

Page 1

1 IN THE UNITED STATES DISTRICT COURT FOR THE
 2 DISTRICT OF UTAH, CENTRAL DIVISION
 3

4 UNITED STATES OF AMERICA, Civil No.2:15-cv-00828DN
 5 Plaintiff,
 6 vs.
 7 RAPOWER-3, LLC, INTERNATIONAL
 8 AUTOMATED SYSTEMS, INC., LTB1,
 9 LLC, R. GREGORY SHEPARD,
 10 NELDON JOHNSON, and ROGER
 11 FREEBORN,
 12 Defendants.

13 October 18, 2016
 14 10:00 a.m. - 1:18 p.m.
 15 500 S. Australian Avenue
 16 West Palm Beach, Florida

17 DEPOSITION OF ROGER W. HALVERSON

18
 19 Taken on behalf of the Plaintiff before
 20 Michael J. D'Amato, RMR, Notary Public in and for the
 21 State of Florida at Large, pursuant to Notice of Taking
 22 Deposition in the above cause.
 23
 24
 25

Page 2

1
 2 APPEARANCES
 3

4 For the Plaintiff:

5
 6 U.S. Department of Justice
 7 P.O. Box 7238
 8 Ben Franklin Station
 9 Washington, DC 20044
 10 202.353.2452
 11 BY: ERIN HEALY GALLAGHER, ESQ.
 12
 13

14 For the Defendants Rawpower-3, LLC, International
 15 Automated Systems, Inc. LTB1, LLC, and Nelson Johnson:

16 HEIDEMAN & ASSOCIATES
 17 2996 North University Avenue
 18 Suite 180
 19 Provo, UT 84604
 20 801.472.7742
 21 BY: JUSTIN D. HEIDEMAN, ESQ.
 22
 23
 24
 25

Page 3

1
 2 I N D E X
 3 Witness Direct Cross
 4 ROGER W. HALVERSON
 5 By Ms. Healy Gallagher...5
 6 By Mr. Heideman.....81
 7
 8
 9 Certificate of Oath.....84
 10 Certificate of Reporter.....85
 11 Errata sheet (to be forwarded upon execution)....86
 12
 13
 14
 15
 16
 17
 18
 19
 20
 21
 22
 23
 24
 25

**Plaintiff
 Exhibit**
 690

Page 4

1
 2 E X H I B I T I N D E X
 3 Description Page
 4 EXHIBIT 181 Equipment Purchase Agreement.....28
 5 EXHIBIT 182 Email from Shepard to Halverson, Bates
 Halveson Roger-00076.....37
 6
 7 EXHIBIT 183 Email from Shepard to Halverson, Bates
 Halverson Roger-00075.....39
 8
 9 EXHIBIT 184 Email from Shepard to Halverson, Bates
 Halverson Roger-00063-64.....41
 10
 11 EXHIBIT 185 Letter to Lambrecht, Bates Halverson
 Roger-00068-69.....48
 12
 13 EXHIBIT 186 Letter from Halverson to IASI, Bates
 Halverson Roger-00007.....44
 14
 15 EXHIBIT 187 Letter from IAS to Ilios, Aug 23, 2010....54
 16 EXHIBIT 188 Letter from Johnson to Lambrecht, Bates
 Halverson Roger-00066.....55
 17
 18 EXHIBIT 189 Email from Halverson to Shepard, Bates
 Halverson Roger-00071.....61
 19
 20 EXHIBIT 190 Check from Applied Solar Service Center to
 Lambrecht, Bates Halverson Roger-00067.....66
 21
 22 EXHIBIT 191 2009 US Form Schedule C, Bates Halverson
 Roger-00077.....68
 23
 24 EXHIBIT 192 Subpoena to Roger Halverson, Bates Halverson
 Roger-00003.....78
 25

Page 5

1 THEREUPON:
 2 ROGER W. HALVERSON,
 3 being by me first duly sworn or affirmed to tell the
 4 truth, the whole truth, and nothing but the truth, as
 5 hereinafter certified, responded and testified as
 6 follows:
 7 THE WITNESS: I do.
 8 DIRECT EXAMINATION
 9 BY MS. HEALY GALLAGHER:
 10 Q. Good morning, Mr. Halverson. We are on the
 11 record in the case of United States v. RaPower3, et al.
 12 We met a moment ago. My name is Erin Healy Gallagher
 13 of the United States Department of Justice, the Tax
 14 Division, appearing on behalf of the United States. We
 15 have a court reporter here to record the proceedings.
 16 Mr. Heideman.
 17 MR. HEIDEMAN: Justin Heideman here on behalf
 18 of the most of the defendants.
 19 MS. HEALY GALLAGHER: And I'd like to note for
 20 the record that Donald Reay, who represents Greg
 21 Shepard and Roger Freeborn, is not here today.
 22 All right, we are under an agreement that this
 23 deposition will be governed by the Federal Rules of
 24 Civil Procedure. All of the exhibits will be
 25 marked and we will be handing off to you, the court

Page 6

1 reporter, at the end of the day. Any other
 2 stipulations will be addressed as need arises.
 3 BY MS. HEALY GALLAGHER:
 4 Mr. Halverson, have you ever been deposed
 5 before?
 6 A. Yes.
 7 Q. How many times?
 8 A. My, three or four.
 9 Q. So you've been through this before, but before
 10 we begin I'd like to just set out a couple of ground
 11 rules and understandings for this deposition.
 12 First real quick, Mr. Halverson, you have
 13 chosen to appear without an attorney today, is that
 14 right?
 15 A. Yes.
 16 Q. In this deposition I will ask you questions.
 17 My questions and your answers will be recorded by the
 18 court reporter. So you need to speak loudly enough for
 19 him to hear you and also to answer my questions
 20 verbally. Do you understand?
 21 A. I understand.
 22 Q. He cannot record a shake of the head or a nod
 23 and words like uh-huh are not clear on the transcript
 24 that we'll create. Also we have a tendency in casual
 25 conversation to speak over one another, for example, to

