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

R. WAYNE KLEIN, as Receiver,

Plaintiff,

v.

NELSON SNUFFER DAHLE & POULSEN,
PC, a Utah professional corporation,

Defendant.

COMPLAINT

**(Ancillary to Case No. 2:15-cv-00828)
(General Order 19-003)**

Civil No. _____

Judge David Nuffer

R. Wayne Klein, the Court-Appointed Receiver of RaPower-3, LLC (“RaPower”), International Automated Systems Inc. (“IAS”), LTB1 LLC (“LTB1”) their subsidiaries and affiliates,¹ and the assets of Neldon Johnson (“Johnson”) and R. Gregory Shepard (“Shepard”),² (the “Receiver” or “Plaintiff”) in the case styled as *United States v. RaPower-3, LLC, et al.*,

¹ Collectively, unless stated otherwise, RaPower, IAS, LTB1, and all subsidiaries and affiliated entities are referred to herein as “Receivership Entities.” The subsidiaries and affiliated entities are: Solco I, LLC (“Solco”); XSun Energy, LLC (“XSun”); Cobblestone Centre, LC (“Cobblestone”); LTB O&M, LLC; U-Check, Inc.; DCL16BLT, Inc.; DCL-16A, Inc.; N.P. Johnson Family Limited Partnership (“NPJFLP”); Solstice Enterprises, Inc. (“Solstice”); Black Night Enterprises, Inc. (“Black Night”); Starlite Holdings, Inc. (“Starlite”); Shepard Energy; and Shepard Global, Inc.

² Collectively, RaPower, IAS, LTB1, Shepard, and Johnson are referred to herein as “Receivership Defendants.”

Case No. 2:15-cv-00828 (D. Utah) (Nuffer, J.) (the “Civil Enforcement Case”), hereby files this Complaint against Nelson Snuffer Dahle & Poulsen (“Nelson Snuffer” or “Defendant”).

A. STATEMENT OF THE CASE

1. Receivership Defendants were operated as an abusive tax fraud.³ The United States alleged, and the Court found, among other things, that the Receivership Defendants operated a massive tax fraud.⁴ Through this fraudulent scheme, Nelson Snuffer improperly received, directly or indirectly, at least \$2,236,573.95 from Receivership Entities either in cash or as sales proceeds from the more than 12 million shares of IAS stock granted to Nelson Snuffer. These transfers to Defendant were in furtherance of the massive tax fraud and without any legally recognized value for the transferred money or IAS stock. The Receiver seeks to recover, for the benefit of the Receivership Estate, the amounts improperly transferred to Nelson Snuffer.

B. PARTIES, JURISDICTION AND VENUE

2. Pursuant to a Receivership Order entered on October 31, 2018 in the Civil Enforcement Case (the “Receivership Order”),⁵ Plaintiff is the duly-appointed Receiver for Receivership Entities.⁶

3. Nelson Snuffer is a Utah professional corporation with its principal place of business in Sandy, Utah.

³ See *Findings of Fact and Conclusions of Law*, Civil Enforcement Case, [Docket No. 467](#), at 1 (“FFCL”), filed Oct. 4, 2018.

⁴ *Amended and Restated Judgment*, Civil Enforcement Case, [Docket No. 507](#), filed Nov. 13, 2018; see also FFCL. The Receivership Defendants have filed notices of appeal, which are pending.

⁵ Civil Enforcement Case, [Docket No. 490](#). A Corrected Receivership Order (“Corrected Receivership Order”), which corrected formatting errors, was entered the next day, [Docket No. 491](#).

⁶ Civil Enforcement Case, [Docket No. 636](#). The assets of 12 of these affiliates had been frozen by the initial Receivership Order.

4. Jurisdiction is proper in this Court pursuant to 28 U.S.C. §1367 and 28 U.S.C. § 754.

5. Venue is proper in this Court pursuant to 28 U.S.C. § 754 and 28 U.S.C. § 1391(b).

C. FACTS

1. The Abusive Tax Scheme

6. As the Court found in the Civil Enforcement Case: “For more than ten years, the Receivership Defendants promoted an abusive tax scheme centered on purported solar energy technology featuring ‘solar lenses’ to customers across the United States. But the solar lenses were only the cover story for what the Receivership Defendants were really selling: unlawful tax deductions and credits.”⁷

7. Receivership Defendants sold solar lenses emphasizing their purported tax benefits. Customers were told that they could “zero out” their federal income tax liability by buying enough solar lenses and claiming both a depreciation deduction and solar energy tax credit for the lenses.

