A. I did, yes.

2 Q. And what was your intention when you formed LTB?
3 What did you anticipate it would do?

4 A. I anticipated the same as for LTB1; that it would
5 disseminate a particular operation for maybe a particular
6 need to operate a different power plant. We have properties
7 in Texas and in California and various places in Utah, and I
8 believe in some places various other entities that we are
9 looking to operate, and we probably would want separate
10 operations in those areas.

11 Q. So was your goal for LTB-LLC, to have an
12 independent company to operate and maintain energy
13 production?

14 A. That is correct.

15 Q. Do you recall when you formed LTB-LLC?

16 A. I do not recall the date when that was formed.

17 Q. Would it -- was it before or after you formed LTB?

18 A. It was -- I think it was before LTB1, to be quite
19 honest. But, there again, I don't have a permanent
20 recollection.

21 Q. Is LTB-LLC, still in existence?

22 A. I don't believe it is. I think it's also
23 dissolved.

24 Q. Why is LTB dissolved?

25 A. I believe it was because the -- the place where it

1 was organized the laws had changed and it was requiring more
2 legal expenses to maintain its viability.

3 Q. And was that in Nevada?

4 A. I believe it was, yes.

5 Q. Same question for LTB1. Why is LTB1 dissolved?

6 A. For the same reason.

7 Q. Okay. Have you formed any other company to
8 operate and maintain energy production?

9 A. Yes. I believe it's LTB-O&M.

10 Q. Is that LTB-O&M?

11 A. O&M, yes. Capital O and capital M, LLC.

12 Q. Is LTB-O&M intended to be an independent company
13 to operate and maintain energy production?

14 A. Yes, it is.

15 Q. Was it formed for any other purpose?

16 A. No, it was not.

17 Q. And you formed or had formed LTB-O&M?

18 A. I did, yes.

19 Q. And that's organized under the laws of Utah?

20 A. That is correct.

21 Q. Have you formed any other companies to operate and
22 maintain energy production?

23 A. I do not believe I have.

24 Q. Has LTB1 -- well, first, I'll ask this -- no.

25 Withdrawn.

1 Who was the manager for LTB?

2 A. There I'm not positive, but I think it was Chris
3 Taylor. But, there again, I'm not positive.

4 Q. Has it been anyone else?

5 A. It could have been. I may have changed it to
6 indicate that I would act as the manager of LTB and LTB1.

7 Q. Has LTB-LLC, had any employees?

8 A. It has not.

9 Q. Has LTB-LLC, ever had a bank account?

10 A. No, it has not.

11 Q. Has LTB-LLC, ever done anything?

12 A. It has not.

13 Q. Do you know who owned LTB-LLC?

14 A. I do not, but I believe it could be DCL-16A.

15 Q. Do you have any corporate documents for LTB-LLC?

16 A. I -- I -- I would hope that they would have given
17 them to you, but if you don't have those, I'm -- Dave Nelson
18 would have those and I'd be happy to give those to you.

19 Q. Okay. Mr. Johnson, what, if any, decisions have
20 you made on behalf of LTB-LLC?

21 A. Other than the organization, there hasn't been any
22 decisions that were required to be made for either of the
23 companies.

24 Q. Has anyone ever paid money into LTB-LLC?

25 A. Other than money required to keep it active or --

1 or to organize the company, there hasn't been any other
2 funds made available to LTB, LTB1, or LTB O&M.

3 Q. And, Mr. Johnson, did you pay the fees to maintain
4 LTB's legal status?

5 A. I believe that's true, but it may have been money
6 from another company, but I do believe it was my personal
7 funds that -- that paid for those.

8 Q. Other than money paid into LTB-LLC, in order to
9 maintain its legal status, has there ever been any other
10 money paid into LTB-LLC?

11 A. No, there has not.

12 Q. What, if any, relationship does LTB1-LLC have with
13 LTB-LLC?

14 A. There is no relationships at all.

15 Q. For LTB-O&M, and that's an ampersand; right?

16 A. Yes.

17 Q. Right. In between the O and the M?

18 A. That's correct, yes.

19 Q. Do you recall about when LTB-O&M was formed?

20 A. I believe it was late 2016, but, there again, it's
21 not a positive position.

22 Q. Who is it that owns LTB-O&M?

23 A. I believe it's DCL-16A, but I -- there again, I
24 will get you the documents if you need to have those.

25 Q. Who is the manager for LTB-O&M?

1 A. That would be Mr. Johnson, Neldon Johnson.

2 Q. Has anyone else ever been the manager for LTB-LLC?

3 A. No, there has not been any other managers.

4 Q. Does LTB-O&M have any employees?

5 A. No, it does not.

6 Q. Does LTB-O&M have a bank account?

7 A. No, it does not.

8 Q. Is anyone other than you authorized to make
9 decisions on behalf of LTB-O&M?

10 A. No.

11 Q. Is anyone other than you authorized -- well, I'll
12 withdraw that.

13 During LTB-LLC's, existence, was anyone other than
14 you and Chris Taylor authorized to make decisions on behalf
15 of LTB?