Page 7

1 answer a question before it is finished being asked.
 2 You have done a really good job not doing that so far,
 3 so I would ask you to continue that, to please wait
 4 until I am finished asking my question before you start
 5 your answer.
 6 A. Surely.
 7 Q. And if we talk over one another I'll stop us
 8 and we'll try it again. When I do finish each question
 9 your task for today is give full and complete answers.
 10 Do you understand that obligation?
 11 A. I do.
 12 Q. And it is my obligation to ask understandable
 13 questions of you. So if you don't understand a
 14 question for any reason, please let me know and I'll do
 15 my best to clarify. Will you do that?
 16 A. Of course.
 17 Q. Mr. Heideman may at some point make an
 18 objection. That objection is simply to make a note on
 19 the record. So I'll have you answer the question as if
 20 no objection has been made.
 21 Sometimes it happens that you may give an
 22 answer as completely as you can but then later in the
 23 deposition you may remember additional information or
 24 different information that might change your answer.
 25 If that happens, that's fine, just let me know

Page 8

1 and we can take care of clarifying the record right
 2 way. Will you do that?
 3 A. Yes.
 4 Q. When you are answering a question if you think
 5 that a document might help you remember something
 6 better, just let me know and we'll see if we have it
 7 here and we can see what we can do there.
 8 I will try to remember to take breaks every 90
 9 minutes or so, but if you need a break at any time just
 10 let me know. If there's a question pending, however,
 11 would I ask that you complete that answer before we
 12 take a break.
 13 A. I understand.
 14 Q. Mr. Halverson, were here today to get as
 15 accurate a record as we can of the facts of this case
 16 as you remember them. So I have to ask if there's
 17 anything that would prevent you from understanding my
 18 questions and answering them with the full capacity of
 19 your recollection?
 20 A. Well --
 21 Q. So, for example, are you taking any
 22 medications that have mind altering effects?
 23 A. No.
 24 Q. Have you had anything alcoholic to drink in
 25 the last eight hours?

<p style="text-align: right;">Page 9</p> <p>1 A. No.</p> <p>2 Q. Are you feeling at all sick or unwell?</p> <p>3 A. No.</p> <p>4 Q. So then is there any reason that you can think</p> <p>5 of that you might not be able to answer my questions</p> <p>6 fully?</p> <p>7 A. None.</p> <p>8 Q. Mr. Halverson, I see you brought a stack of</p> <p>9 documents with you today. Did you review any materials</p> <p>10 before your deposition?</p> <p>11 A. Yeah -- well, yeah, perused through them to</p> <p>12 see which documents I had and what was in my file.</p> <p>13 Q. Can I -- I will take a look at what you</p> <p>14 brought, if you please.</p> <p>15 A. Okay.</p> <p>16 MS. HEALY GALLAGHER: We'll go off the record</p> <p>17 for a second.</p> <p>18 (Pause in the proceedings)</p> <p>19 MS. HEALY GALLAGHER: Back on the record.</p> <p>20 Q. Mr. Halverson, I've taken a quick look through</p> <p>21 the documents that you brought with you today, and I</p> <p>22 recognize a lot of them from the production that you</p> <p>23 made to the United States. There are a couple,</p> <p>24 however, that I don't recognize. So if it is okay with</p> <p>25 you what I'm going to do is put the ones I don't</p>	<p style="text-align: right;">Page 11</p> <p>1 Beach University which is now a community college. And</p> <p>2 I took one correspondence course from the University of</p> <p>3 Florida.</p> <p>4 Q. And since you got your CPA license I'm</p> <p>5 guessing there are continuing education requirements</p> <p>6 for you?</p> <p>7 A. Absolutely.</p> <p>8 Q. Can you describe those generally?</p> <p>9 A. Yeah. As a CPA in Florida we are required to</p> <p>10 take 80 hours of continuing education every two years,</p> <p>11 which I have fulfilled ever since then.</p> <p>12 Q. And Mr. Halverson, can you just give me the</p> <p>13 city and state of your residence?</p> <p>14 A. Stuart, Florida.</p> <p>15 Q. Is that where you practice?</p> <p>16 A. Yes.</p> <p>17 Q. Can you give me an idea of your client base,</p> <p>18 how many individuals, how many companies?</p> <p>19 A. Sure, approximately. We have probably around</p> <p>20 500 individual tax clients. We have maybe 50 to 70</p> <p>21 businesses, corporations. I do quite a lot of estate</p> <p>22 and trust returns, possibly a hundred of those.</p> <p>23 Q. Anything else?</p> <p>24 A. No, my firm is basically tax oriented. We do</p> <p>25 some bookkeeping for some clients but that's not a</p>
<p style="text-align: right;">Page 10</p> <p>1 recognize to the side so that I can find them again and</p> <p>2 I'm going to separate out the documents. Is that okay</p> <p>3 with you?</p> <p>4 A. Sure. That's fine.</p> <p>5 MS. HEALY GALLAGHER: We can go off.</p> <p>6 (Pause in the proceedings)</p> <p>7 MS. HEALY GALLAGHER: Back on the record.</p> <p>8 Q. Mr. Halverson, let's back up a little bit.</p> <p>9 I'd like to hear a little bit about you. What's your</p> <p>10 current employment?</p> <p>11 A. I'm self-employed, CPA.</p> <p>12 Q. And what name do you do business under?</p> <p>13 A. Roger W. Halverson, CPA Chartered.</p> <p>14 Q. How long have you been a CPA?</p> <p>15 A. A long time. I got my certificate in 1969, so</p> <p>16 that would be 47 years. Whew.</p> <p>17 Q. Wow. So what sort of education did you have</p> <p>18 before you got your CPA license?</p> <p>19 A. I had a four-year bachelor's degree from a</p> <p>20 college in Northeast Iowa, Luther College. I lived in</p> <p>21 Illinois. When I moved to Florida I went to work for a</p> <p>22 CPA firm in Delray Beach and I didn't have all of the</p> <p>23 required courses I needed to sit for the CPA exam. So</p> <p>24 I went to school for two-and-a-half years before I was</p> <p>25 eligible to sit in Florida Atlantic University, Palm</p>	<p style="text-align: right;">Page 12</p> <p>1 major part of our practice.</p> <p>2 Q. So can you give me a -- do you use email in</p> <p>3 the course of your practice?</p> <p>4 A. Yes.</p> <p>5 Q. What's your email address?</p> <p>6 A. Halvr CPA@BellSouth.net.</p> <p>7 Q. Have you ever used any other email addresses</p> <p>8 in the course of your CPA practice since 1969?</p> <p>9 A. No.</p> <p>10 Q. And you use that email address in the course</p> <p>11 of your business correspondence, right?</p> <p>12 A. Yes.</p> <p>13 Q. Can you tell me how you first came to learn</p> <p>14 about anything to do with International Automated</p> <p>15 Systems?</p> <p>16 A. Yeah, I had a client that invested in that, so</p> <p>17 that's when I found out about it.</p> <p>18 Q. Who was your client?</p> <p>19 A. Patricia Lambrecht.</p> <p>20 Q. Have you ever had any other clients invest in</p> <p>21 anything to do with International Automated Systems?</p> <p>22 A. No.</p> <p>23 Q. With respect to Ms. Lambrecht when did you</p> <p>24 first start doing work for her?</p> <p>25 A. 1997.</p>