8. The purported solar energy solar technology and solar lenses, however, did not work and could not generate energy.

9. Specifically, the Court found that the “purported solar energy technology is not now, has never been, and never will be a commercial grade solar energy system that converts sunlight into electrical power or other useful energy” and “[t]he solar lenses do not, either on

⁷ *Memorandum Decision and Order on Receiver’s Motion to Include Affiliates and Subsidiaries in Receivership*, Civil Enforcement Case, [Docket No. 636](#) at 4, quoting FFCL at 1.

their own or in conjunction with other components, use solar energy to generate marketable electricity.”⁸

10. Notwithstanding the fact the solar lenses and technology never worked, Receivership Defendants continued to sell solar lenses to customers emphasizing that customers would qualify for depreciation deductions and/or the solar energy tax credit.

11. Between 45,205 and 49,415 solar lenses were sold to customers.⁹ Receivership Defendants’ own transaction documents and testimony at trial showed that the gross receipts received by Receivership Defendants were at least \$32,796,196.00 and possibly much more.¹⁰

12. These lens sales constituted a massive tax fraud.¹¹ None of these solar lenses ever met the necessary elements to qualify for depreciation deductions or the solar energy tax credit.

13. Indeed, “[h]undreds, if not thousands” of customer lenses were not even removed from the shipping pallets.¹²

14. Based on these facts and others, the Receivership Defendants were enjoined from promoting their abusive solar energy scheme, were ordered to disgorge their gross receipts, and were required to turn over their assets and business operations to the Receiver.¹³

15. The Court held that the “whole purpose of . . . the ‘Receivership Entities’ . . . was to perpetrate a fraud to enable funding for Neldon Johnson. The same is true for other entities

⁸ FFCL at 49.

⁹ *Id.* at 14.

¹⁰ *Id.* at 15.

¹¹ *Id.*

¹² *Id.* at 55-56.

¹³ *Memorandum Decision and Order on Receiver’s Motion to Include Affiliates and Subsidiaries in Receivership*, Civil Enforcement Case, [Docket No. 636](#) at 4, citing *Memorandum Decision and Order Freezing Assets and to Appoint a Receiver*, Civil Enforcement Case, [Docket No. 444](#), filed August 22, 2018.

Johnson created, controls, and owns . . . including [Johnson-controlled affiliates]. Johnson has commingled funds between these entities, used their accounts to pay personal expenses, and transferred Receivership Property to and through them in an attempt to avoid creditors.”¹⁴

16. At all times relevant hereto, Neldon Johnson controlled or owned (either directly or indirectly) RaPower, IAS, LBT1, Solco, XSun, Solstice, Cobblestone, LTB O&M, DCL16BLT, DCL-16A, NPJFLP, U-Check, Black Night, and Starlite.

2. Nelson Snuffer’s Involvement with Receivership Entities

17. Nelson Snuffer has represented Receivership Defendants, in particular Neldon Johnson, IAS, and RaPower, for many years.

18. Areas where Nelson Snuffer has represented Receivership Defendants include:

- a. Neldon Johnson’s patent application and maintenance work;
- b. Neldon Johnson’s divorce;
- c. Neldon Johnson’s personal bankruptcy;
- d. Real estate work for Neldon Johnson, Glenda Johnson, and Receivership Entities;
- e. Insurance claims for Neldon Johnson;
- f. Estate planning for Neldon Johnson and family;
- g. Various lawsuits on behalf of Neldon Johnson, Glenda Johnson, and Receivership Entities;

¹⁴ *Id.* at 4-5, citing FFCL and *Receiver’s Report and Recommendation on Inclusion of Affiliates and Subsidiaries in Receivership Estate*, Civil Enforcement Case, [Docket No. 581](#).

h. Disputes regarding personal tax assessments of Neldon Johnson and family members;

i. Work on IAS annual reports, financial reports, and various other work related to IAS stock;

j. Work for IAS and RaPower regarding the solar energy scheme including legal research on tax issues, preparing white papers, and drafting agreements.

19. Nelson Snuffer also represented Receivership Defendants in the Civil Enforcement Case and in the appeal pending before the Tenth Circuit Court of Appeals.

20. In addition to representing Receivership Defendants and Entities, Nelson Snuffer currently represents Neldon Johnson's wife and two sons, and numerous RaPower commission recipients in the actions the Receiver has filed to recover Receivership property.

21. Nelson Snuffer has also purported to represent various other Receivership Entities during the course of the Receivership.

22. As the preceding list shows, Nelson Snuffer was—and still is—deeply involved with Receivership Defendants, Entities, and other parties who are affiliated with the massive tax fraud.