16 A. No, there was none.

17 Q. For LTB1-LLC, other than you and Chris Taylor, was
18 anyone authorized to make decisions on behalf of LTB1-LLC?

19 A. No, there was not.

20 Q. Has anyone ever paid money into LTB-O&M?

21 A. No, there was -- no, other than the legal
22 requirements, but no.

23 Q. So then my understanding is money was paid into
24 LTB-O&M in order to form the company; correct?

25 A. That's correct.

1 Q. And you paid that money?

2 A. I believe that's true.

3 Q. Has anyone other than you paid any money into
4 LTB-O&M?

5 A. No. No, there has not been.

6 Q. What, if any, relationship does LTB-O&M have with
7 LTB-LLC?

8 A. There is no relationship.

9 Q. What, if any, relationship does LTB-O&M have with
10 LTB1-LLC?

11 A. There is no relationship.

12 Q. Do any of the LTB entities that we've talked about
13 today had a business -- had or have -- let me just start
14 that again. We'll just walk through it.

15 For LTB-LLC, did it ever have a relationship with
16 International Automated Systems?

17 A. No, it did not.

18 Q. For LTB1-LLC, did it ever have a relationship with
19 IAS?

20 A. No, it didn't.

21 Q. For LTB-O&M, does it have any relationship with
22 IAS?

23 A. No, it does not.

24 Q. Are there any contracts between IAS and any of the
25 LTB entities?

1 A. No, there is not.

2 Q. Has LTB-LLC ever paid any person as an independent
3 contractor?

4 A. No, they have not.

5 Q. Did LTB1-LLC pay any person as an independent
6 contractor?

7 A. No, they have not.

8 Q. Has LTB O&M paid any person as a contractor?

9 A. No, they have not.

10 Q. What, if any, relationship did LTB-LLC have with
11 RaPower3?

12 A. There is -- there's no relationship between the
13 two companies.

14 Q. What, if any, relationship did LTB1-LLC have with
15 RaPower3?

16 A. There is no relationship.

17 Q. What, if any, relationship does LTB-O&M have with
18 RaPower3?

19 A. There is no relationship.

20 Q. What, if any, relationship do the LTB entities
21 have with Cobblestone Center?

22 A. There is no relationships.

23 Q. What, if any, relationship did the LTB entities
24 have with Exxon Energy?

25 A. There is no relationships.

1 Q. And what, if any, relationship did the LTB
2 entities have with Solcol?

3 A. There is no relationship.

4 Q. What, if any, relationship do the LTB entities
5 have with Gregory Shepard?

6 A. There is no relationship with Greg Shepard.

7 Q. What, if any, relationship do the LTB entities
8 have with Roger Freeborn?

9 A. There is no relationship.

10 Q. What, if anything, does Mrs. Glenda Johnson do for
11 any of the LTB entities?

12 A. There is no relationship with Glenda Johnson in
13 any of the LTB companies.

14 Q. So she doesn't do anything for them?

15 A. There is no -- she doesn't do anything.

16 Q. Mr. Johnson, you mentioned Chris Taylor a couple
17 of times with respect to the LTB entities. When was Chris
18 Taylor involved with any LTB entity?

19 A. I'm not sure. It'd probably be from the exception
20 til he left the employment of International Automated
21 Systems.

22 Q. When did he leave employment?

23 A. I'm not positive, but I thought it was right
24 around 2010 or 2011. There may have been a different
25 period.

1 Q. Did Mr. Taylor work on the computer program that
2 we heard about yesterday in particular that RaPower3 uses to
3 track the solar lenses?

4 A. He worked on the first model and -- and -- but
5 since then we've -- since then I've changed the entire
6 program. But the first model that we used, he did a lot of
7 the programming on that.

8 Q. When was the first model created?

9 A. Not exactly positive, but I think it was right
10 around 2007, 9, 8, 9. Something in that neighborhood.

11 Q. Before 2010?

12 A. I believe so, yes.

13 Q. Mr. Johnson, why was Chris Taylor the original
14 manager for any of the LTB entities?

15 A. Probably mostly because of his loyalty and his
16 ability to critically think in areas that would require
17 those particular skills, especially in being able to manage
18 people. He seemed to be very well adapted to people skills
19 and the ability to -- to relate information to other people
20 in a way that they would comprehend what was needed. And he
21 could then communicate with other people that they needed to
22 work in other areas that he wasn't trained in, but still
23 could manage the operation.

24 Q. Had Mr. Taylor ever operated and maintained energy
25 production?