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**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.

**[PROPOSED] AMENDED
RECEIVERSHIP ORDER**

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

District Judge David Nuffer

ORDER

The Corrected Receivership Order in this matter took exclusive jurisdiction and possession of all assets of the Receivership Entities “together with assets proven to be proceeds of activities of Receivership Defendants in possession of any and all subsidiaries and affiliated entities.”¹ The

¹ [Docket No. 491](#), filed November 1, 2018 at ¶ 2.

Corrected Receivership Order extended the asset freeze imposed on Receivership Defendants “to include the subsidiaries and affiliated entities of the Receivership Defendants for the purpose of permitting the Receiver to investigate the assets, property, property rights, and interests of the subsidiaries and affiliated entities (‘Extended Asset Freeze’).”²

The Receiver was directed to “investigate all subsidiaries and affiliates of the Receivership Defendants to determine whether the assets, property, property rights, or interests of the subsidiaries and affiliated entities derive from the abusive solar energy scheme at issue in this case or from an unrelated business activity.”³ The Receiver was directed to file a “report and recommendation . . . as to whether the receivership should be extended to any of the investigated subsidiaries and affiliated entities”⁴ or to entities other than the identified affiliates.⁵

The Receiver filed his Report and Recommendation on Inclusion of Affiliates and Subsidiaries in Receivership Estate (“Report and Recommendation”) on February 25, 2019⁶ and a Motion to Include Affiliates and Subsidiaries in the Receivership Estate (“Motion”) on March 1, 2019.⁷ The Report and Recommendation and the Motion seek inclusion in the Receivership Estate of the 12 subsidiaries and affiliates listed in ¶ 2 of the Corrected Receivership Order, along with U-Check, Inc., an additional entity controlled by Defendant Neldon Johnson.⁸

For the reasons set forth in the Receiver’s Report and Recommendation and his Motion and for good cause appearing,

² *Id.* at ¶ 5.

³ *Id.* (footnote omitted).

⁴ *Id.* at ¶ 6.

⁵ *Id.* at ¶ 5.

⁶ [Docket No. 581](#), filed February 25, 2019.

⁷ [Docket No. 582](#), filed March 1, 2019

⁸ *Id.*

IT IS HEREBY ORDERED that:

1. The Court takes exclusive jurisdiction and possession of all assets, of whatever kind and wherever situated, of the following entities (“Affiliate Receivership Entities”):

- a. Solco I, LLC;
- b. XSun Energy, LLC;
- c. Cobblestone Centre, LC;
- d. DCL-16A, Inc.;
- e. DCL16BLT, Inc.;
- f. LTB O&M, LLC;
- g. N.P. Johnson Family Limited Partnership;
- h. Shepard Energy;
- i. Shepard Global, Inc.;
- j. Solstice Enterprises;
- k. Black Night Enterprises, Inc.;
- l. Starlite Holdings, Inc.; and
- m. U-Check, Inc.

2. The asset freeze included in the Corrected Receivership Order is hereby continued for the Affiliate Receivership Entities.

3. The Affiliate Receivership Entities are hereby made a part of the existing Receivership Estate, which estate is being administered by Court-appointed receiver Wayne Klein (“Extended Receivership Estate”).

4. The directors, officers, managers, employees, trustees, investment advisors, accountants and other agents of the Affiliate Receivership Entities are hereby dismissed, and the powers of any general partners, directors, or managers are hereby suspended. Such persons shall have no authority with respect to the Affiliate Receivership Entities operations or assets, except to the extent as may hereafter be expressly granted by the Receiver or the Court.

5. No person holding or claiming any position of any sort with any of the Affiliate Receivership Entities shall possess any authority to act by or on behalf of any of the Affiliate Receivership Entities.

6. The Receiver shall have all powers, authorities, rights, and privileges heretofore possessed by the owners, members, shareholders, officers, directors, managers, and general and limited partners of the Affiliate Receivership Entities under applicable state and federal law, by the governing charters, bylaws, articles, or agreements in addition to all powers and authority of a receiver at equity.

7. In carrying out his responsibilities as Receiver over the Extended Receivership Estate, the Receiver shall have all control over assets, books, records, and accounts and all powers and rights granted to the Receiver in the Corrected Receivership Order.

8. The Receivership Defendants, their subsidiaries, any affiliated entities, any affiliated individuals (including spouses and other family members), and the past and present officers, directors, agents, managers, servants, employees, attorneys, accountants, general and limited partners, trustees, and any person acting for or on behalf of the Affiliate Receivership Entities shall cooperate with and assist the Receiver in the performance of his duties and

obligations relating to the Affiliate Receivership Entities to the same extent as required in the Corrected Receivership Order.

9. All persons having control, custody, or possession of any property or records of Affiliate Receivership Entities are hereby ordered to turn such property or records over to the Receiver to the same extent as required by the Corrected Receivership Order for Receivership Defendants.

10. As the holder of all ownership and management interests of the Affiliate Receivership Entities, the Receiver is granted power and authority to transfer all assets (including intellectual property and real estate) owned or controlled by foreign-based entities to the United States and to liquidate or abandon all foreign entities created by Receivership Defendants.

11. The stay of litigation in the Corrected Receivership Order shall apply to the Affiliate Receivership Entities to the same extent as Receivership Entities.

12. All other provisions of the Corrected Receivership Order shall apply to the Affiliate Receivership Entities to the same extent as Receivership Entities as necessary and appropriate to allow the Receiver to accomplish the duties required of him in the Corrected Receivership Order.

Signed _____, 2019.

BY THE COURT:

David Nuffer
United States District Judge