3. Nelson Snuffer's Violations of Court Orders in Civil Enforcement Case

23. The Receivership Order, entered on October 31, 2018, states, among other things, that:

a. The Receiver has exclusive jurisdiction and possession of all assets, of whatever kind and wherever situated, of Receivership Defendants, together with assets

proven to be proceeds of activities of Receivership Defendants in possession of any and all subsidiaries and affiliated entities, including all Receivership Entities;¹⁵

b. The asset freeze placed on Receivership Defendants' at the close of trial and in the Court's August 22, 2018 Memorandum Decision was continued and expanded to include all Receivership Entities.¹⁶

c. All directors, officers, managers, employees, trustees, investment advisors, accountants, attorneys and other agents of RaPower, IAS, and LTB1 were dismissed and any authority such persons had with respect to RaPower, IAS, and LTB1 was removed.¹⁷

d. With the exception of a pending appeal, no person, other than the Receiver, is allowed to make any court filing or submissions on behalf of RaPower, IAS, and LTB1, and any filings made in the appeal or otherwise must be made from non- Receivership property and contain a sworn statement identifying the source of the funds used for the filing or submission.¹⁸

e. All civil legal proceedings involving the Receiver, in his capacity as Receiver, are stayed and no person is permitted to commence any such legal proceedings without further order of the Court.¹⁹

24. On May 3, 2019, the Court entered an order extending the Receivership Order and its terms to all Receivership Entities, including dismissing all attorneys and agents of any Receivership Entity.

¹⁵ Corrected Receivership Order at ¶¶ 2, 3, 11.

¹⁶ *Id.* at ¶ 5.

¹⁷ *Id.* at ¶ 9.

¹⁸ *Id.* at ¶ 10.

¹⁹ *Id.* at ¶ 44.

25. The Court found that the Receivership Entities had “engaged in transactions without objective economic justification or compliance with legal formalities, while concealing assets and withholding records from the Receiver.”²⁰

26. The Court also found that, in many instances, Receivership Entities’ only assets were tied to Receivership Defendants and ordered that all persons having control custody of possession of any property of Receivership Entities to turn such property over to the Receiver.

27. Nelson Snuffer has **repeatedly** violated these provisions and others of the Receivership Order and the Order extending the Receivership Order to all Receivership Entities, including:

- a. Failing to affirm under oath that filings made on behalf of Receivership Defendants were not made with Receivership property;
- b. Failing to identify the source of funds used to make filings or submissions;
- c. Failing to turn over Receivership property to the Receiver;
- d. Violating the stay by filing claims against the Receiver in his capacity as receiver;
- e. Assisting Neldon Johnson’s wife, Glenda Johnson in filing a wrongful lien on real property auctioned by the Receiver;
- f. Purporting to represent various Receivership Entities after being dismissed by court order;
- g. Failing to cooperate fully with the Receiver’s investigation; and

²⁰ *Memorandum Decision and Order on Receiver’s Motion to Include Affiliates and Subsidiaries in Receivership*, Civil Enforcement Case, Docket No. 636, filed May 3, 2019 at 5.

h. Interfering with the Receiver performing his duties.

4. Funds and IAS Stock Transferred to Nelson Snuffer

28. Nelson Snuffer received over \$3 million in funds from Receivership Entities and over 12 million shares in IAS stock that Nelson Snuffer sold for as much as \$6 million.

29. Many of these transfers qualify as voidable or fraudulent transfers under Utah Code §§ 25-6-1, *et seq.* or 25-6-101 *et seq.*

30. The Receiver seeks to recover, for the benefit of the Receivership Estate, the following amounts and transfers (“Transfers”) from Nelson Snuffer:

I. \$1 Million Transferred from XSun Energy to Nelson Snuffer

31. In 2012, \$1.498 million from the RaPower bank account at Zions Bank was removed and deposited into the XSun bank account at Wells Fargo. This transfer is an example of Receivership Defendants fraudulently commingling funds between Receivership Entities.

32. XSun provided no value for this transfer.

33. On June 25, 2018, Glenda Johnson, wife of Neldon Johnson, paid \$1 million to Nelson Snuffer from the XSun bank account. This transfer occurred three days after the trial in the Civil Enforcement Case concluded, where Judge Nuffer issued a ruling from the bench declaring that Receivership Defendants were operating a massive tax fraud scheme.

34. Without the \$1.498 million transferred from RaPower in 2012, XSun could not have made this transfer to Nelson Snuffer. The \$1 million can be directly traced to RaPower.

II. \$168,000 Transferred from the Solco Bank Account to Nelson Snuffer

35. On the same day as the \$1 million transfer above, June 25, 2018, Glenda Johnson transferred \$168,000 from the Solco bank account to Nelson Snuffer.

