JOHN W. HUBER, United States Attorney (#7226) JOHN K. MANGUM, Assistant United States Attorney (#2072)

185 South State Street, Suite 300

Salt Lake City, Utah 84111 Telephone: (801) 524-5682

ERIN HEALY GALLAGHER, pro hac vice

DC Bar No. 985670, erin.healygallagher@usdoj.gov

ERIN R. HINES, pro hac vice

FL Bar No. 44175

CHRISTOPHER R. MORAN, pro hac vice

NY Bar No. 5033832

Trial Attorneys, Tax Division

U.S. Department of Justice

P.O. Box 7238

Ben Franklin Station

Washington, D.C. 20044

Telephone: (202) 353-2452

IN THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF UTAH

UNITED STATES OF AMERICA,

Plaintiff,

VS.

RAPOWER-3, LLC, INTERNATIONAL AUTOMATED SYSTEMS, INC., LTB1, LLC, R. GREGORY SHEPARD, NELDON JOHNSON, and ROGER FREEBORN,

Defendants.

UNITED STATES' REQUEST TO ENTER ONTO LAND FOR INSPECTION

Civil No. 2:15-cv-00828-DN-BCW

Judge David Nuffer Magistrate Judge Brooke C. Wells

Pursuant to Rule 34 of the Federal Rules of Civil Procedure, and the Attorneys' Planning

Meeting Report, Doc. No. 35, \P 2(c)(3), the United States requests that defendants RaPower-3,

LLC, International Automated Systems, Inc., LTB1, LLC, and Neldon Johnson ("defendants"),

permit entry onto land for inspection and photographing as further described below.

Plaintiff Exhibit

Definitions of Terms Used in This Request

- 1. The terms "you," "yourself," and "your" refers to the person or entity answering this discovery request, and to any of your employees or agents.
- 2. "Shepard" refers to Defendant R. Gregory Shepard, and to any of his employees or agents, unless otherwise stated.
- 3. "Johnson" refers to Defendant Neldon Johnson, and to any of his employees or agents, unless otherwise stated.
- 4. "RaPower-3" refers to Defendant RaPower-3, LLC, and to any of its employees or agents, unless otherwise stated.
- 5. "IAS" refers to Defendant International Automated Systems, Inc., and to any of its employees or agents, unless otherwise stated.
- 6. "LTB" refers to Defendant LTB1, LLC, and to any of its employees or agents, unless otherwise stated.
- 7. The term "Lens" means any equipment that any Defendant refers to as a "solar thermal lens," "solar lens," "Fresnel lens," and/or "lens" in public statements like the statements made in: (1) the March 2, 2015 version of the "Frequently Asked Questions" site on www.rapower3.com, a copy of which is labeled with Bates numbers US001716 through US001721 and previously identified as Pl.'s Ex. 1; and (2) the March 3, 2015 version of the "Solar Panels" site on www.iaus.com, a copy of which is labeled with Bates numbers US002856 through US002857 and previously identified as Pl.'s Ex. 2.

- 8. The term "System" refers to any technical, scientific, or engineering system that uses or purports to use a Lens in any way, including the purported "solar power technology" described in Pl.'s Ex. 2; the March 3, 2015 version of the "SOLAR" site on www.iaus.com, a copy of which is labeled with Bates numbers US002858 through US002859 and previously identified as Pl.'s Ex. 3; and the "combined technologies" referred to in Pl.'s Ex. 1.
- 9. The term "Component" refers to any piece of equipment in a System that is not a Lens.
- 10. The term "Customer" refers to any person or entity who has paid money for a Lens.

Inspection Request

The inspection will be held on April 4, 2017, beginning at 9:00 am Mountain Daylight Time. Counsel for the United States and its prospective expert witness, Dr. Thomas Mancini will attend. The inspection will be recorded by a videographer provided by a court-reporting service.

The United States' inspection shall include:

- 1. All locations in Millard County, Utah where the defendants' Lenses, Systems, and Components are or have been manufactured, stored, constructed, and/or purportedly placed in service. *See e.g.*, Johnson's response to Interrogatory No. 19. Within 10 days of this request, please identify in writing, by street address, the location(s) of the Lenses, Systems, or Components within Delta, Millard County, Utah.
- 2. The premises located at 2800 W 4000 S, Delta, UT 84624, believed to be a "manufacturing facility." (See Pl.'s Ex. 6, US-001815.) If the facility at 2800 W 4000 S, Delta, UT 84624 is not the "manufacturing facility" where defendants manufacture the

Lenses, Systems and Components referred to in responses to the United States'

Interrogatory No. 19, please identify the location of the "manufacturing facility" by street address in writing within 10 days of this request.

- 3. All Lenses being used to generate electricity, solar process heat, or any other product, including:
 - a. "Solar lenses" (See Pl.'s Ex. 4, US-001742); and
 - b. "Solar lens Bracing" (See Pl.'s Ex. 4, US-001742).
- 4. All Systems being used to generate electricity, solar process heat, or any other product.
- 5. The following Components being used to generate electricity, solar process heat, or any other product:
 - a. "Solar concentrator and heat collectors" (See Pl.'s Ex. 4, US-001743);
 - b. "Heat concentrator" (See Pl.'s Ex. 1, US-001719);
 - c. "Dual Axis Tracking System" following the sun horizontally and vertically (See Pl.'s Ex. 1, US-001719; Pl.'s Ex. 4, US-001744);
 - d. "Dynamic Voltage Controller" (See Pl.'s Ex. 1, US-001719);
 - e. "Heat Exchanger" (Pl.'s Ex. 4, US-001745);
 - f. "Jet propulsion turbine" (Pl.'s Ex. 4, US-001745);
 - g. Circulation of "low temp" and "high temp" molten salt (see Pl's Ex. 379, Shepard_Greg-00336; Pl.'s Ex. 380, Ra3 008104 Ra3 008109);
 - h. "Biomass burner" (see Pl.'s Ex. 1, US-001719);
 - i. Biomass Energy System (see Pl.'s Ex.215-A, Ra3 006426);
 - j. IAUS desalination plant (see Pl.'s Ex. 16, US-001846).

- 6. One or more Lens as it is or has been placed in service or "put into service," as that phrase has been used by defendants in various letters to customers. *See e.g.*, Pl.'s Ex. 57, Letter from IAS to Brian Zeleznik, signed by Johnson; Pl.'s Ex. 125, Letter from RaPower-3 to Preston Olsen, signed by Shepard.
- 7. Any site where any Lens, System, or Component is connected to power lines or other infrastructure not owned by any Defendant for the purpose of transmitting the electricity to an end-user
- 8. Any site where electricity generated by a Lens, System, or Component is transferred to power lines or other infrastructure not owned by any Defendant for the purpose of transmitting the electricity to an end-user.
- 9. Any site where electricity generated by a Lens, System, or Component is used for any other purpose.
- 10. Any site where a Lens, System, or Component is used to heat or cool a structure.

//

//

//

//

//

//

//

//

11. Any site where a Lens, System, or Component is used to generate solar process heat.

5

Dated: February 23, 2017

/s/ Christopher R. Moran

CHRISTOPHER R. MORAN

New York Bar No. 5033832

Email: christopher.r.moran@usdoj.gov

Telephone: (202) 307-0834 ERIN HEALY GALLAGHER

DC Bar No. 985760

Email: erin.healygallagher@usdoj.gov

Telephone: (202) 353-2452

ERIN R. HINES FL Bar No. 985670

Email: erin.r.hines@usdoj.gov Telephone: (202) 514-6619 Trial Attorneys, Tax Division U.S. Department of Justice

P.O. Box 7238 Ben Franklin Station Washington, D.C. 20044

Attorneys for the United States

CERTIFICATE OF SERVICE

I hereby certify that on February 23, 2017, I delivered the foregoing document via email to:

Justin D. Heideman
Christian Austin
Travis Sorenson
HEIDEMAN & ASSOCIATES
2696 North University Avenue, Suite 180
Provo, Utah 84604
jheideman@heidlaw.com
caustin@heidlaw.com
tsorenson@heidlaw.com
ATTORNEY FOR RAPOWER-3, LLC,
INTERNATIONAL AUTOMATED SYSTEMS, INC.,
LTB1, LLC, and NELDON JOHNSON

Donald S. Reay REAY LAW, PLLC donald@reaylaw.com ATTORNEY FOR R. GREGORY SHEPARD AND ROGER FREEBORN

> /s/ Christopher R. Moran CHRISTOPHER R. MORAN, pro hac vice

Buy Solar Lenses

Frequently Asked Questions

SITE PAGES

Home

Technology

Start Your Business

Opportunity Overvie

Tax Info

FAQ

Tours

News

Learning Center

Contact

If you have a question that is not answered here please contact us through the contact page.

Categories:

Sponsoring Questions

General Questions

Tax Questions

Technology Questions

Contract Questions

Network Marketing Questions

Negative Press Questions

Sponsoring Questions

RETURN TO TOP OF PA

1. Why do I need a Sponsor to buy lenses?

First, your sponsor will receive a commission when you purchase systems.

Second, your sponsor can answer questions now and in the future. If not, then his or her sponsor.

2. How can I look at the contracts and agreements before I buy?

Go to our Buy Now page. There you can see all of the documents.

General Questions

RETURN TO TOP OF PA

1. In a nutshell, what is the RaPower3 deal?

RaPower3 has solar energy lenses one can purchase. Benefits include rental income, bonuses and tax credit/depreciation benefits that give an impressive return. There are also sales commissions available.

2. Who owns the technology?

International Automated Systems (IAUS). They give RaPower3 the right to sell their lenses.

3. Are there any patents?

About 26 patents and 50 patent pendings covering a number of IAUS technologies as of September 2014. IAUS has both national and international patents.

4. Does RaPower3 have a business licence in my state?

Yes. RaPower3 has current business licences in all 50 states.

5. Does the RaPower3 Solar Project have permits?

Yes. You may view the permit here



A Deseret News article published in Dec 2013 stated that RaPower3 does not have required permits; this is not true. Please refer to our response to this article <u>here</u> for further information. You may also view the county's letter stating our compliance <u>here</u>.

6. Can you define all the different watt terms?

A thousand watts = one kilowatt.

A thousand kilowatts = one megawatt.

A thousand megawatts = one gigawatt.

In the United States, one megawatt of energy would roughly meet the needs of a town of one thousand people. The terms of the cost per kilowatt hour can be different.

For example, an agreement to get ten cents per kilowatt hour (kWh) means for every hour that we produce one kilowatt we would get ten cents. Therefore, if we were able to produce energy at the rate of 200 hours a month, then we would receive \$20 per month per kilowatt or \$20,000 per megawatt or \$2M per month for a 100 megawatt project.

7. What are the British Thermal Units mentioned in the RaPower3 contract?

The British thermal unit (symbol Btu or sometimes BTU) is a traditional unit of energy equal to about 1055 joules. It is approximately the amount of energy needed to heat 1 pound (0.454 kg) of water from 39°F to 40°F (3.8°C to 4.4°C). The unit is most often used in the power and steam generation industries. And, so it is with RaPower3. The solar lenses will heat the water to a very hot temperature creating steam which makes the turbine turn. BTUs can be mathematically converted to kilowatts. This conversion equation is important in maintaining RaPower's agreement with purchasers.