<p style="text-align: right;">Page 41</p> <p>1 got it, right?</p> <p>2 A. Right.</p> <p>3 Q. Mr. Halverson, there's a line at the bottom of</p> <p>4 the page above the Bates number that has the date</p> <p>5 12/18/2008 at 2:19 p.m. Do you see that?</p> <p>6 A. Yes.</p> <p>7 Q. Why did you print this email out when you got</p> <p>8 it?</p> <p>9 A. I make it a habit on things like this to keep</p> <p>10 a copy in a file, so I have a written copy.</p> <p>11 (Exhibit 184 marked for identification)</p> <p>12 Q. Take a look please at what's been marked</p> <p>13 Plaintiff's Exhibit 184.</p> <p>14 MS. HEALY GALLAGHER: For the record,</p> <p>15 Plaintiff's Exhibit 184 is Bates marked Halverson</p> <p>16 Roger-00063 through 64.</p> <p>17 Q. Mr. Halverson, Plaintiff's Exhibit 184 is an</p> <p>18 email from Greg Shepard, Greg@bfsmail.com to you at</p> <p>19 your email address, correct?</p> <p>20 A. Correct.</p> <p>21 Q. The subject is solar tax credit info, right?</p> <p>22 A. Yes.</p> <p>23 Q. And the date is Saturday, December 20, 2008,</p> <p>24 right?</p> <p>25 A. Yes.</p>	<p style="text-align: right;">Page 43</p> <p>1 that I have a copy of that anymore. I'm not a hundred</p> <p>2 percent certain but I don't believe I do.</p> <p>3 Q. Back to what year would you have paper copies</p> <p>4 of Ms. Lambrecht's tax returns?</p> <p>5 A. I have in my system 2009 and forward, I</p> <p>6 believe.</p> <p>7 Q. I'm going to make a note on the record now,</p> <p>8 and we may come back to this, but I would ask you to</p> <p>9 produce those documents after we're done with the</p> <p>10 deposition. Just making a note for myself so I don't</p> <p>11 forget.</p> <p>12 A. Really?</p> <p>13 Q. We'll talk about it later.</p> <p>14 A. All right.</p> <p>15 MS. HEALY GALLAGHER: Let's go off the record</p> <p>16 for a second.</p> <p>17 (Discussion off the record)</p> <p>18 MS. HEALY GALLAGHER: Back on the record.</p> <p>19 Q. Mr. Halverson, did you talk to anybody about</p> <p>20 the facts of this case while we were on our break?</p> <p>21 A. No.</p> <p>22 Q. So earlier, Mr. Halverson, you testified that</p> <p>23 Ms. Lambrecht came to you with questions about what was</p> <p>24 happening with her investment in IAS. Do you recall</p> <p>25 that testimony?</p>
<p style="text-align: right;">Page 42</p> <p>1 Q. Mr. Shepard writes, "Roger, Here is some great</p> <p>2 info on solar tax credits, AMT and incentives. The</p> <p>3 first part is from SEIA and the second part on bonus</p> <p>4 depreciation is from a website," and I honestly can't</p> <p>5 read it. Can you read that?</p> <p>6 A. It looks like Dsireusa.org.</p> <p>7 Q. Okay. Mr. Halverson, is this a true and</p> <p>8 correct copy of an email you received from Mr. Shepard?</p> <p>9 A. It is.</p> <p>10 Q. Did you take a look at this information and</p> <p>11 rely on it in preparing Ms. Lambrecht's return?</p> <p>12 A. Yes, I'm sure I did.</p> <p>13 Q. Mr. Halverson, do you still have -- well, let</p> <p>14 me ask a different question. If this transaction</p> <p>15 occurred in 2008 but you carried back tax effects to</p> <p>16 2007 did you file a Form 1040X for Ms. Lambrecht for</p> <p>17 2007?</p> <p>18 A. I did.</p> <p>19 Q. Do you have a copy of that?</p> <p>20 A. Not here.</p> <p>21 Q. Do you have one at your office?</p> <p>22 A. I believe I do. Well, let me qualify that. I</p> <p>23 don't have her tax returns from '7 anymore, and I don't</p> <p>24 have tax returns prior to 2009 anymore in my system</p> <p>25 because of the crash that we had. So I do not believe</p>	<p style="text-align: right;">Page 44</p> <p>1 A. Yes.</p> <p>2 Q. And now that we have walked through</p> <p>3 Plaintiff's Exhibit 181, the contract, do you remember</p> <p>4 why she was asking questions or what her questions</p> <p>5 were?</p> <p>6 A. As I recall it was because she hadn't heard</p> <p>7 anything or received anything and she just wondered</p> <p>8 what was going on.</p> <p>9 Q. And do you mean she hadn't received any money?</p> <p>10 A. Right, that's part of it, I think.</p> <p>11 Q. Had she not received any information about her</p> <p>12 alternative energy systems?</p> <p>13 A. Not that I -- no, I don't believe so, because</p> <p>14 I think that's why she was concerned about what was</p> <p>15 going on.</p> <p>16 Q. So what happened next?</p> <p>17 A. As I recall, I wrote a letter to them asking</p> <p>18 what was going on. I think it's in there.</p> <p>19 MS. HEALY GALLAGHER: Mark this 186.</p> <p>20 (Exhibit 186 marked for identification)</p> <p>21 Q. Mr. Halverson, I'm handing you what's been</p> <p>22 marked Plaintiff's Exhibit 186. Would you take a look</p> <p>23 and read it to yourself and let me know when you're</p> <p>24 done.</p> <p>25 A. Okay.</p>

