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Proposed Attorneys for Court-Appointed Receiver Wayne Klein

**UNITED STATES DISTRICT COURT FOR THE DISTRICT OF UTAH
CENTRAL DIVISION**

UNITED STATES OF AMERICA,

Plaintiff,

v.

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

Defendants.

**MOTION FOR ORDER AUTHORIZING
RECEIVER TO EMPLOY
ACCOUNTANTS**

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

The Honorable David Nuffer

Wayne Klein, the Court-Appointed Receiver (the “Receiver”) of RaPower-3 LLC (“RaPower-3”), Neldon Johnson, International Automated Systems Inc. (“IAS”), LTB1 LLC (“LTB1”), and R. Gregory Shepard, together with any and all subsidiaries and affiliated entities, including but not limited to, SOLCO I, LLC; XSun Energy, LLC; Cobblestone Centre, LC; DCL-16A, Inc.; DCL16BLT, Inc.; LTB O&M, LLC; N.P. Johnson Family Limited Partnership; Shepard Energy; Shepard Global, Inc.; Solstice Enterprises; Black Night Enterprises; and

Starlight Enterprises, respectfully requests that the Court authorize him to engage the forensic accounting firm of Lone Peak Valuation Group (“Lone Peak”), to perform forensic accounting and investigative services. In support hereof, the Receiver states as follows:

1. On October 31, 2018, the Court entered the Receivership Order [Docket No. 490]. Paragraph C(f) of the Receivership Order authorizes the Receiver to employ “accountants” to assist in the administration of the receivership, and section N of the Receivership Order requires Court approval to engage such professionals.

2. The Receiver requests by this Motion an Order authorizing him to engage Lone Peak and as accountants to assist him in performing his duties on behalf of the receivership estate as of the date of the entry of the Receivership Order appointing the Receiver—October 31, 2018.

3. Prior to his appointment, the Receiver communicated his intention to the Court to hire Lone Peak. Lone Peak has agreed to discount its rates by 10% for this engagement. The discounted rates will range from \$225 to \$90 per hour. The Receiver has entered into a written agreement with Lone Peak setting forth the rates to be charged. This agreement will be provided to the Court on request. The compensation of Lone Peak will be overseen by the Court pursuant to section N of the Receivership Order.

4. The Receiver has discovered a matter that he believes should be brought to the attention of the Court in connection with this motion. In performing a check for possible conflicts of interest for all of the subsidiaries and affiliates of RaPower-3, Lone Peak discovered that in 2011, Lone Peak performed a “Fair Market Value Analysis” of Neldon Johnson’s interest in the NP Johnson Family Limited Partnership. That analysis valued Johnson’s interest in the family limited partnership in connection with a proposed agreement relating to warrants being issued by International Automated Systems. Lone Peak has performed no other work for

Johnson since 2011. Lone Peak believes this valuation of an interest in the family limited partnership in 2011 does not create a conflict of interest that should prevent it from serving as forensic accountants to the Receiver and that disclosure of the prior single asset valuation does not impair Lone Peak's ability to perform its work in an impartial manner. After reviewing this disclosure, the Receiver believes that Lone Peak still is the best firm to act as forensic accountants to the Receivership. After his appointment, the Receiver notified counsel for the United States of the prior valuation given by Lone Peak. Counsel for the United States has informed the Receiver that it has no objection to his recommending Lone Peak as forensic accountants for the Receivership Estate.

5. Lone Peak agrees that it will abide by the Receivership Order and all applicable law in seeking compensation and reimbursement of expenses in this case.

Accordingly, the Receiver hereby requests that the Court grant this Motion and authorize the Receiver's engagement of Lone Peak as described above.

A proposed Order is submitted herewith.

DATED this 2nd day of November, 2018.

PARR BROWN GEE & LOVELESS

/s/ Jonathan O. Hafen
Jonathan O. Hafen
Joseph M.R. Covey
Cynthia Love
Michael S. Lehr
Proposed Attorneys for Receiver

CERTIFICATE OF SERVICE

IT IS HEREBY CERTIFIED that service of the above **MOTION FOR ORDER AUTHORIZING RECEIVER TO EMPLOY ACCOUNTANTS** was electronically filed with the Clerk of the Court through the CM/ECF system on November 2, 2018, which sent notice of the electronic filing to all counsel of record and by hard copy of the same being delivered via U.S. Mail, postage prepaid, to the following:

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