8. What are the RaPower3 contracts?

When you sign up by filling out the Distributor Application Form to purchase your solar lenses, you also electronically sign three other contracts and/or agreements. These three contract/agreements are with three different entities.

- a) Your Equipment Purchase Agreement is with RaPower3.
- b) Your Operation and Maintenance Agreement is with LTB,LLC.
- c) Your Bonus Referral Contract is with IAS (International Automated Systems).

This was done in order for you to receive the maximum benefits possible and to insure your ability to claim all of your tax credits and depreciation as outlined.

RaPower3 Team Members can look at and print out their agreements by going to rapower3.com and logging into the Back Office. You will need your USER NAME that you created when you signed up. We suggest you print out a physical copy for your file and another copy for your tax preparer.

Tax Questions



1. What are the tax forms used for the solar energy tax credits?

You can access the solar energy tax forms 3468 and 3800 by going to irs.gov. In the upper right hand corner there is a search engine; just put in the form number. After the above forms are filled out correctly, then the tax credit number goes on line 53 of your 1040 form.

2. What tax forms are used for the depreciation?

IRS Form 4562 and Schedule C. The depreciation from 4562 becomes a Net Operating Loss (NOL) on Schedule C and then that figure goes on line 12 on your 1040 form.

3. How are the tax credits and depreciation calculated?

The purchase price per lens is \$3,500 so you simply take 30% of that, which=\$1,050 tax credit per system.

For depreciation, take half the tax credit (\$525) and subtract that from the purchase price, which= \$2,975 depreciation per system.

4. What are the depreciation requirements?

To be depreciable, the property must meet all of the following requirements: (Our RaPower3 solar thermal lenses easily meet these four requirements) 1. It must be property you own; 2. It must be used in your business or income-producing activity; 3. It must have a determinable useful life; 4. It must be expected to last more than one year after being placed in service.

5. When can I start claiming my depreciation?

A taxpayer can start claiming depreciation of an asset as soon as his or her property is placed in service. Property is placed in service when it is ready and available for a specific use, whether in a business activity, an income-producing activity, a tax-exempt activity, or a personal activity. This does not mean you have to be using the property; just that it is ready and available for its specific use. The Placed-In-Service letter and Bonus Referral Contract that you will receive after you purchase your systems verifies this.

If the equipment is ready and available for ANY income producing activity, including leasing it out for advertising purposes, the owner may start claiming depreciation on the asset. This is what we give you with the Bonus Referral Contract. Your solar thermal lenses qualify for the 50% bonus depreciation in 2012, 2013 and 2014 as the above standards have been met. You use the standard 5-year double declining balance depreciation method for 2014.

6.1 know I have to materially participate in my solar energy business to be considered nonpassive so I can claim the depreciation. Do I have to spend 500 hours a year to be considered active because I really can't do that?

No, you do not have to spend 500 hours to qualify for material participation. Here are the guidelines taken from <u>irs.gov website</u>: If the taxpayer and/or the spouse meet any of the following, he materially participates and income is non-passive and should not be on Form 8582, triggering passive losses:

- 1. Did taxpayer work more than 500 hours a year in business?
- Did taxpayer do most of the work?
- Did taxpayer work 100 hours and no one worked more?
- 4. Did taxpayer work 100-500 hours in several passive activities, the sum of which exceed 500 hours?
- 5. Did taxpayer materially participate in the activity any 5 of the prior 10 years?
- If the business is a personal service activity, did he materially participate in any 3 prior years?

Most RaPower3 Team Members qualify under guideline #2. Almost all of our RaPower3 Team Members work by themselves in their solar energy business. They have no employees and therefore, they do all or most of the work involving their solar energy business. So these team members usually don't spend 500 hours on their business, but qualify anyway under guideline #2 because they do most of the work.

7. Will the lenses I purchased be Placed In Service?

Yes. You will get a Placed-In-Service letter e-mailed to you in late February 2015 stating that fact. We suggest you make a copy of the letter and give it to your CPA so it's on file for his/her records.

8. How and when did all these amazing tax benefits come about?

The Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 included provisions that allow businesses to elect 100 percent depreciation through 2011 and a 50 percent bonus depreciation through 2013. This bonus depreciation is not available for tax year 2014 or later unless extended by congress.

On October 3, 2008, the House of Representatives passed H.R. 1424, the Emergency Economic Stabilization Act of 2008 by a vote of 263-171. Soon after, President Bush signed the bill into law. The U.S. Senate passed its own version of the bill on Oct. 1, 2008. In the bill are a number of provisions supporting energy efficiency and renewable energy, including all of the solar incentives advocated by SEIA (Solar Energy Industries Association).

This package includes an 8-year extension of the 30% commercial solar investment tax credit, completely eliminates the monetary cap for residential solar electric installations, and allows utilities and alternative minimum tax (AMT) filers to take the credit. Therefore, RaPower3 will offer the tax benefit program through the purchasing of its solar thermal lenses until the end of the year 2016.

9. What can I do with the Kirton-McConkie tax attorney memorandum? I noticed it referes to SOLCO1, so how can RaPower3 Team Members use this letter?

SOLCO1 is an entity that deals in bigger commercial projects but is owned by RaPower3. Thus, all our RaPower3 Team Members are allowed to use and rely on this tax attorney memorandum. You should make two copies: one for your file and one for your tax preparer. The letter gives a number of references stating why RaPower3 tax benefits as outlined are following IRS tax codes and law.

10. There is also the Anderson tax attorney opinion letter. Since the Kirton-McConkie memorandum is newer, should I just use that one or use both?

Use both. The Anderson tax attorney opinion letter is your best resource in claiming your depreciation. You let IAUS use your lenses for advertising purposes and did so by the Bonus Referral Contract with your compensation tied to the gross sales of IAUS (International Automated Systems). This means you were using your lenses for a money making purpose Therefore, your lenses were "placed into service" under the guidelines for Depreciation, which are different than the "placed into service" guidlenlines for your tax credit.

11. What if I purchased before the tax attorney letters were written?

It doesn't matter. Both letters are considered retroactive.

12. What code do I use on Schedule C and what is the type of business?

Use the code number 532400 and the type of business is Equipment Rental Services.



Technology Questions

RETURN TO TOP OF PAGE

1. What are the breakthrough technologies?

There are nine breakthrough technologies that should propel RaPower3 to the forefront of our nation's energy needs.

- Solar Thermal Lenses: These highly patented solar lenses are made of plastic and can be inexpensively mass produced. This Concentrated Solar Power (CSP) system is the only technology that uses the highly advantageous refractive approach rather that a reflective
- Jet-Propulsion Turbines: These highly patented turbines can be inexpensively massproduced. Our turbines are also scalable. This means projects can be built using many small turbines rather that one large one. Finally, our turbines are more efficient and can work with a lower grade of steam with a further advantage of being water tolerant.
- . Dual-Axis Tracking System: Tracks the sun both horizontally and vertically creating greater efficiency. One laptop computer can regulate tracking the sun precisely with a thousand or more towers at the same time.
- . Framing of the Solar Lenses: Able to withstand winds up to 90MPH. This is far more than our competition.
- Heat Concentrators: This boosts temperatures into the 2,500 degree range which is necessary in mass-producing inexpensive zinc batteries.
- . Heat Exchangers: This highly patented technology reduces the size of current heat exchangers on the market by one thousand times thus reducing the cost exponentially
- Biomass Burner: This patented technology burns any kind of biomass, waste or garbage with zero emissions. Our system is far more efficient and less costly than out competitors
- . Dynamic Voltage Controller (DVC): This highly patented and guarded technology efficiently and smoothly regulates different and fluxuating voltages. This control board can be mass-produced and will have multiple remarkable life-changing uses with a variety of industries. See VIDEO.
- . Capacitors: This will revolutionize the electric car and energy storage industry. More on this later

2. What is the significance of these combined technologies?

We have the answer to our nation's energy needs and this answer is available in 2015. Our answer includes all three essential dynamics for changing the energy equation. First, we have the lowest installation costs of any energy source. Second, we have the lowest cost of operation of any energy source. Third, we can mass- produce every component in practically limitless quantities. In a nutshell, our combined technologies have the potential of significantly changing the energy requirements of transportation, homes and businesses.

3. Why can RaPower3 members only buy solar lenses?

Buying only the solar lenses gives our members versatility in claiming their tax benefits. Also, the tax benefits are based on providing solar process heat. Only the solar lenses can do that.

4. Will there be other products for RaPower3 members to buy in the future?

Possibly. There are some really cool technologies and products that will be released by International Automated Systems in the future. Some of these may be a great fit with our RaPower3 marketing concepts. Stay tuned.



http://www.rapower3.com/#!faq/csgl

Case 2:15-cv-00828-DN-EJF Document Document Filed 12/15/17 Page 12 of 48

Contract Questions

1. People electronically sign their contracts and agreements. Is this legally OK?

Yes. It is now done all the time in the United States.

2. Why so many contracts and agreements?

All are necessary to put the whole RaPower3 package together.

For example, The Equipment Purchase Agreement has important connections with the Operations and Maintenance Agreement. The Bonus Contract is important for our RaPower3 members in qualifying for the depreciation benefit,

3. How can I get a copy of my Contracts and Agreements?

Easy. Just Log-in to your back office member area. Look to the left hand greenish column. There are two places to get this info that you may also print. First, look for contracts and click. There you will see a list of some of your documents. Just click to see or print. Second, look down further and click View Personal Purchases. This page shows a list of your Personal Purchases. On the left, you will see a small box with a + in it. Click it. This will bring up a lot of info: Your Equipment Purchase Contract, your Operations and Maintenance Agreement. You can even print out your invoice; something your CPA might wish to have.



Network Marketing Questions

RETURN TO TOP OF PAGE

1. I don't like Network Marketing (Multilevel Marketing). What do I have to do?

Nothing. Absolutely nothing. It's just one component of RaPower3. Your participation is completely voluntary.

2. What's the cost?

There is no cost. There is no administration start-up fee like other network marketing companies and also no monthly funds taken out of your account like other companies. You simply get commissions on everyone you sponsor and commissions on everyone they sponsor up to 6 levels deep.

3. What makes RaPower3 different?

Ninety-eight to ninety-nine percent of people who get into network marketing lose money because of the administration fee and having monthly funds withdrawn automatically from their checking account. Most people are unskilled in selling the products that are often times overpriced and, in addition, to being rejected over and over. Discouragement and loss of money leads to quitting with a bad taste.

With RaPower3 you only buy what you need and what you do buy makes you money and continues to make you money.

4. How do commissions work?

You work at your own pace. But the commissions are ten percent on the sales, ten percent on the rental income plus the bonus. It can mount up to a life-changing amount. You can sponsor as many people as you want. We call that going wide. And with each of those people you directly sponsor, you will also get a 1% commission for everyone they sponsor six levels deep. This means you can make commissions when your clients sell systems.

Example: Many people have purchased 100 systems or more. One hundred systems require a down payment of \$105,000. That means a \$10,500 commission. This also means the client will earn \$15,000 a year in rental income. That means another \$1,500 a year in commissions from the rental. The bonus would be at a maximum of \$100,000.