Page 45	Page 47
<p>1 Q. For the record, Plaintiff's Exhibit 186 is 2 Halverson Roger-00007. Mr. Halverson, what is 3 Plaintiff's Exhibit 186? 4 A. It is a letter that I sent on behalf of 5 Ms. Lambrecht to IAS and asking or referring to the 6 fact that we had not received any money or any funds 7 from the sales that would be paid to the purchaser. 8 In other words, we hadn't, I said we have not 9 received any operations information nor proceeds from 10 any sales to date, and that was what she was concerned 11 about. She likes investments that pay returns. 12 Q. Mr. Halverson, is this the letter that you 13 recalled sending in your prior testimony? 14 A. Yes. 15 Q. And the date on this letter is September 24, 16 2010, correct? 17 A. Yes. 18 Q. And that's on or about the date that you 19 actually sent this letter? 20 A. Oh, yes. 21 Q. Is this the kind of letter that you might send 22 on behalf of your clients in the course of doing 23 business as an accountant? 24 A. I would say normally probably not, because I 25 really have very few clients that would be this</p>	<p>1 Q. And why would you have noted it in the letter? 2 A. Well, since we only got the one payment I 3 probably would have referred to the fact that we only 4 received this much to date and it was only one time -- 5 wait a minute. There might have been a second check. 6 I can't remember. The checks are there. But there was 7 one check for \$7500, I remember that one clearly, and I 8 don't remember the date. And then there was a smaller 9 one and I don't remember the amount. 10 Q. Nonetheless, it's important to you, right, Mr. 11 Halverson, to be accurate in the representations you 12 make on behalf of your client? 13 A. Oh, yes. 14 Q. Mr. Halverson, is Plaintiff's Exhibit 186 the 15 kind of document that you keep in the ordinary course 16 of your practice as an accountant? 17 A. Yes. 18 Q. Mr. Halverson, to your recollection did you 19 get a response to Plaintiff's Exhibit 186? 20 A. I was thinking that exact same question and I 21 don't recall ever receiving anything. 22 Q. Do you recall Ms. Lambrecht giving you 23 anything perhaps in response to this letter or with 24 other information? 25 A. No, no.</p>
Page 46	Page 48
<p>1 involved in something like this. 2 Q. But in the event a client is involved in 3 something like this this is the kind of letter you 4 would send? 5 A. If they asked me I would absolutely. 6 Q. Do you know why Ms. Lambrecht asked you to 7 find this information? 8 A. I think mainly because I was the accountant 9 and also because she wasn't involved with the gentleman 10 that introduced her to this in the first place. 11 Q. Do you have any idea why she wouldn't contact 12 IAS herself? 13 A. Sure. She wouldn't, she just doesn't do that 14 kind of stuff. 15 Q. Mr. Halverson, as of September 24, 2010 to 16 your knowledge Ilios, LLC had not received any payments 17 from IAS, correct? 18 A. That is correct. I know we got one payment. 19 I don't remember when we got it, but there's a copy of 20 the check in my file. And I don't remember when that 21 happened but I believe it was after this. 22 Q. If you had received any money before this 23 letter do you think that you would have noted that in 24 the letter? 25 A. Probably.</p>	<p>1 (Exhibit 185 marked for identification) 2 Q. So I will hand you what's been marked 3 Plaintiff's Exhibit 185. Please take a moment to 4 review it and look up at me when you are done. 5 MS. HEALY GALLAGHER: For the record, 6 Plaintiff's Exhibit 185 is Bates Halverson 7 Roger-00068-69, and the last page is marked 8 Halverson Roger-00065. 9 A. Okay. 10 Q. Mr. Halverson, do you recognize Plaintiff's 11 Exhibit 185? 12 A. Yes, I recall having this in my file. 13 Q. Do you know where you got Plaintiff's Exhibit 14 185? 15 A. Well, obviously Ms. Lambrecht had to have sent 16 it to me. 17 Q. Why do you think that? 18 A. Why do I think that? 19 Q. I'll ask it this way. Did this Plaintiff's 20 Exhibit 158 come directly to you or you think you got 21 it from Ms. Lambrecht? 22 A. I'm pretty sure I got it from her since it was 23 addressed to her. 24 Q. So Plaintiff's Exhibit 185 is addressed to 25 Ms. Lambrecht at Ilios, LLC, correct?</p>

