

JUSTIN D. HEIDEMAN (USB #8897)
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*Attorney for RaPower-3, LLC,
International Automated Systems, Inc.,
LTB1, and Neldon Johnson*

**IN THE UNITED STATES DISTRICT COURT
IN AND 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.

**INTERNATIONAL AUTOMATED
SYSTEMS, INC.'S SUPPLEMENTAL
RESPONSES TO UNITED STATES'
FIRST INTERROGATORIES**

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

Judge David Nuffer
Magistrate Judge Evelyn Furse

**Plaintiff
Exhibit**
449

Defendant, International Automated Systems, Inc. ("IAUS"), by and through counsel undersigned, and pursuant to Fed. R. Civ. P. 33, hereby submits these *Supplemental Responses to United States' First Interrogatories* in response to the April 13, 2017 Order to Compel:

INTERROGATORIES

INTERROGATORY NO. 10: Identify the product (i.e. electricity, heat, hot water, cooling, desalinization, solar process heat or any other product) that the Lens, Systems, and Components are intended to produce, either in the past, currently, or in the future. To the extent that any

product has been produced or is being produced, identify when it was produced, in what form, in what measurable amount and the revenues received for such product.

RESPONSE NO. 10: IAUS does not produce any product. IAUS produces intellectual knowledge from the research and development (“R&D”) that is conducted, and the testing that is done. IAUS has produced some prototypes, but only as a part of, the research and development process. IAUS conducts all current testing and research. IAUS was not established for the purpose of producing an end product.

INTERROGATORY NO. 11: Identify what, and how many Lenses, Systems, and Components have been placed in service, as defined in 26 U.S.C. § 48(a)(1) and Treas. Reg. § 1.46-3(d). Your response should include the dates any Lens, System, or Component was placed in service.

RESPONSE NO. 11: IAUS does not place any Lenses, Systems, or Components into service. As such, IAUS is unable to provide further information on this interrogatory.

INTERROGATORY NO. 12: Identify the costs you incurred to produce each lens, including the cost of procuring materials and manufacturing the final product that you sold to customers.

RESPONSE NO. 12: IAUS does not incur any of the described costs as it does not produce the lenses or materials related thereto. As such, IAUS is unable to provide further information on this interrogatory. Verification associated with this response can be found in the public filings associated with IAUS. Specifically, the 10K and 10Q filings.

INTERROGATORY NO. 13: Identify how you determined the price each customer must pay per lens, to include the amount of profit, amount of down payment, and the terms of repayment.

RESPONSE NO. 13: IAUS has entered into a contract with RaPower3. According to the terms of this written agreement IAUS receives a revenue stream from RaPower3. IAUS

has relied upon the market analysis, job costing, and management evaluation outlined in Exhibit 1 attached to the *Defendant Neldon Johnson's response to the United States third Set of Interrogatories*. Additionally, the losses and costs outlined and identified in the public filings previously referenced are also taken into account when the pricing structure was being established.

INTERROGATORY NO. 18: Identify all attorneys or other tax advisors you consulted or from whom you received tax advice regarding any Lens, System, Component, including the dates consulted, the dates any advice was received, and the form of the advice (*i.e.* oral, email, memoranda, opinion letters, other written correspondence, etc.).

RESPONSE NO. 18: IAUS consulted with Kirton McConkie and the Todd Anderson Law Firm. These were the only attorneys used for legal advice regarding solar energy. Other attorneys were consulted before the entity itself was formed, but the concepts and issues of consultation did not address solar energy. Defendant IAUS did not use any tax advisors for consultation associated with tax advice. It is expressly affirmed that the sole advice upon which IAUS relied is stated in the opinion letters produced by Kirton & McConkie and The Todd Anderson Law Firm, which were posted for public view on the internet, and which Plaintiff's already have in their possession.

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VERIFICATION OF RESPONSES

As to Objections:

DATED and SIGNED May 3, 2017.

HEIDEMAN & ASSOCIATES

/s/ Justin D. Heideman

JUSTIN D. HEIDEMAN

Attorney for Defendants

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VERIFICATION OF RESPONSES

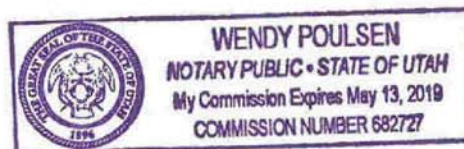
Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing Supplemental responses to the United States' First Interrogatories to International Automated Systems, Inc., are true and correct.


INTERNATIONAL AUTOMATED SYSTEMS, INC.

Sworn & Subscribed to before me, a notary public, this 3rd day of May, 2017.


NOTARY PUBLIC

My commission expires on 5-13-2019



CERTIFICATE OF SERVICE

On May 3, 2017, I hereby certify a true and correct copy of the forgoing **INTERNATIONAL AUTOMATED SYSTEMS, INC.'S SUPPLEMENTAL RESPONSES TO UNITED STATES' FIRST INTERROGATORIES** was served on the following:

Party/Attorney	Method
<p><i>Former Attorneys for Defendants</i> James S. Judd Richard A. Van Wagoner Rodney R. Parker Samuel Alba Snow Christensen & Martineau 10 Exchange Place 11th FL P.O. Box 45000 Salt Lake City, Utah 84145 Tele: (801) 521-9000 Email: jsj@scmlaw.com rvanwagoner@scmlaw.com rparker@scmlaw.com sa@scmlaw.com</p>	<p>Hand Delivery U.S. Mail, postage prepaid Overnight Mail Fax Transmission <input checked="" type="checkbox"/> Electronic Filing Notice</p>
<p><i>Attorney for Defendants</i> R. Gregory Shepard Roger Freeborn Donald S. Reay Reay Law PLLC 43 W 9000 S Ste B Sandy, Utah 84070 Tele: (801) 999-8529 Email: donald@reaylaw.com</p>	<p>Hand Delivery U.S. Mail, postage prepaid Overnight Mail Fax Transmission <input checked="" type="checkbox"/> Electronic Filing Notice</p>
<p><i>Pro Hac Vice Attorney for Plaintiff</i> Erin Healy Gallagher US Department of Justice (TAX) Tax Division P.O. Box 7238 Washington, DC 20044 Phone: (202) 353-2452 Email: erin.healygallagher@usdoj.gov</p>	<p>Hand Delivery U.S. Mail, postage prepaid Overnight Mail Fax Transmission <input checked="" type="checkbox"/> Electronic Filing Notice</p>

<p><i>Pro Hac Vice Attorney for Plaintiff</i> Erin R. Hines US Department Justice Central Civil Trial Section RM 8921 555 4th St NW Washington, DC 20001 Tele: (202) 514-6619 Email: erin.r.hines@usdoj.gov</p>	<p>Hand Delivery U.S. Mail, postage prepaid Overnight Mail Fax Transmission <input checked="" type="checkbox"/> Electronic Filing Notice</p>
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<p><i>Pro Hac Vice Attorney for Plaintiff</i> Christopher R. Moran US Department of Justice (TAX) Tax Division PO Box 7238 Washington, DC 20044 Tele: (202) 307-0234 Email: christopher.r.moran@usdoj.gov</p>	<p>Hand Delivery U.S. Mail, postage prepaid Overnight Mail Fax Transmission <input checked="" type="checkbox"/> Electronic Filing Notice</p>

HEIDEMAN & ASSOCIATES*/s/ Samantha Fowlks*

SAMANTHA FOWLKS

Legal Assistant