5. Who would buy 100 systems?

One in ten households should purchase 100 systems. When you speak in terms of being able to go back one to two years, you really don't have to make that big of an income to justify a one hundred system purchase. You can purchase several lenses a month and by the end of the year, you can get it done. Your IRS refunds will be about &160,000. Do the math. What's even better this program is the federal government's program. RaPower3 just uses what was passed by congress and signed into law by two presidents to help make our country go green.



Negative Media (urgent)

There is the appearance of a lot of negative information against RaPower3 and/or IAUS on the Internet. The truth is, nearly all negative media on the internet about RaPower3 and IAUS stems from an anonymous man whose main alias is TEDennis. This man's agenda is to do harm to RaPower3 and RaPower3 members. Please stay away from this dangerous man. If you know any information on this man, or if he has hurt you in any way, please send the information to info@rapower3.com so that it may be added to forthcoming action.

1. Who is TEDennis?

He is a man who hides behind the annonymity of the internet with the singular purpose to spread misleading and hurtful misinformation about RaPower3 and IAUS in order to disrupt progress by any means possible. His main website is called lausenergy.com. But he has many, many more sites with cleaver titles such as "Scamwatch" and "Fraud Alert", but they are nothing more than free blog sites filled with misleading information about IAUS and RaPower3.

His main site, lausenergy.com is regisered under godaddy. The following came from the registrar.

To see the report on lausenergy com CLICK HERE:

On this report you will see the phone and fax numbers are: +1.4806242599 and +1.4806242598

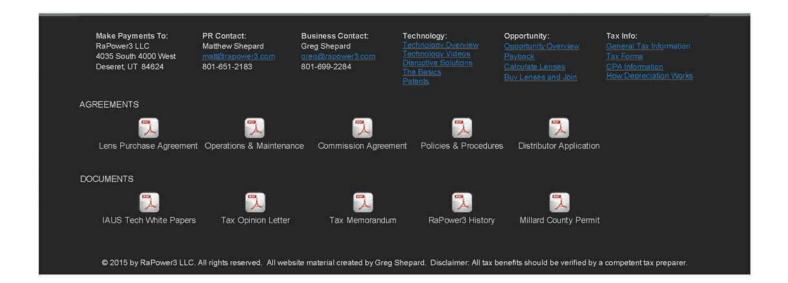
And the address is listed as: 14747 N Northsight Blvd Suite 111, PMB 309 Scottsdale, Arizona 85260

The man is dangerous. Do an internet search on these phone numbers and address to see what this man is involved in. It is really scary stuff.

2. I read and article called "Pie in the Sky...", are the claims in the article true?

The answer is, absolutely not.

A detailed response from RaPower3 concerning this article and its wild claims may be read HERE.



SITE PAGES

Home

Technology

Start Your Business

Opportunity Overvie

Tax Info

FAQ

Tours

News

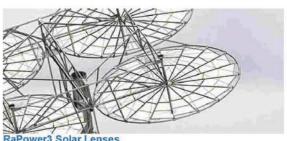
Learning Center

Contact

RaPower3 Technology

RaPower3 (Ra3) exclusively uses technology introduced by International Automated Systems, Inc. (IAS). Although Ra3 has contracted with operating and maintenance company LTB, LLC to utilize the full spectrum of IAS technologies in Ra3 projects only the RaPower3 Solar Concentration Lens is available to Ra3 members to purchase for use in these projects. Other technologies are forthcoming that should provide further opportunities for RP3 members.

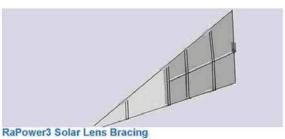
IAUS solar technologies have been lab and field tested. Each part has been designed to meet functional standards and to be able to be assembled in the most cost effective way. The man hours used to construct the mechanical assembly have been thoroughly evaluated in order to insure the final cost of the system is within the targeted amount.



RaPower3 Solar Lenses

These special thin-film solar lenses are 92% efficient. They refract solar energy into a 2" focal point to generate temperatures well over 1,000 degrees F. They are constructed of extremely-durable, non-yellowing aviation-grade acrylic and can be mass-produced in quantities never seen in the solar industry. These solar lenses are what we use in RaPower3 Solar Plants. Our lenses are the first and only solar lenses in the world to be manufactured using the unmatched mass-production process of rollermold manufacturing

For more information on our Solar Lenses click HERE.



These RaPower3 Solar Lenses are fitted with harmonics bracing that cuts

down vibrations from wind activity. The bracing makes the lenses wind resisant for winds up to 100 mph. These lenses can be used with other RaPower3 technologies from IAS to produce electricity from steam or from concentrated photovoltaics (CPV), to distill water, or for other manufacturing processes that require high temperatures



For more information on all IAUS technologies click HERE

For more information on IAUS solar technologies click HERE

For parties interested in utility-scale projects of any IAUS technology, please

> **Greg Shepard** 801-699-2284 greg@rapower3.com

Industry Comparison

Lowest Cost of Operation!

Because of the nature of RaPower3 technology, our power plants have a far lower cost of operation than any other competing technology in the market today. This biggest costs saving can be attributed to our revolutionary bladeless propulsion micro-turbines, thin-film solar concentration lenses and pipeless heat exchangers. Our turbines can run off of low-grade steam and high-mineral content water without any damage and does not require a cooling tower allowing over 90% of the water to be instantly recaptured and recirculated. The solar lenses have permanent calibration with a focal point of 22 inches that reach temperatures well over 1,000 degrees. Our heat exchangers are 1,000 times smaller than our competitors and require very minimal maintenance.

Most Sun Hours!

Our solar towers have a patented counter balanced dual-axis solar tracking system that allow us to have the maximum amount of solar hours per day and requires very little power to operate.

Highest Wind Tolerance!

The solar lenses on our towers are rated to withstand up to 90 mph winds. And because our focal point is larger than any other company, vibrations due to wind do not affect our efficiencies.

Easiest Operation!

Where it takes our competitors an entire room of computers and several highly

Plaintiff Exhibit



RaPower3 Solar Concentrators and Heat Collectors

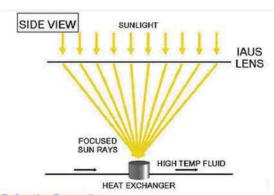
RaPower3's parabolic solar concentrators are adjustable in all directions for easy adjustment to focal point. Our solar lenses focus the sun's heat into the solar concentrator and the heat funnels down to the bottom where our sphere shaped heat collector captures the heat and subsequently pumps the heat to a heat-storage tank or to be used by our jet-propulsion turbines.

Using the heat concentrators with our solar lenses, we can get tempratures well over 2,000 degrees F.

educated engineers to operate their plants, it takes us a single computer to operate an entire field of our towers.

The Most Environmentally Friendly!

Every acre of land used by our competitors is permanently damaged. Since our technology is raised on towers, any land between the towers remains open for other uses such as grazing or farming and if the plant is ever moved, the land is easily restored. We also do not use up precious water to run and cool our plans as is needed with our competitors.



Refractive Properties

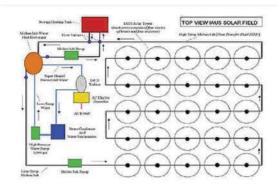
The diagram shows the sunlight refracting to a large 2" focal point. The reflecting technology of our competition requires a focal point less than a pin head. This requires intricate software technology in the solar field and considerably increases the cost of their operation.

Annual Efficiency Data	SEGS VI	Solar Tres	Dish 10	IAUS
Solar Field Optical Efficiency	53.30%	56.00%	85.00%	83.79%
Receiver thermal efficiency	72.90%	78.30%	90.00%	90.00%
Transient effects	100.00%	100.00%	92.00%	92.00%
Piping loss efficiency	96.10%	99.50%	96.10%	96.10%
Storage Efficiency	100.00%	98.30%	100.00%	100.00%
Turbine power cycle efficiency	35.00%	40.50%	35.00%	43.50%
Electric loss efficiency	82.70%	86.40%	86.00%	86.00%
Power plant availability	98.00%	92.00%	94.00%	96.00%
Annual Solar to Electric Eff	10.59%	13.81%	19.14%	23.94%

Efficiency Comparison

RaPower3 uses IAUS technology. The comparison chart to the left shows how RaPower3's solar systems stack up against other well known solar technologies from an efficiency stand point. RaPower3's "Annual Solar to Electric Efficiency" of 23.94% is significantly higher than competing technologies.

Download White Papers HERE.



Modular Design

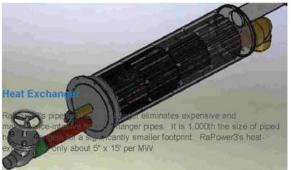
Whether solar, biomass, geothermal, waste-to-energy or natural gas, RaPower3's designs are all modular. This makes it easy to build in stages and to add additional power in the future. It also makes scheduled maintenance much easier and with a lot less down time.



Dynamic Voltage Control

RaPower3 uses the IAS Dynamic Voltage Control (DVC) with its power plants and other forthcoming technologies. The DVC allows us to take in a variable voltage input and set a constant voltage output eliminating the need for expensive coils and inverters. This is a huge breakthrough in the renewable energy industry as it has the potential to impact solar, wind, wave power, batteries and transmission as it is further developed for additional uses.

For more information on the DVC click <u>HERE</u>. For videos on the DVC click <u>HERE</u>.

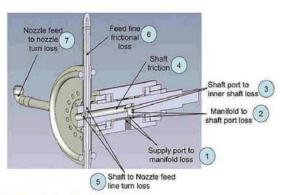




Jet-Propulsion Turbine

The RaPower3 Bladeless Jet-Propulsion Turbine and Heat Exchanger is designed to run off of any heat-source including geothermal, solar, methane, biomass, solid waste, natural gas, etc. It is 47% efficient and has only two moving parts. It is self-balancing and auto-synching. RaPower3 uses this Jet-Propulsion Turbine and Heat Exchanger in their solar projects.

For more information on the Bladeless Jet-Propulsion Turbine click HERE.



Jet-Propulsion Turbine

Because it uses small jet-engines or nozzles instead of blades like traditional turbines, it can use impure hard-water without any issues. In fact, brackish water and other types of poluted water can be used in the turbine and as the heated water flashes to steam as it escapes through jet-engine the particulates fall down to the extraction chamber and the steam pushes forward through to the condensation chamber effectively making the turbine as a water distillation plant while it produces power.

Make Payments To: RaPower3 LLC 4035 South 4000 West Deseret, UT 84624 PR Contact: Matthew Shepard matt@rapower3.com 801-651-2183 Business Contact: Greg Shepard greg@rapowerS.coi 801-699-2284 Technology: Technology Overview Technology Videos Disruptive Solutions The Regire Opportunity: Opportunity Overview Payback Calculate Lenses Tax Info: General Tax Information Tax Forms CPA Information



Case 2:15-cv-00828-DN-EJF Document File 12/15/17 Page 19 of 48



Buy Solar Lenses

SITE PAGES

Home

Technology

Start Your Business

Opportunity Overvie

Tax Info

FAQ

Tours

News

Learning Center

Contact



RaPower3 LLC's concentrated solar power (CSP) test project in Delta, Utah is now ready for the next step and is working with a local utility to get the system connected to the grid. Connecting equipment has been delivered and a crew is working on installing the equipment according to utility requirements.