Page 49	Page 51
<p>1 A. Yes.</p> <p>2 Q. The letterhead says "Internationa Automated</p> <p>3 Systems" with an address, do you see that?</p> <p>4 A. Yes.</p> <p>5 Q. And the name underneath the signature on</p> <p>6 Halverson Roger 69 says "Neldon P. Johnson, CEO</p> <p>7 International Automated Systems Inc. Did I read that</p> <p>8 correctly?</p> <p>9 A. Yes.</p> <p>10 Q. Do you see a date on this letter, Mr.</p> <p>11 Halverson?</p> <p>12 A. No, I don't.</p> <p>13 Q. Would you take a look please at the last page</p> <p>14 of Plaintiff's Exhibit 185.</p> <p>15 A. Yes.</p> <p>16 Q. The last page is entitled "Solar lease bonus</p> <p>17 fee contract," correct?</p> <p>18 A. Yes.</p> <p>19 Q. And this contract purports to be made between</p> <p>20 International Automated Systems, Inc. and Patty</p> <p>21 Lambrecht/Ilios, LLC, correct?</p> <p>22 A. Correct.</p> <p>23 Q. The first sentence of the first full paragraph</p> <p>24 there says, "In consideration for (a) the leasing by</p> <p>25 leasee of IAS's solar lenses as evidenced by execution</p>	<p>1 Q. Do you know, Mr. Halverson, did Ms. Lambrecht</p> <p>2 ever receive any money from any sort of bonus fee?</p> <p>3 A. I'm not aware of any.</p> <p>4 Q. Take a look please at the second to last</p> <p>5 paragraph on the first page of Plaintiff's Exhibit 185.</p> <p>6 It says, "As far as the system becoming profitable in</p> <p>7 order to meet the IRS requirements, we implemented a</p> <p>8 bonus program for all purchases made before the end of</p> <p>9 2008. However, looking over our contracts somehow you</p> <p>10 were not signed up for that program. We are sending</p> <p>11 you a copy of the bonus program which you are entitled</p> <p>12 to." Did I read that correctly?</p> <p>13 A. Yes.</p> <p>14 Q. Other than the last page of Plaintiff's</p> <p>15 Exhibit 185, to your knowledge did Ms. Lambrecht ever</p> <p>16 sign any sort of bonus fee contract?</p> <p>17 A. Not to my knowledge.</p> <p>18 Q. And if she had received any sort of bonus fee</p> <p>19 income for purposes of Ilios, LLC, that would have been</p> <p>20 important to you, right?</p> <p>21 A. Oh, yes.</p> <p>22 Q. Why?</p> <p>23 A. Well, it would have been income that she</p> <p>24 would, that we would have to include on her income tax</p> <p>25 return.</p>
Page 50	Page 52
<p>1 of the equipment lease agreement dated 3/2/2010." Did</p> <p>2 I read that correctly?</p> <p>3 A. Yes.</p> <p>4 Q. To your knowledge, Mr. Halverson, did</p> <p>5 Ms. Lambrecht ever execute an equipment lease</p> <p>6 agreement? Take a look -- are you referring for</p> <p>7 Plaintiff's Exhibit 181?</p> <p>8 A. Yes, isn't that an equipment -- oh, purchase</p> <p>9 agreement, so I don't know. Because this says lease</p> <p>10 agreement, doesn't it? I don't, no.</p> <p>11 Q. Did you ever see any document signed by</p> <p>12 Ms. Lambrecht or Ilios entitled Equipment Lease</p> <p>13 Agreement?</p> <p>14 A. Not that I recall.</p> <p>15 Q. Are you aware of any transaction that</p> <p>16 Ms. Lambrecht entered into with IAS on March 2, 2010?</p> <p>17 A. I don't recall, other than what I'm looking at</p> <p>18 right here.</p> <p>19 Q. Well, take a look at Halverson Roger-65 at the</p> <p>20 bottom. There purports to be a signature for IAS,</p> <p>21 correct?</p> <p>22 A. Yes.</p> <p>23 Q. But there's no signature for Ms. Lambrecht,</p> <p>24 right?</p> <p>25 A. Right.</p>	<p>1 Q. At the top of the second page of Plaintiff's</p> <p>2 Exhibit 185 the first paragraph says, "We are also in</p> <p>3 the process of finishing the business plan for the</p> <p>4 solar energy system and its economic advantages in the</p> <p>5 marketplace over other green energy systems. We hope</p> <p>6 to have the business plan completed by the end of the</p> <p>7 second quarter of 2010." Did I read that correctly?</p> <p>8 A. Yes.</p> <p>9 Q. Did you ever see any sort of business plan?</p> <p>10 A. No.</p> <p>11 Q. Do you know if Ms. Lambrecht has a business</p> <p>12 plan for Ilios, LLC?</p> <p>13 A. For Ilios in regard to this?</p> <p>14 Q. Just any business plan.</p> <p>15 A. No. No, I'm not aware of any.</p> <p>16 Q. The second paragraph there starts with, "We do</p> <p>17 have power purchase agreements tentatively in place</p> <p>18 with other companies that have agreed to purchase the</p> <p>19 power produced from the solar energy estimate once the</p> <p>20 system is placed in service." Did I read that</p> <p>21 correctly?</p> <p>22 A. Yes.</p> <p>23 Q. Do you know who those companies are?</p> <p>24 A. No.</p> <p>25 Q. Or were?</p>