This will be the first utility-scale CSP technology to successfully produce electricity without the use of piped-heat exchangers, boilers, expansion tanks, cooling towers or bladed turbines. RaPower3, instead, uses a pipe-less heat exchanger in conjunction with a revolutionary jet-propulsion turbine. The pipe-less heat exchanger is 1,000th the size of traditional heat exchangers. This is a very exciting breakthrough in solar technology and is the first energy technology to mark a significant departure from traditional PV or CSP models and put RaPower3 right in line with its goal of being able to cost compete directly with fossil fuel energy.

Contact:

Matthew Shepard, RaPower3 Assistant Director of Operations

matt@rapower3.com | 801-651-2183

www.rapower3.com

www.facebook.com/rapower3llc

Tags: solar solar energy solar power csp rapower3 turbine November 14, 2014

Photo



What is CPV?

When someone refers to "solar panels" they are most likely talking about photovoltaic (or PV) cells. These are the black panels you see on the roofs of homes and businesses that convert solar energy directly into electric energy. RaPower3 can now combine its patented solar lenses with PV cells to create what is referred to as concentrated photovoltaic or CPV. Prototyping will be finished early next year and preliminary testing shows this new technology to be the most efficient and lowest cost PV solar in the world.

For more information contact Matthew Shepard via at matt@rapower3.com or by phone at 801-651-2183.

Tags: photovoltaic PV CPV solar solar energy rapower3 November 04, 2014

Plaintiff
Exhibit

Link

RaPower3 - Solar Disc Auto Assembly

October 30, 2014 Solar Site Tour. This video shows our new "disc jig" that auto-assembles three bent pipes to create a large solar disc frame. This new assembly ...

Click on link to watch video.

Tags: solar solar energy solar thermal solar power rapower3 rapower3 solar project rapower3 solar manufacturing November 03, 2014

Link

RaPower3 Response to "Are Utahn's solar projects just pie in the sky? Claims raise questions in Millard County, elsewhere"

A Utah company has been touting its "revolutionary" solar technology for years. But its projects in four states have yet to generate any significant power. Millard County officials are particularly fr

RaPower3 Response to Deseret News Article, "Are Utah's Solar Projects Just Pie in the Sky?"

In response to inquiries regarding a December 2013 Deseret News article titled, "Are Utah's Solar Projects Just Pie in the Sky? Claims Raise Ouestions in Millard County, Elsewhere", Greg Shepard, RaPower3 Chief Director of Operations, prepared the following to address a number of misleading or untrue statements.

Response #1 - Technology?

Excerpt: "The failure to produce any significant solar energy has several people asking questions about the company's proposals and the technology itself..."

The December 2013 Deseret News article suggested IAUS energy technologies do not work referencing RaPower3's "failure to produce significant solar energy." RaPower3 solar projects use technology from International Automated Systems (IAUS). However, at the time the Deseret News article was published, IAUS's revolutionary technology was still in a research and development (R&D) phase (as publicized by RaPower3); consequently "significant solar energy" would not yet have been produced. Since then, R&D on all major components has been completed and manufacturing and installation protocol are being established. Automated production is also being installed at the manufacturing facility in Delta, Utah that will enable the mass production of IAUS's breakthrough technologies to be used in RaPower3 solar projects. Because IAUS energy technologies represent a complete departure from current energy methods, the technology has been safeguarded for obvious reasons.

At present, there are no legitimate, qualified entities disputing IAUS technology. Blind, third-party whitepapers qualifying the efficacy of IAUS technology can be downloaded at www.rapower3.com/#!media/c1zzo or by clicking https://www.rapower3.com/#!media/c1zzo or by clicking <a href="https://www.rapower3.com/#!media/c1zzo or by clicking <a href="https://www.rapower3.com/#!media/c1zzo or by clicking <a href="https://www.rapower3.

Response #2 - Hostile?

Excerpt from article: "Johnson has really been quite hostile with us ... " ect.

Disparaging quotes and references in the December 2013 Deseret News article came from former County Commissioner, Darron Smith. Mr. Smith apologized and told RaPower3 management, "All that stuff in the Deseret News article, it was just them misquoting me." Darren Smith has since been voted out of office. RaPower3 and IAUS enjoy a good working relationship with Millard County.

Response #3 - Permits?

Excerpt: "In Millard County, officials there say they are frustrated over their dealings with Neldon Johnson and his company International Automated Systems because of his failure to obtain necessary permits and licenses associated with his solar project, despite demanding them since 2011."

RaPower3 and IAUS are not in violation of any permits or licenses as the December 2013 Deseret News article represent. After the articles publication an emergency meeting was held at the request of Neldon Johnson between all three county commissioners, Neldon Johnson and Greg Shepard. In the meeting, county commissioner Jim Withers acknowledged fault by not informing their secretary Sheryl Decker of the company's permit compliance. Also of note, RaPower3 has always had current business licenses in all 50 states. See Millard County letter of compliance <a href="https://licenses.org/licenses/berg-tage-sher-tage

Response #3 - SEC Fraud?

Excerpt: "A complaint by the Securities and Exchange Commission was filed against [Neldon Johnson] and IAUS in 1998..."

The December 2013 Deseret News article suggests that IAUS has special prohibitions against securities fraud or deceit; when, in fact, all public companies have these prohibitions. The article also suggests that IAUS owed \$2.5 Million in fines and interest to the SEC for securities fraud; this simply is not true. Neither Neldon Johnson or IAUS have ever been convicted of securities fraud. The SEC did, however, initiated an investigation of Neldon Johnson and IAUS for a securities fraud complaint in 1998 but the SEC subsequently downgraded the investigation to "material misrepresentation" and the company reached a settlement with the SEC in the amount of \$50,000 which was finalized, paid and signed by the Court as of January 2005. (see IAUS's SEC filing here).

Response #4 - Projects?

The December 2013 Deseret News article listed a number of failed projects that were to use technology from IAUS and suggested these failures were due to IAUS, Neldon Johnson or IAUS technology; however, details show otherwise. Examples of omitted information are listed by project below:

Hawaiian Venture

The December 2013 Deseret News article brought up a Hawaiian venture that was going to use the IAUS Turbine, but the project never came to fruition and inferred that this was our failure. However, Jack Dean, an engineer from the Hawaii project with experience in power projects said of the IAUS turbine, "There are two unique features that give this turbine unmatched versatility: its physical construction and its use of multiple-phase fluid." That was August 27, 2003. Unfortunately, Jack Dean passed away soon after. He had no one left in his business to carry on with his project.

Nevada Project

The December 2013 Deseret News article cited a press release about a 100-megawatt-\$150 million project in Nevada. This was not a RaPower3 or IAUS project, although the article implied otherwise. There are a number of people or entities who want to use our technology; this was just one of them and they couldn't raise enough money.

Needles, California Project

The December 2013 Deseret News article cited a failed solar project in Needles, California from start-up company REDCO run by Ryan Davies that was to have featured IAUS solar technology. This was Mr. Davies first attempt at starting a business and he could not raise the capital required for the project. Consequently, REDCO's project never materialized.

Despite IAUS CEO, Neldon Johnson, informing Mr. Davies that the technology wasn't ready at the time, Mr. Davies pressed to speed the process and hired Utah's largest manufacturing firm Peterson Manufacturing to do structural designs. IAUS warned Mr. Davies that Peterson's initial designs were too large and would be too expensive, but Mr. Davies insisted on going forward. A year later Peterson Manufacturing proposed their designs and projected costs and, as predicted, it was over-budget. However, IAUS informed Mr. Davies that the company would work with Needles on pricing and make the project work but Mr. Davies instead surprised everyone by approaching the City Council alone demanding a rate increase. The council refused the rate increase. After the council meeting, Mr. Davies deflected responsibility by telling a local reporter that IAUS technology had "fatal flaws" regardless of the fact that the engineering firm hired by REDCO never said such a thing nor did any other engineer on the project; consequently Mr. Davies "fatally flawed" statement has no merit and cannot be taken seriously. One week after making this comment, Mr. Davies' company, REDCO, went bankrupt on another solar project in Oregon with a technology not from IAUS.

Tags: rapower3 desnews pie in the sky see fraud jaus solar solar thermal utah solar rapower3 permits rapower3 scam rapower3 business license rapower3 producing energy rapower3 fraud jaus fraud jaus stock fatally flawed September 29, 2014



Ultra-High Solar Panel Production

RaPower3 uses solar lenses (or panels) from International Automated Systems, Inc. (IAUS). IAUS's panel fabrication is a unique, patented, molding process never-before done with a radial Fresnel lens. This process allows for inexpensive, high-volume, mass production that can be expanded for ultra-high volumes in a comparatively short amount of time.

These thin solar panels focus the sun's energy to a small, high-temperature point. The energy generated can be used for both electricity production and thermal heat for manufacturing, water purification, chemical refinement, and other heat-based processes.

For more information on IAUS technologies visit www.rapower3.com or www.iaus.com.

Contact: Matthew Shepard | 801-651-2183 | matt@rapower3.com

IAUS is a publicly traded company. OTC:IAUS.

September 10, 2014
Archive Random Next Page Page 1 of 7

About



RaPower3 LLC is a renewable energy company deploying disruptive energy technologies developed by International Automated Systems, Inc. (IAUS). RaPower3's first project is a combination Concentrated Solar Power (CSP) and Biomass Power Plant in Central Utah. The technology itself is a gamechanger and can be utilized across many renewable energy platforms to include geothermal, wave energy, waste-to-energy, biomass, concentrated solar (CSP), concentrated photovoltaic (CPV), and wind energy. It can also be adapted to coal and natural gas plants as well.

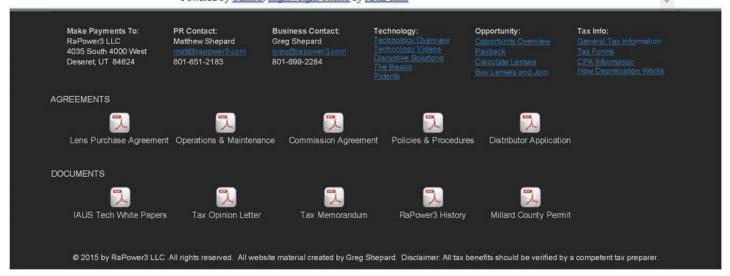
Stuff I like (all)



People I follow

- . (t) . (iii)
- © RaPower3 Solar Energy. All Rights Reserved.

 Powered by Tumblr. Lightweight Theme by Artur Kim



New Solar Breakthrough May Compete with Gas www.iaus.com

International Automated Systems, Inc. [IAUS] has developed a unique solar power technology that it believes will be the first to compete with gas, coal, and oil. Two primary issues have prevented solar power from replacing fossil fuels: The first obstacle is the high cost of equipment. Currently, solar power equipment is far too expensive to compete with fossil fuels. The second is production capacity. Even if the price of today's solar power technologies was in line to compete with fossil fuels, the production capabilities are so limited it would take decades to even scratch the surface of replacing fossil fuels.