Page 53	Page 55
<p>1 A. No.</p> <p>2 Q. Have you ever seen any power purchase</p> <p>3 agreements signed by IAS?</p> <p>4 A. No.</p> <p>5 Q. If you look sort of at the handwritten note on</p> <p>6 the second page of Plaintiff's Exhibit 185, the</p> <p>7 handwriting says Randy Johnson?</p> <p>8 A. Yes.</p> <p>9 Q. Do you see that?</p> <p>10 A. Yes.</p> <p>11 Q. Do you know who Randy Johnson is?</p> <p>12 A. No.</p> <p>13 Q. Do you have any idea why his name is written</p> <p>14 on this piece of paper?</p> <p>15 A. I have no idea.</p> <p>16 Q. Mr. Halverson, is Plaintiff's Exhibit 185 a</p> <p>17 true and correct copy of correspondence that you</p> <p>18 received from Ms. Lambrecht?</p> <p>19 A. Yes, I believe it is.</p> <p>20 Q. And is Plaintiff's Exhibit 185 the kind of</p> <p>21 document that you keep in the ordinary course of your</p> <p>22 business as an accountant?</p> <p>23 A. Yes, if she gave me that I would have just</p> <p>24 basically stuck it in the file.</p> <p>25 Q. Mr. Halverson, if you recall, did</p>	<p>1 Q. What is it?</p> <p>2 A. It's a letter from an accounting firm I</p> <p>3 believe -- well, actually it is from International</p> <p>4 Automated Systems regarding their auditors conducting</p> <p>5 an audit of their business, of their statements, and it</p> <p>6 was asking for information regarding the liability.</p> <p>7 Q. Mr. Halverson, have you seen Plaintiff's</p> <p>8 Exhibit 187 before?</p> <p>9 A. Yes.</p> <p>10 Q. So is this a true and correct copy of a letter</p> <p>11 from IAS to Ilios, LLC?</p> <p>12 A. It is.</p> <p>13 Q. Do you know if Ms. Lambrecht or you did</p> <p>14 anything in response to this letter?</p> <p>15 A. I did look at the terms they have down here</p> <p>16 and there was nothing to do. They were correct. It's</p> <p>17 called a negative confirmation. If they don't get it</p> <p>18 back they know everything is okay. If there's a</p> <p>19 difference then they expect a response.</p> <p>20 Q. Thank you. With respect to Plaintiff's</p> <p>21 Exhibit 187 do you have any reason to think that that</p> <p>22 might have spurred Ms. Lambrecht to ask questions about</p> <p>23 where her money was or what was going on?</p> <p>24 A. I don't know.</p> <p>25 (Exhibit 188 marked for identification)</p>
Page 54	Page 56
<p>1 Ms. Lambrecht give you documents pertinent to her tax</p> <p>2 returns, like at the time you were preparing her</p> <p>3 returns, or did she send you information sort of as she</p> <p>4 received it in the course of the year?</p> <p>5 A. Typically I would get it as she gets it</p> <p>6 because certain things come in early and other stuff</p> <p>7 comes in very late.</p> <p>8 Q. So, for example, if you had -- I'm just</p> <p>9 curious if you recall when during the year you might</p> <p>10 have received Plaintiff's Exhibit 185 from her?</p> <p>11 A. I have no idea.</p> <p>12 Q. So this might have come to you when she was</p> <p>13 giving you the rest of her documents to prepare her tax</p> <p>14 return?</p> <p>15 A. I don't know.</p> <p>16 Q. That's fine.</p> <p>17 (Exhibit 187 marked for identification)</p> <p>18 Q. Would you please go ahead and take a look at</p> <p>19 what's been marked Plaintiff's Exhibit 187, Mr.</p> <p>20 Halverson.</p> <p>21 A. Okay.</p> <p>22 Q. Plaintiff's Exhibit 187 does not have a Bates</p> <p>23 number but, Mr. Halverson, do you recognize Plaintiff's</p> <p>24 Exhibit 187?</p> <p>25 A. I do.</p>	<p>1 Q. Mr. Halverson, I'm handing you what's been</p> <p>2 marked Plaintiff's Exhibit 188. Take a look at that</p> <p>3 and look up at my weapon you are done.</p> <p>4 MS. HEALY GALLAGHER: For the record,</p> <p>5 Plaintiff's Exhibit 188 is Bates marked Halverson</p> <p>6 Roger-00066.</p> <p>7 Q. Mr. Halverson, do you recognize Plaintiff's</p> <p>8 Exhibit 188?</p> <p>9 A. I do.</p> <p>10 Q. What is it?</p> <p>11 A. It's a copy of a check that Ms. Lambrecht</p> <p>12 received at the end of 2010, apparently. It says</p> <p>13 second quarter earnings.</p> <p>14 Q. Let's take a look through the document here.</p> <p>15 At the top the letterhead appears to say RaPower3 LLC.</p> <p>16 Do you see that?</p> <p>17 A. I do.</p> <p>18 Q. Had you ever heard of RaPower3 before this</p> <p>19 date?</p> <p>20 A. I don't recall. It --</p> <p>21 Q. Had you -- you were thinking of something.</p> <p>22 What were you thinking of?</p> <p>23 A. I was just trying to go back -- I know I</p> <p>24 answered the question but I was just trying to go back</p> <p>25 and it's been so long I can't remember anything.</p>

Page 57

1 Q. Do you have any context for RaPower3 or how it
 2 was connected to Ilios or Ms. Lambrecht?
 3 A. I don't recall.
 4 Q. Sitting here today do you have any
 5 understanding of that?
 6 A. Not really. I do know that that's where the
 7 check came from. And if you'd asked me that earlier I
 8 wouldn't have remembered that that was the sender of
 9 the check unless I looked at it.
 10 Q. Did you ever ask anyone why RaPower3 was
 11 paying rather than IAS?
 12 A. I don't think so. I don't recall.
 13 Q. The date at the top is December 27, 2010,
 14 right?
 15 A. Yes.
 16 Q. And the text of this letter says, "Dear Patty
 17 Lambrecht, Please find enclosed a check for \$7,500 for
 18 the third quarters power purchase." Did I read that
 19 correctly?
 20 A. That's right.
 21 Q. And it says, "Sincerely" and underneath it
 22 says Glenda Johnson. Did I read that correctly?
 23 A. Yes.
 24 Q. Have you ever heard of Glenda Johnson?
 25 A. No.