IAUS's new solar power technology presents a breakthrough on both fronts. The company's unique solar power technology is priced to replace fossil fuels, and its annual production capabilities marginalize any other solar technology-making it perhaps, the energy sector's holy grail in a market currently grossing more than \$3 trillion annually but fueled by less than 1% solar.



IAUS Solar Technology- What Makes it Different?

Plaintiff Exhibit

(Figure 1: IAUS Solar Tower with Four Circles of Panels)

IAUS Solar Panels- IAUS has developed a very unique thin panel with lens-like properties that focuses the sun's energy to a high-temperature focal point on a receiver. The heat is converted to steam which is then used to generate electricity. IAUS'S unique panels are inexpensive, efficient, and low maintenance. Typical solar reflector panels (e.g. solar dishes, troughs, heliostats) are very expensive and require a great deal of periodic, manual fine-tuning to sustain a solar focal point on its target. Once installed, IAUS'S panels need no manual fine-tuning to maintain its focal point. This significantly reduces the cost of plant operation.

In addition to IAUS'S actual field tests, optical ray-tracing simulations have been conducted to verify the efficiencies of IAUS'S panel design. IAUS'S unique solar panels show efficiencies of over 90%. In the field, IAUS'S panels produce temperatures from 1,600-1,800 degrees Fahrenheit while tracking the sun.

By adding the new compound parabolic concentrator IAUS's temperature can exceed 2500°F.

Seventeen panels fit together in a circular pattern which spans approximately 39 feet in diameter. Four of these circles are mounted to a single tower equipped with dual-axis, automated tracking. The panels follow the sun east to west, north to south, producing higher number of hours than single axis concentrator solar power (CSP) systems and flat-plate mounted Photovoltaic (PV) systems.

IAUS'S unique panels are made up of a very durable, engineering grade monomer material that has been known to endure extreme weather conditions for more than 60 years with low degradation. IAUS'S panels are 100% recyclable.

The panels are also designed to rotate about themselves to reduce wind load on the system. As the wind approaches some predetermined velocity the panels will break loose and turn about there axis. This prevents the plastic panels from breaking while reducing wind load on the mechanical structure. This has the added advantage of reducing the metal in the mechanical structure thus reducing the cost of the structure. This also reduces maintenance cost in replacing broken lenses.

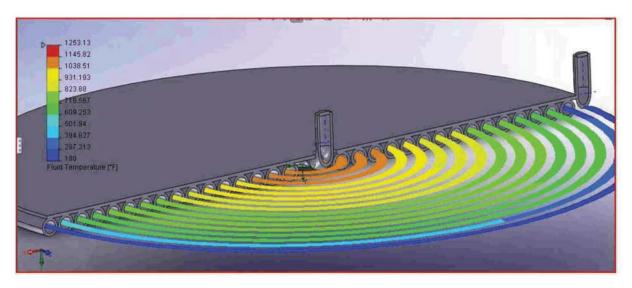
IAUS Receiver- Each circle of panels or lenses has only one receiver. There are four circles of lenses and four receivers per dual-axis tracking tower. The receiver is a heat-exchanger that directly transfers the heat from the high-temperature focal point into water. Water flows into each receiver until it reaches a temperature between 1,000-1,100 degrees Fahrenheit.

(Figure 2: Side view rendition of one of IAUS'S circle of solar panels or lenses focusing on a solar receiver heat exchanger)

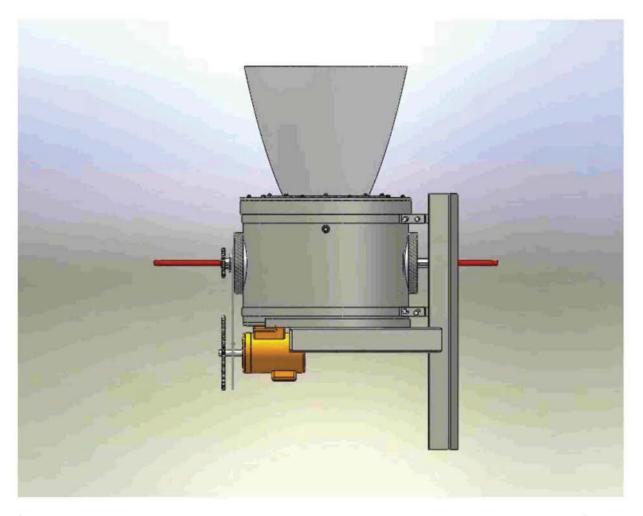
In addition to performing field tests on its receivers, independent thermal dynamic and hydraulic flow simulations were conducted to verify flow rates and thermal efficiency. These numbers supported that IAUS'S receiver has a heat-absorption rate efficiency of over 90%.



(Figure 3: Top cut section view of water absorbing the sun's heat through IAUS's solar receiver heat exchanger)



(Figure 4: Middle cut section view of water absorbing the sun's heat through IAUS's solar receiver heat exchanger)



(Figure 4.1 New solar receiver showing the concentrator along with the movable heat exchanger)

New concentrator and heat exchanger- Referring to fig 4.1 this is the new heat exchanger design featuring the concentrator with the new heat exchanger and the rotation mechanism. The top portion is the concentrator which takes the incoming rays from the lens and further concentrates the suns rays which also increases the temperatures that hit the heat exchanger portion. The heat exchanger rotates to control the temperature at any given point on the heat exchanger. The rotation also eliminates hot spots on the heat exchanger reducing the chance of melting or burning the heat exchanger. This also provides a more even temperature exchange between the heat exchanger and the heat absorbing medium inside.

This heat concentrator and heat exchanger combination also reduces the infrared radiation coming off of the heat exchanger.

This heat concentrator and heat exchanger design also allows the solar energy to be used to convert zinc from zinc oxide without using a hydrocarbon compound to isolate the oxygen atom from recombining with the zinc.

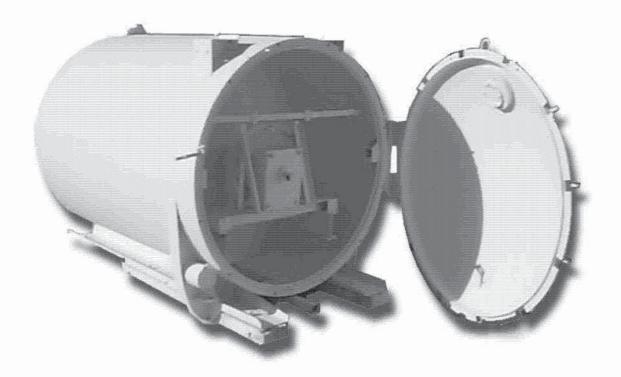
IAUS Turbine Eliminates Need for Boiler- IAUS'S solar thermal collectors can easily work with either a traditional steam turbine, or with IAUS'S new, proprietary turbine. IAUS'S proprietary turbine steam cycle does not need an expensive, high-maintenance boiler. Instead IAUS'S solar collector system can feed the super-heated water directly into IAUS'S turbine.

IAUS'S solar power technology successfully operates without a boiler or pressure vessel because it utilizes a unique, bladeless turbine design developed by IAUS to drive the electric generator. IAUS'S turbine runs on both high quality and low quality steam with a bi-phase flow capability. Unlike traditional turbines, the high-temperature water does not need to pass through an expansion tank to flash to steam prior to IAUS'S turbine. Instead, IAUS'S bladeless propulsion turbine can run directly on super-heated, high-pressure water. The expansion or phase change (flashing) from water to steam happens right at the nozzle of IAUS'S turbine.

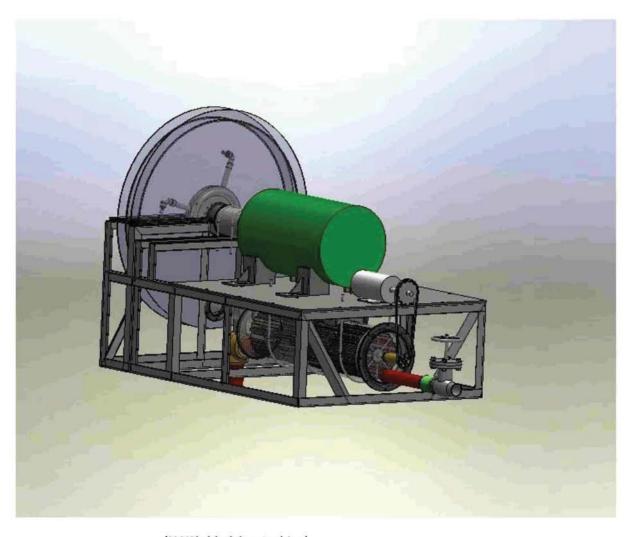
In a conventional power plant, the water is boiled and flashed to steam in a large, high-pressure tank called an expansion tank. The steam is then sent through a series of super-heating stages. The expansion tank and steam channels are large pressurized vessels that make up the boiler and must be regularly certified. If something goes wrong with this traditional power plant boiler system, it can explode like a bomb. Each weld must be routinely X-Rayed and the entire system continuously monitored with sophisticated and expensive equipment to ensure safety and the output of high-quality steam.

IAUS's system does not need an expensive and sophisticated boiler like this. Instead IAUS's turbine uses a series of smaller, high-pressure tubing, which is much safer, less expensive and easier to manage; and, it makes the Balance of Plant (BOP) steam production and monitoring equipment less complicated. These are significant advantages over traditional boiler systems required by conventional turbines.

Propulsion Turbine- As previously mentioned IAUS'S solar collector system can operate with either a traditional high-end steam turbine or IAUS'S own proprietary steam turbine. There are many advantages to IAUS'S unique turbine. Rather than relying on turbine blades to spin the turbine cylinder, IAUS's Propulsion Turbine is designed to turn the cylinder without blades. IAUS'S turbine efficiencies are very similar to expensive, high-end, multi-stage turbines; however, IAUS'S turbine is low-cost and operates minus most of the expensive surrounding components and maintenance issues.



(Figure 5: IAUS bladeless propulsion turbine)



(IAUS's bladeless turbine)

Traditional turbine performance relies upon the environment within its blade chambers. Super-heated, high velocity steam particles are continuously striking the titanium turbine blades to turn the shaft. If steam condenses on the blades, a sharp drop in efficiency and damage to the turbine can result. Traditional multi-stage turbines require dry, high-quality steam.

IAUS's new turbine is structurally unaffected by low quality steam. It blows the energy away from its components instead of on them to turn the shaft. It is smaller than traditional turbines, less expensive, and requires very little maintenance. Unlike traditional turbines, IAUS's turbine can operate without corrosion or system failure on both high quality and low quality steam.



(Figure 5.1 this is the new heat exchanger that recovers the steam from the turbine)

Cooling Towers- Because of the unique nature of IAUS's turbine, the actual working chamber of the

turbine can be used as both a direct heat-exchanger and water recovery system on the condensing side. This increases the efficiency and lowers the sophistication and cost of a dry cooling tower. IAUS's system can recycle virtually all of the water used in the process of power production instead of being wasted into the atmosphere like with wet cooling towers that are typically used in the condensing cycle of a traditional power plant.