Page 58

1 Q. Do you have any context for knowing who Glenda
 2 Johnson might be other than her signatures here?
 3 A. No.
 4 Q. Do you have any understanding of what the
 5 "third quarters power purchase" might mean?
 6 A. Not really. I know that the more important
 7 thing was we got a check for \$7500.
 8 Q. Why was that important to you?
 9 A. Well, it was something, it was something of a
 10 return.
 11 Q. So in your mind was this check in Plaintiff's
 12 Exhibit 188 the payment that was owed from the
 13 equipment purchase agreement paragraph 5 in Plaintiff's
 14 Exhibit 181?
 15 A. I don't know. I don't think we ever actually
 16 understood what generated or what cause them to send
 17 the check. But for Ms. Lambrecht, if she gets a check
 18 that's what she's interested in. It says power
 19 purchase on the note that she got.
 20 Q. So then if you'll take a look at Plaintiff's
 21 Exhibit 181 -- I'll strike that.
 22 Actually, do please take a look at Plaintiff's
 23 Exhibit 181, paragraph 3B. The equipment purchase
 24 agreement says that starting after the fifth
 25 anniversary of the agreement Ms. Lambrecht is supposed

Page 59

1 to pay money for each of these alternative energy
 2 systems each year. The fifth anniversary would have
 3 been December 18, 2013, correct?
 4 A. Right.
 5 Q. Has Ms. Lambrecht ever paid any additional
 6 payments to IAS on or after December 18, 2013?
 7 A. Not that I'm aware of.
 8 Q. So let's turn back please to Plaintiff's
 9 Exhibit 188. Underneath the note at the top there's a
 10 copy of a check, correct?
 11 A. Correct.
 12 Q. And the check is from RaPower3 LLC, right?
 13 A. Right.
 14 Q. It is to Patty Lambrecht, yes?
 15 A. Yes.
 16 Q. In the amount of \$7,500, correct?
 17 A. Yes.
 18 Q. The check is dated December 27, 2010?
 19 A. Yes.
 20 Q. Signed by Glenda Johnson?
 21 A. Yes.
 22 Q. And the note on the check says "Third quarter
 23 earnings for power purchase," correct?
 24 A. Yes.
 25 Q. In Plaintiff's Exhibit 188, Mr. Halverson, is

Page 60

1 this a true and correct copy of both a note and a check
 2 that you received?
 3 A. Yes.
 4 Q. And is Plaintiff's Exhibit 188 the kind of
 5 document that you use and rely upon in the course of
 6 your business as an accountant?
 7 A. Yes.
 8 Q. Mr. Halverson, did you know what caused
 9 RaPower3 to send a check to Ms. Lambrecht for \$7,500?
 10 A. Do I know what caused it, no, except for what
 11 it says.
 12 Q. Did you ever hear from Ms. Lambrecht why she
 13 thought she got a check?
 14 A. Not specifically, no. Not that I recall.
 15 Q. So we walked through a few documents that were
 16 exchanged among folks around the time that you said
 17 Ms. Lambrecht was curious about what was going on with
 18 her investment in IAS, right?
 19 A. Right.
 20 Q. Did you personally hear from IAS in any
 21 correspondence directed to you in the course of 2010?
 22 A. I don't recall.
 23 Q. Did you and Ms. Lambrecht speak further at all
 24 about any curiosity she had or questions she had about
 25 IAS in 2010?

<p style="text-align: right;">Page 61</p> <p>1 A. Probably not. Once she asked me to send that 2 letter, she was on to other stuff. She seldom gets 3 back to it, unless something else happens to bring it 4 up. 5 Q. Was there a time after you sent that letter 6 that Ms. Lambrecht asked you any more questions about 7 it? 8 A. I don't recall any others. 9 Q. Was there a time after you sent that letter 10 that you had additional questions about her transaction 11 with IAS and what was going on? 12 A. I don't recall ever visiting it again. 13 (Exhibit 189 marked for identification) 14 Q. Please go ahead and take a look at Plaintiff's 15 Exhibit 189 and just look up at me when you're done. 16 MS. HEALY GALLAGHER: For the record, 17 Plaintiff's Exhibit 189 is Halverson Roger-00071 18 through 73. 19 A. Okay. 20 Q. Mr. Halverson, do you recognize Plaintiff's 21 Exhibit 189? 22 A. Yeah, I do. 23 Q. It's a series of emails, correct, between you 24 and Greg Shepard? 25 A. That's right.</p>	<p style="text-align: right;">Page 63</p> <p>1 Q. Had Mr. Neff and Ms. Lambrecht parted company 2 by January 19, 2011? 3 A. I was thinking yes, but I'm not positive, 4 especially after looking at this. I don't know why I 5 would send it to him if they didn't have some, 6 something going on still. 7 Q. I was just curious why they were on the email. 8 And this email is dated Wednesday, January 19, 2011, 9 correct? 10 A. Correct. 11 Q. And the subject is IASU, right? 12 A. Yes. 13 Q. I'm not going to read it all in the record, 14 but the text of the email that follows on Halverson 15 Roger-73, that's text that you wrote, correct? 16 A. Yes, I did write that. 17 Q. And you sent that to Mr. Shepard. If we go 18 back a page, so we are moving forward in time, there 19 are emails a little bit later on January 19, correct, 20 between you and Mr. Shepard? 21 A. That's correct. 22 Q. And then if we flip over to the first page 23 there's an email from Mr. Shepard that starts at the 24 bottom of the page, correct? 25 A. Yes.</p>
<p style="text-align: right;">Page 62</p> <p>1 Q. Mr. Halverson, is Plaintiff's Exhibit 189 a 2 true and correct copy of this series of emails between 3 you and Mr. Shepard? 4 A. I believe it is. 5 Q. Let's start with the last page. The email 6 chain starts off with an email from you to Greg 7 @bfsmail.com, is that correct? 8 A. That's correct. 9 Q. And then in the CC line it looks like two 10 email addresses. Who are those folks? 11 A. One is aneff, Andrew Neff. I don't remember 12 who the other one is. Oh, Melissa Brandon, who was 13 involved with aneff. She was part of his company or 14 whatever. 15 Q. So Andy Neff who we talked about -- 16 A. A. Neff, yes, that's correct. 17 Q. Sorry, let's get that clear for the record. 18 So Andy Neff, who we discussed at the beginning of the 19 deposition, his email address is aneff555@gmail.com? 20 A. Yes. 21 Q. And m3brandon@gmail.com, to your recollection 22 that's Melissa Brandon? 23 A. Melissa Brandon, yes. 24 Q. And she worked with Mr. Neff? 25 A. Mr. Neff.</p>	<p style="text-align: right;">Page 64</p> <p>1 Q. There's an email from Greg Shepard 2 @bfsmail.com? 3 A. That's correct. 4 Q. And the text of the email is on the second 5 page, is that right? 6 A. That's right. 7 Q. Mr. Shepard says, "I have forwarded this email 8 to Neldon Johnson, the CEO of IAUS. He is handling 9 Patti's account himself so I don't know the 10 particulars." Did I read that correctly? 11 A. That's right. 12 Q. So then back to the first page -- well, I'll 13 ask you this. After Mr. Shepard's email on January 19 14 saying he was going to forward the email to Neldon 15 Johnson did you hear anything from Neldon Johnson as a 16 result? 17 A. Not that I recall. 18 Q. Did you ever hear back from Greg Shepard? 19 A. I don't recall. 20 Q. So if we look at the first page of Plaintiff's 21 Exhibit 189, moving up the page -- 22 A. That answers the question. 23 Q. How does it answer the question? 24 A. "I haven't received any information from 25 Johnson or you," and this is dated in May.</p>