Cooling towers are a critical component of traditional turbines that help maintain a sophisticated delicate balance. These towers cool the steam exiting the turbine, creating a vacuum. The towers must maintain a consistent low temperature otherwise the traditional turbine potentially faces both a sharp drop in efficiency and serious damage.

As previously noted, IAUS's unique turbine has no blades to corrode, therefore, the expended steam and water can be condensed within the working chamber of the turbine using a simple air-cooled recovery system. This water is re-pressurized by a high-pressure pump and re-circulated through the solar field to repeat the cycle. Very little water is wasted, unlike wet cooling towers.

Wet cooling towers, at a typical coal-fired power plant, waste enormous amounts of water. A family consumes as much water using electricity as they do in everyday water usage. Because IAUS'S turbine can operate without traditional wet cooling towers and recycles the water in a closed loop, it is perfect for areas of the Southwest where water conservation is very important.

Also, because IAUS'S turbine does not require such a delicate balance on the cooling side, IAUS power plants can operate a highly efficient co-generation cycle. The excess heat that is normally wasted in the production of electricity at a typical power plant can instead be put to some other use in conjunction with IAUS's power plants. The thermal and electrical load can easily be adjusted up or down depending upon the need, to best utilize the heat byproduct from the power plant. Putting the heat byproduct to use can increase the efficiency of the plant from approximately 20% up to nearly 70%. A traditional turbine is a poor design for co-generation. It creates difficult BOP consequences including the accelerated corrosion of the turbine itself.

Salt water or brackish water or polluted water recovery using bladeless turbine- In addition to not using water to cool the steam the new IAUS's turbine can also purify salt water, brackish water and or polluted water at little additional costs.

IAUS Solar Breakthrough Technology can Make Fresh Water from Sea Water for Free While Powering a City

Unlike photovoltaic (PV) solar panels, IAUS's new solar breakthrough technology can utilize waste heat to desalinate sea water for free. Waste heat is a byproduct of IAUS's solar power process as it produces electricity for the grid. Due to the unique design of IAUS's patented turbine, it utilizes a technique called

vapor compression in the heat recovery process. Vapor compression is becoming a widely-used means for distilling water.

Utilizing the waste heat from an IAUS solar field to produce fresh drinking water increases the overall efficiency of the system to nearly 70% peak power production without a significant increase to the price. Fresh water has become a serious global issue and is predicted to be more perilous than forecasts of current energy issues—both are daunting without renewable energy advancements. In some parts of the world, fresh water is already becoming equal or more expensive to obtain than fuel.

Currently, desalinating sea water costs approximately \$800-\$1600 per acre foot of water. This price is about 10-20 times greater than the cost a typical farmer currently pays per acre foot to irrigate his crops. In coastal areas around the globe an IAUS solar plant could produce electricity from the sun at an economical price, whereupon the utility company could sell the power to citizens--while at the same time--desalinating water as a waste byproduct for free.

IAUS solar desalination gives IAUS's product a unique edge over other technologies in coastal areas wherein fresh water is becoming a problem due to inland populated areas growing. This ability can greatly help inland communities as well. Some project that the State of Utah will exhaust its Colorado River water shares by the year 2020. Southern Nevada has long been attempting to increase its water shares from the same river. If Southern California coastal cities that are somewhat dependent upon the Colorado River were to utilize an IAUS solar desalination plant—more water shares could be available for Utah, Southern Nevada and others.

Electric Generator- IAUS'S turbine can turn either an induction or synchronized generator to produce AC power that is thereupon connected to the grid through a simple, inexpensive cut-off switch. A traditional turbine drives a synchronized generator and requires a very expensive, instantaneous cut-off switch control mechanism. This is another reason the BOP system for a traditional turbine is very sophisticated. If the supply steam is inadvertently reduced, the grid can turn the electric generator into a motor pulling for more steam supply than is available like a vacuum whereupon the turbine blades will cavitate, potentially causing them to shatter out the chamber like an explosion. This is extremely dangerous.

IAUS's bladeless turbine presents no such danger. The instantaneous shut-off mechanism in the BOP system for IAUS's turbine is not critical to the same degree and is therefore a simpler design and much less expensive. IAUS'S less sophisticated BOP controls not only save a great deal of cost in set up, they can also reduce O&M costs by nearly 1-2 cents or more per kWh.

IAUS'S turbine can be sized to virtually any generator, big or small and can start and stop instantaneously without any cavitations. This allows IAUS to construct its solar plant in smaller 1MW-10MW segments if desired. The turbines can be staged in and used only when needed, and they can be shut down at night. When using smaller plant segments, if one important component goes down, it doesn't shut down the whole plant. In contrast, a traditional turbine gen set would be a financial, operational and maintenance nightmare in multiple smaller sizes.

Each 1MW-10MW segment is self-contained and independent of the other. A 1 MW segment consists of approximately 20-25 towers that include 80-100 circles of lenses and receivers all powering a single turbine gen set and water recovery system. The IAUS plant design requires approximately 5-6 acres of land for every 1 MW of peak power capacity.

Comparisons to Other Solar Technologies

Photovoltaic (PV)

Currently, PV is the most expensive solar technology available. PV has advantages for very small, remote power needs, however, even if PV manufacturers are able to reduce costs with the prospect of thin-film or nano PV technology it still will not match the low cost and other advantages of IAUS'S system.

Hidden Costs of PV

Flat-Plate Installation- In addition to installed costs, PV has hidden costs. For example, advertised PV installed costs do not include dual-axis tracking systems. Therefore, a flat-plate mounted PV system measured during peak sun to be 1 KW (\$7,000) of capacity actually produces nearly 30% less power annually than 1 KW (\$1,500) of IAUS'S dual-axis solar technology.

Inverters- PV technologies produce DC power and therefore, require an inverter to covert DC to AC power. Inverters, regardless of how small or large cost about \$500 per KW. While the inverter is usually included in the advertised, installed price of a PV system, it has a very limited life-span after which it must be replaced. The life-span for an inverter is roughly about 20 years. IAUS'S solar can produce either AC or DC power; therefore, IAUS'S system doesn't require an inverter which eliminates one of the front-end and back-end costs that come with PV systems.

Panel Replacement- In addition to inverters, PV panels also begin to degrade after 20-30 years and eventually need to be replaced as well. This means that after 30 years, when the equipment should finally be paid off and realizing the full benefits of free energy, the buyer will likely end up paying the entire cost of the solar plant all over again to replace it.

IAUS'S dual-axis solar tracking structure is made of steel and will likely hold up for more than 100 years. Also, IAUS'S actual solar panels are made of a material that has been known to last more than 60 years. However, if needed, the cost of panel replacement for an entire IAUS plant is approximately only 15%-20% of the original cost. The cost to replace the PV system after 20-30 years is virtually 100% of the original cost, which is literally repurchasing the entire plant all over again.

Maintenance Logistics- PV is more suited for residential installations than for utility-scale power plants. In fact, the U.S. Department of Energy has determined that solar thermal technology (not PV) is the most reliable solar power for utility scale power plants. While residential installations have benefits (especially in remote areas outside of the grid), they present different challenges. For example, a 100 MW utility scale solar power plant will power about 50,000 homes from a single location. Installation, part replacement, adjustment, maintenance, etc. can be done in one place. On the other hand, 50,000 homes with PV systems are like scattering 50,000 randomly located miniature power plants all over the map that also include remote locations for installation, part replacement, maintenance etc. Travel time becomes a significant cost, not to mention that each installation site is unique.

Energy Storage- PV systems can only store energy using batteries. Batteries are extremely expensive (about \$600/kWh of storage) and have a very short life of about 5 years. Since IAUS'S system runs exclusively on heat, it can operate both as a hybrid power plant using other heat sources in addition to the sun such as biomass, natural gas, etc., or, it can store heat in a heat sink for continued operation after the sun has set. Unlike batteries, heat sinks are inexpensive (about \$30/kWh of storage) and a properly designed heat sink will last virtually a lifetime.

Unlike IAUS'S technology, PV systems do not utilize the sun's heat. Since much of the sun's energy is heat, this energy is entirely wasted on PV systems. The heat byproduct from IAUS'S system after producing electricity can be utilized for a list of important uses- manufacturing and refining processes, desalination, heat storage, etc. When this heat is put to use, IAUS'S solar energy efficiency is improved again to more than 3-4 times the efficiency of PV systems.

Manufacturing- Currently, IAUS can produce approximately 350 MW of panels per year. It would cost a solar PV manufacturing company approximately \$800 million to duplicate IAUS'S current annual production capacity. Within six months, IAUS can increase its annual capacity to 1,000 MW. Within a year, IAUS can increase its annual capacity to 2,000-4,000 MW. This annual solar panel production capacity would cost a PV manufacturing company a little more than \$4 billion. To put IAUS'S production capabilities into perspective, one of the current leaders in PV manufacturing has an annual production capacity of 120 MW.

Environmentally Friendly- IAUS'S solar technology is also 100% recyclable. Today's PV systems using silicone are not.

Solar Thermal Mirrors

Mirrors Require Tighter Tolerances- Solar thermal mirror technology (also called Concentrated Solar Power (CSP)) has been around for decades (e.g. solar dishes, troughs, heliostats). IAUS'S technology is

also a CSP system, and therefore, it operates under similar thermal dynamic principles. However, IAUS does not use expensive mirrors. Therefore, IAUS'S panels refract the sun's rays instead of reflect. The error ratio of reflecting the solar rays from a mirror to its target is four times greater than refracting the rays like IAUS'S system does. Therefore, mirror-based CSP support trusses, hinges and tracking systems require significantly tighter tolerances than IAUS's to maintain focus and remain correctly dialed in.

Shadowing Effect of Mirror Receivers- Also, since IAUS'S receiver is behind its panels instead of in front like mirror-based CSPs, it is far less expensive, easier to manufacture and install, and casts no shadow on the panels. IAUS has a smaller insulated receiver with only one flat side exposed to the concentrated focal point, yet it still maintains a greater surface area ratio between focal point size and target than mirror-based CSPs. This minimizes the possibility of the sun's rays missing the receiver. Attempting to increase the ratio between the focal point size and surface area on a mirror-based CSP system in order to minimize losses and increase efficiency would require a larger receiver and a larger receiver would block more incoming sunlight to the mirrors.

Maintenance Issues of Traditional Turbine- The lowest cost, mirror-based CSP systems use a traditional steam cycle to turn a conventional, bladed steam turbine and generator. As mentioned above, IAUS'S steam cycle does not require large expansion tanks to superheat the steam; it does not require water-cooled cooling towers to condense the steam; and it does not require the expensive and sophisticated monitoring devices for BOP due to the rugged durability of IAUS'S turbine under extreme environmental shifts.

The absence of both an expansion tank, traditional turbine and cooling towers not only significantly reduces the overall cost of equipment and installation, but also reduces daily operations and maintenance costs which translate into a lower wholesale price for electricity per kWh produced.