Page 65

1 Q. So after Mr. Shepard's email in January you
 2 followed up with an email in May, correct?
 3 A. Apparently there is.
 4 Q. And then again at the top of the first page of
 5 Plaintiff's Exhibit 189 there's another email from you
 6 to Mr. Shepard in June, correct?
 7 A. Yes.
 8 Q. After the top email on June 2, did you ever
 9 hear back from Greg Shepard?
 10 A. I don't recall. I don't see anything else
 11 regarding this email sequence here.
 12 Q. Did you ever hear anything from Neldon
 13 Johnson?
 14 A. Not that I recall.
 15 Q. Since your June 2, 2011 email have you reached
 16 out to Greg Shepard again?
 17 A. I don't think I've revisited this since then.
 18 Q. Have you ever reached out or tried reach out
 19 to Neldon Johnson?
 20 A. No. I didn't even remember Neldon Johnson's
 21 name until I looked at this.
 22 Q. Since June 2, 2011 have you tried to make any
 23 contact with IAUS?
 24 A. Let me think. I can't recall but I think I
 25 did at some point in time again but I don't have any

Page 66

1 record of it.
 2 Q. Do you recall whether you actually made
 3 contact with anybody, if you got a response to your
 4 outreach?
 5 A. I don't recall.
 6 Q. If you had; do you think you would remember?
 7 A. I'm not sure.
 8 Q. Have you ever reached out to anyone at
 9 RaPower3?
 10 A. Not that I remember.
 11 Q. Has Ms. Lambrecht, to your knowledge, reached
 12 out to anyone about IAUS or this transaction in 2008?
 13 A. Not that I'm aware of.
 14 Q. If she had any more information about it do
 15 you think she would let you know?
 16 A. Maybe.
 17 (Exhibit 190 marked for identification)
 18 Q. Mr. Halverson, you've been handed what's been
 19 marked Plaintiff's Exhibit 190.
 20 MS. HEALY GALLAGHER: For the record,
 21 Plaintiff's Exhibit 190 has Bates Halverson
 22 Roger-00067.
 23 Q. Mr. Halverson, do you recognize Plaintiff's
 24 Exhibit 190?
 25 A. I do.

Page 67

1 Q. What is it?
 2 A. It is a check from somebody called Applied
 3 Solar Service Center to Ms. Lambrecht for \$440.22.
 4 Q. And that check is dated July 5, 2011, correct?
 5 A. Correct.
 6 Q. Do you have any idea why Ms. Lambrecht got
 7 this check?
 8 A. I have no idea.
 9 Q. Have you ever heard of Applied Solar Service
 10 Center before?
 11 A. I don't recall.
 12 Q. Let me ask you this. Other than Ilios, LLC,
 13 does Ms. Lambrecht have any other entities that are
 14 involved with solar energy?
 15 A. I do not think so.
 16 Q. Do you happen to recognize the signature on
 17 the check?
 18 A. No.
 19 Q. Or what that memo on the check might mean?
 20 A. I have no idea.
 21 Q. So how did you know, or do you know, whether
 22 this check has to do with the IAUS, the equipment
 23 purchase agreement?
 24 A. I don't know for sure. It was just a guess.
 25 Got a big question mark there because we didn't know

Page 68

1 what the source, what the reason for the check was.
 2 Q. So did you get this check from Ms. Lambrecht
 3 or did she give you a copy of it?
 4 A. She would have given me the copy.
 5 (Exhibit 191 marked for identification)
 6 Q. Take a look please at Plaintiff's Exhibit 191.
 7 Let me know when you're finished.
 8 MS. HEALY GALLAGHER: For the record,
 9 Plaintiff's Exhibit 191 is Halverson Roger-000777
 10 through 82.
 11 Q. Mr. Halverson, do you recognize Plaintiff's
 12 Exhibit 191?
 13 A. I do.
 14 Q. What is it?
 15 A. It's a copy of the Schedule C from
 16 Ms. Lambrecht's 2009 income tax return. Did I send
 17 that to you?
 18 Q. We can look. I will represent to you that I
 19 received this from you and that's why it has the Bates
 20 number it has.
 21 A. Okay.
 22 Q. I'd like to just walk through this Schedule C
 23 and the supporting documents. First off, in line G
 24 which asks, Did you materially participate in the
 25 operation of this business during 2009, in part, the