Not Much Room for Price Reduction- After decades of development, current mirror-based CSPs have streamlined down to what appears to a bare minimum cost without many more areas, if any, to cut prices. Each additional refinement or advancement to today's mirror-based CSPs from here on out will likely have an inconsequential impact on lowering the price. IAUS expects to be less than half of the cost of today's CSP technologies, with room to strip down more costs in the future.

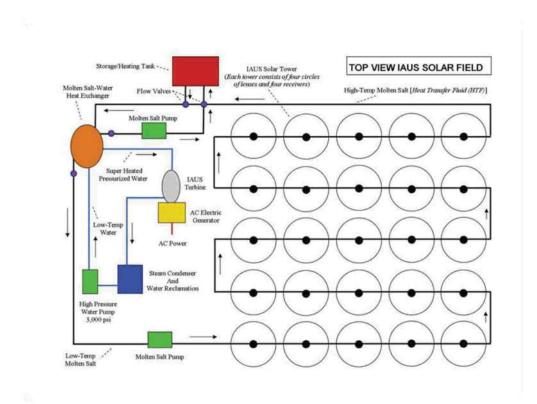
CSP Manufacturing Capacity- Manufacturing capacity is a very limiting factor with CSP technology. Most CSP technology companies have a lower annual production capacity than PV manufacturing companies.

Status of IAUS'S Solar Technology

IAUS is poised to enter the market in full production with its commercialized product this year. IAUS has already successfully completed a mass-production test run of approximately 2 MW of IAUS solar panels. The dual-axis tracking structure has been constructed and designed for mass-production as well. IAUS'S proprietary software that controls the dual-axis tracking mechanisms has been completed. IAUS'S proprietary controls follow the sun, monitor wind-speed, and measure the sun's energy per square meter. Several generations of the turbine have been designed and tested.



(Figure 6: IAUS solar field under construction)





Brian Zelezink 811 East Elm LeRoy, Illinois 61752



December 30, 2009

Dear Brian:

This letter is regarding the "Alternative Energy Systems" that you purchased from International Automated Systems, Inc. (IAS). IAS put into service your equipment on or before December 24, 2009. This will qualify you for the Internal Revenue Services solar energy tax credit.

(However for your personal information, Section 103 Div.B Energy Credit (code Sec.48), "For projects whose construction time is expected to equal or exceed two years, the Credit may be claimed as is placed in service.")

We appreciate your business and look forward to the opportunity to work with you to help solve our nation's energy needs. If you have any questions you may correspond with us at the above address.

Respectfully Yours,

International Automated Systems, Inc.

Neldon P. Johnson President & CEO

> International Automated Systems, Inc. 326 North Highway 6 Salem, Utah 84653 Phone: (801) 423-8132 FAX: (801) 423-1431



Presten Olsen 9351 So. Dutch Valley Drive South Jordan, UT 84095

February 1, 2014

Dear Preston Olsen:

This letter is regarding the "Alternative Energy Systems" that you purchased from RaPower3 LLC. RaPower3 put into service your equipment for 15 solar lenses on or before December 31, 2013. This will qualify you for the Internal Revenue Service solar energy tax credit.

(However for your personal information, Section 103 Div.B Energy Credit (code Sec.48), "For projects whose construction time is expected to equal or exceed two years, the Credit may be claimed as is placed in service.")

We appreciate your business and look forward to the opportunity to work with you to help solve our nation's energy needs. If you have any questions you may correspond with us at the below address.

Respectfully Yours,

RaPower3 LLC

Greg Shepard

Chief Director of Operations

Gray Stepart

RaPower3 LLC

4035 S. 4000 W.

Deseret, Utah 84624

IAUS TECHNOLOGY OVERVIEW

Small footprint

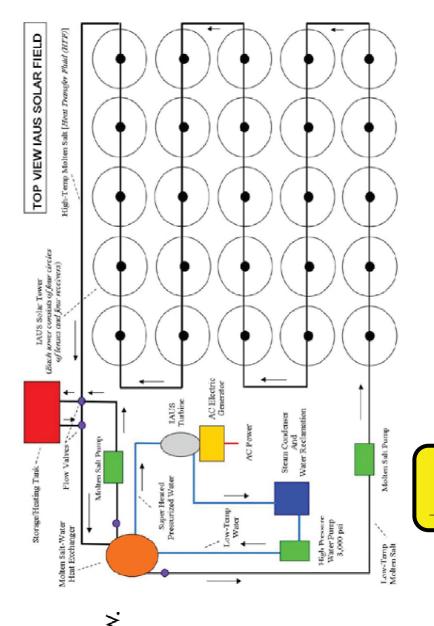
Needs only 4 acres per MW.

All field lines are low pressure. Safe for the environment.

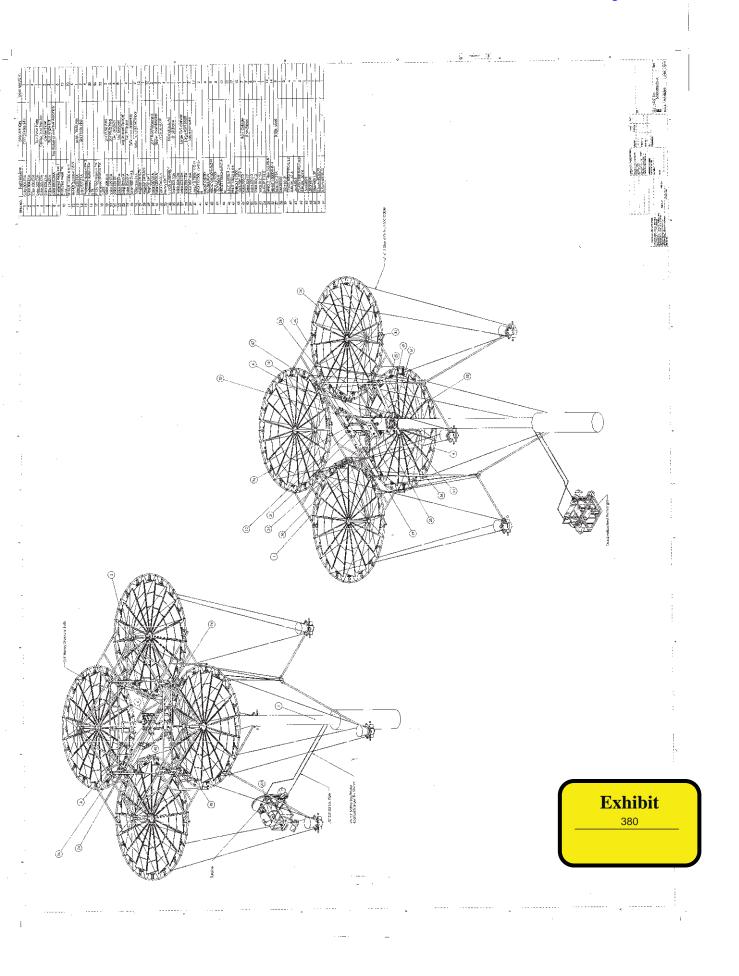
Safe for the grid.

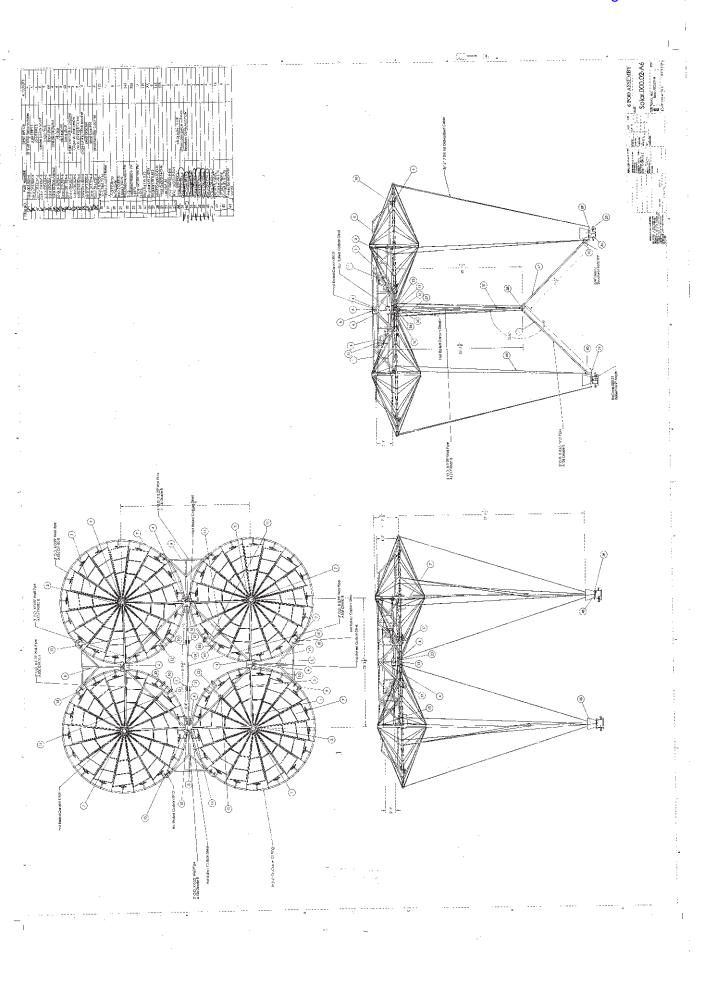
Short construction time.

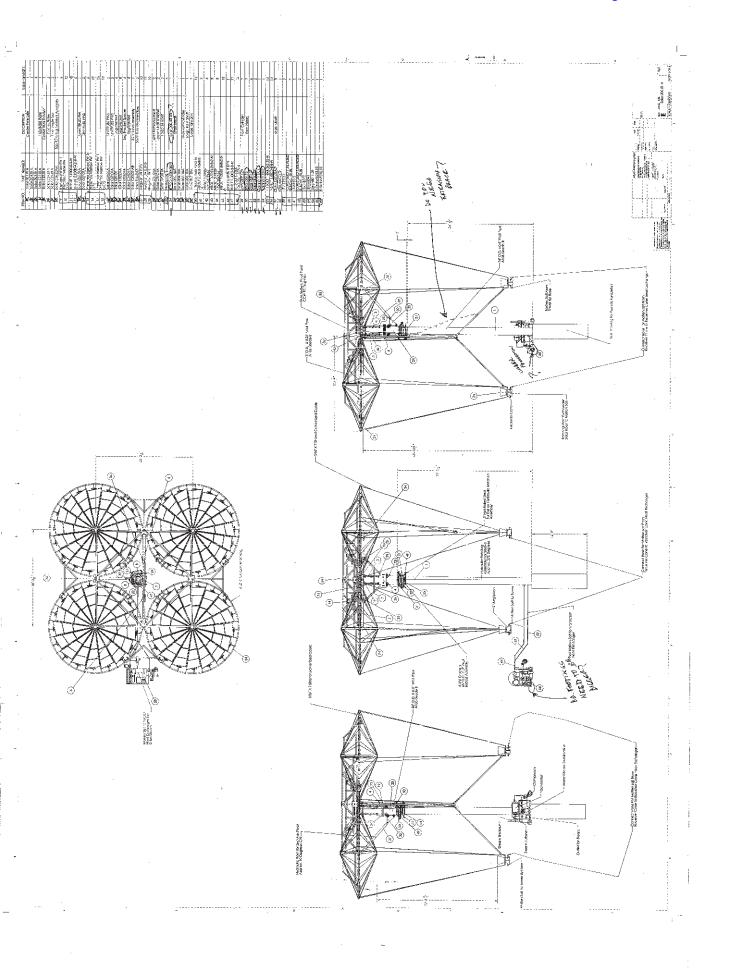
Modular design – build as you go.

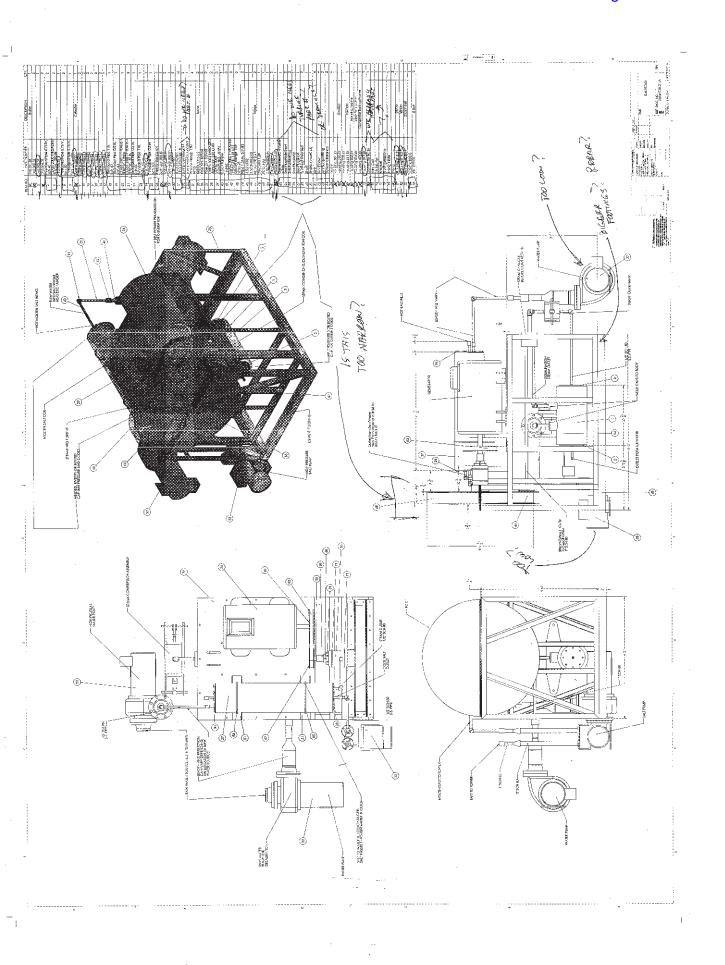


Plaintiff Exhibit 379

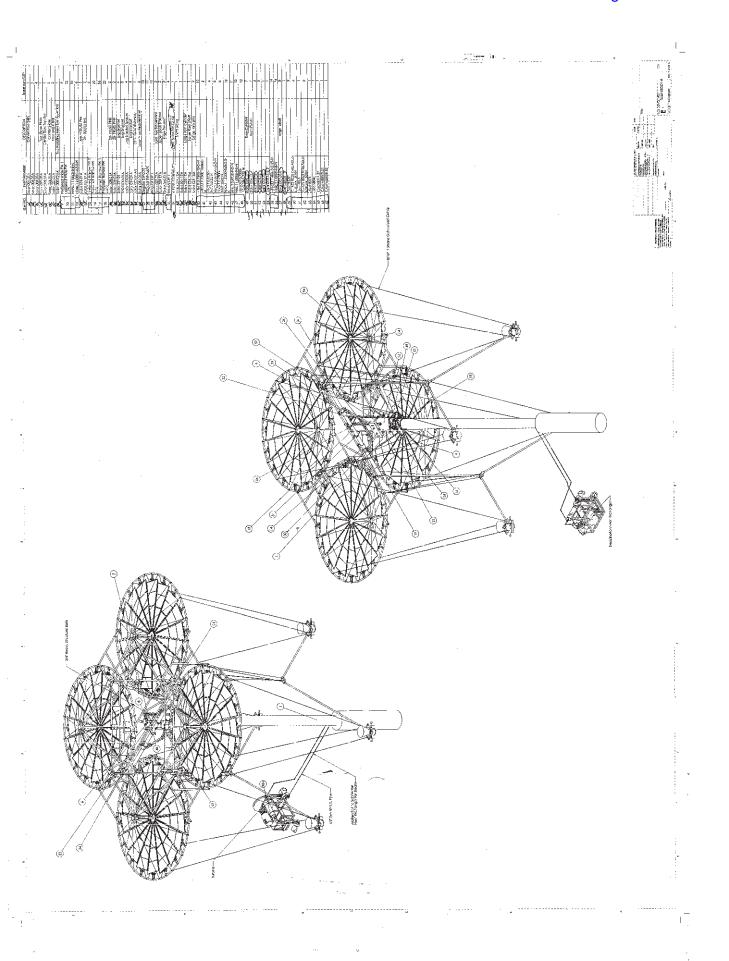


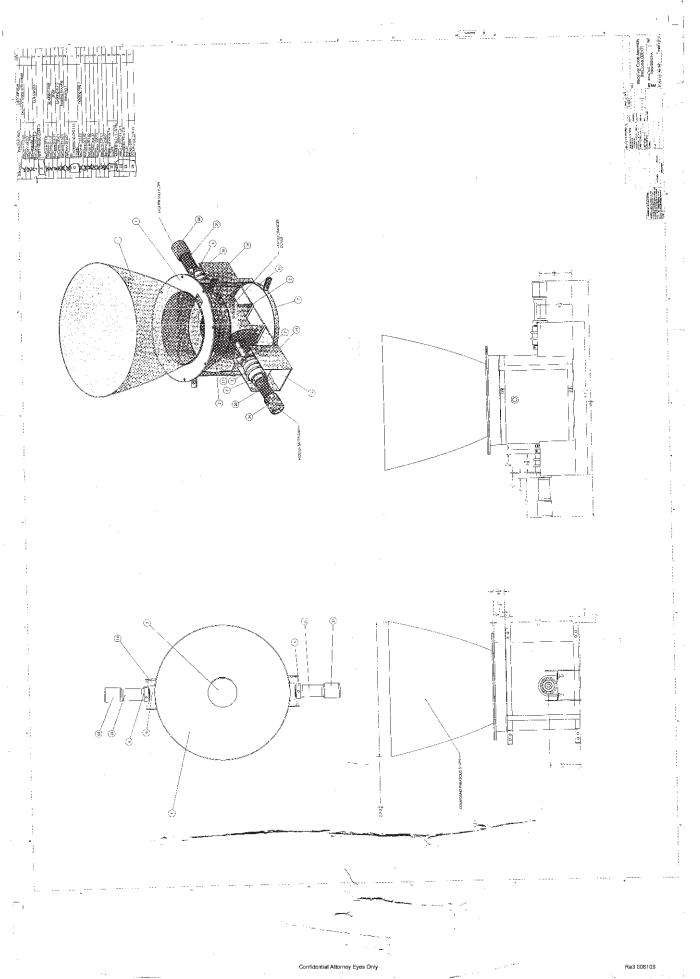






Ra3 008107





2012 RaPower3 Convention Schedule

Monday June 25th Salt Lake City Library

210 East 400 South

Leadership Meeting: 6:30 PM to 8:30 PM: For RaPower3 Team Members who want to build a dynamic successful business through our RaPower3 Network Marketing Business Model. Featuring Greg Shepard's Five Power Axioms for Success. Seating limited to 40.

Tuesday June 26th Salt Lake City Library Auditorium

www.slcpl.org/branches/view/Main+Library www.slcpl.org/rooms/

8:15 AM: Registration

- 9:00 AM: Welcome-Introductions
- 9:10 AM: Where we are at & what's been accomplished in the last year: R&D, Manufacturing, Construction and RaPower3 Team Membership
- 9:30 AM: The Ra3 role behind the scenes: Glenda Johnson & Roger Freeborn
- 10:00 AM: Breakthrough Technology #1 & #2: The evolution of the Solar Lenses, their refractive, mass production and efficiency capabilities along with their immense complexities and lower cost advantage. The Circuit Board with its revolutionary ability to smoothly regulate voltages from DC to AC and back to DC along with its great efficiency, low cost and mass production capabilities in a variety of markets. Randy Johnson

 Plaintiff
- 10:30 AM: Breakthrough Technology #3: The Turbine and its superior modular, mass production, and efficiency capabilities along with its lower cost advantage. Neldon Johnson
- 11:00 AM: Breakthrough Technology #4 & #5: Dual Axis Tracking System with its simplicity, efficiency and cost savings when tracking a thousand towers from a single computer. The Concentrators and their ability to create 2,500-degree temperatures for the inexpensive production of zinc batteries along with their low cost mass production capabilities. Neldon Johnson
- 11:30 AM: Breakthrough Technology #6 & #7: The Heat Exchangers & the Closed Loop System and their huge cost, mass production and efficiency advantage.

Confidential Attorney Eyes Only

Ra3 006425

Exhibit

215-A

The Biomass Energy System and their huge low cost, mass production and efficiency advantages in producing energy from waste, garbage or any form of biomass. **Neldon Johnson**

12:00 Noon Lunch Break (On own)

- 1:15 PM: Breakthrough Technology #8: The Zinc Battery with its IAS advantage in mass production, size, weight, cost and the far-ranging implications in the home, business and transportation energy markets. Neldon Johnson
- 1:45 PM: Breakthrough Technology #9 & #10: The evolution of the Frames to withstand 90 MPH winds. The Capacitors with their astonishing ability to rapidly and cheaply recharge lithium and zinc batteries used in transportation. Neldon Johnson
- 2:15 PM: Delta manufacturing and construction plans for 2012
 Other project plans both foreign and domestic plus a forecast on our Bonus Contracts; Neldon Johnson
- 2:45 PM: Tax Forms and RaPower3 team member's 2012 tax situations.
 Material Participation-Active/Passive Rules-Bryan Bolander CPA
- 3:30 PM: Mid-Level & High-Level Construction Companies:
- Kevin and Kory Jardine will share their insights on providing mid-level construction projects using local workers and Joseph Anderson former Bechtel manager of a number of hydro-electric projects will talk about the complexities of using a high-level construction company for bigger projects worldwide.
- 4:15 PM: Questions & Answers-Panel: Neldon Johnson-Greg Shepard-Roger Freeborn-Bryan Bolander-Joseph Anderson-Kevin and Kory Jardine
- 5:00 PM: Session Ends

Wednesday June 27th Field Trip

- * 9:00 AM: leave Salt Lake City for Delta
- * 10:45 AM: Meet at the gas station in Lynndyl
- * 11:00 AM: Look at the transmission lines going to California and going west
- * 11:10 AM Look right on way to Delta. See the smoke coming from coal plant
- * 11:15 AM: Field Trip to see the Manufacturing Plant

12:30 Noon: Lunch in Delta

- * 1:45 PM: Field Trip to the Project Site
- * 5:30 PM: Back in Salt Lake City

Confidential Attorney Eyes Only