36. This transfer occurred three days after the trial in the Civil Enforcement Case concluded, where Judge Nuffer issued a ruling from the bench declaring that Receivership Defendants were operating a massive tax fraud scheme.

37. Because Judge Nuffer's bench ruling indicated that disgorgement of revenues would be ordered, Nelson Snuffer was under a duty to not expend monies that were likely the source of disgorgement that was to be ordered.

III. \$300,000 from Robert Johnson to Nelson Snuffer

38. On or about June 20, 2018, two days before the conclusions of trial in the Civil Enforcement Case, IAS delivered a check for \$2.25 million to Robert Johnson.

39. Upon information and belief, Robert Johnson is not related to Neldon Johnson.

40. In December 2018, Robert Johnson paid Nelson Snuffer \$150,000 to fund legal work for Receivership Defendants, Entities, and family members of Neldon Johnson.

41. In March 2019, Robert Johnson paid Nelson Snuffer \$150,000 in legal fees for Receivership Defendants, Entities, and family members of Neldon Johnson.

42. Without the \$2.25 million from IAS, Robert Johnson could not have paid Nelson Snuffer \$300,000.

43. These funds were traced to monies belonging to IAS, that were subject to the asset freeze.

44. Nelson Snuffer never disclosed the money it received from Robert Johnson in sworn statements in court filings or submissions.

IV. \$768,573.95 for Legal Work that Did Not Benefit Transferors

45. Based on the Receiver's investigation, Nelson Snuffer received at least \$1,962,835.45 in cash payments from Receivership Entities from 2009 to July 2018 in addition to as much as \$6 million in proceeds from sales of IAS stock by Nelson Snuffer between 2002 and 2012. This amount does not include the above amounts transferred from XSun, Solco, and Robert Johnson.

46. Of the amounts Nelson Snuffer received between 2002 and 2017, at least \$768,573.95 was for work that did not benefit or provide reasonably equivalent value to the Receivership Entity transferor. A document summarizing the \$768,573.95 in transfers is attached hereto as Exhibit A.

47. Instead Nelson Snuffer received payments for legal fees from IAS, RaPower, Cobblestone, and stock sales for work performed for Neldon Johnson personally, his family, and others.

48. The scope of this work included: patent applications and maintenance for patents of Neldon Johnson, Neldon Johnson's divorce, Neldon Johnson's personal bankruptcy, estate planning for Neldon Johnson and family, various litigation matters for Neldon Johnson and family, business formation documents for entities such as RLN Management, Voltcon, and foreign entities, and personal insurance claims.

V. Stock Transfers

49. Nelson Snuffer was issued over 12 million shares of stock and received as much as \$6 million in proceeds from the sale of IAS stock.

50. In addition to the IAS shares issued to Nelson Snuffer, a warrant for 500,000 shares was issued to David Nelson on July 25, 2017. A separate warrant for 500,000 shares was issued to Denver Snuffer on July 21, 2017. These warrants were for the personal benefit of David Nelson and Denver Snuffer.²¹

Nelson Snuffer's Knowledge and Receivership Entities' Insolvency

51. Nelson Snuffer has been deeply involved with the Receivership Entities for many years including involvement and work on various aspects of the fraudulent solar scheme.

52. Defendant's work on the fraudulent solar scheme included legal research regarding tax issues, preparing white papers, drafting agreements, and more.

53. Nelson Snuffer also did substantial work on IAS' annual reports and financial reports.

54. The annual reports Nelson Snuffer assisted in preparing contained material misrepresentations and omissions including:

a. Misrepresenting the stock ownership by insiders. The 2016 annual report falsely reports that Neldon Johnson owns 76% of outstanding shares when those shares were held by foreign corporations—a fact known by Nelson Snuffer because it drafted documents effecting those transfers;

b. Not disclosing the fact that the intellectual property rights which underlay the supposed solar generation program were owned by foreign entities—a fact known to Nelson Snuffer;

²¹ These warrants were never exercised and were delivered to the Receiver in July 2019.

c. Not disclosing Neldon Johnson's 2011 personal bankruptcy—a fact known to Nelson Snuffer;

d. Not disclosing the SEC's 2004 and 2005 injunctions against Johnson and family members.

55. Upon information and belief, Nelson Snuffer knew that Neldon Johnson and his family were using IAS, RaPower, and other Receivership Entity funds improperly, including:

a. Glenda Johnson's use of IAS and RaPower funds to purchase over a dozen pieces of real property in her name. In at least one instance, funds from the Nelson Snuffer trust account were sent to a title company to fund the purchase of real estate that was titled in the name of Glenda Johnson.

b. Transfers of funds from IAS and RaPower bank accounts to personal bank accounts of Neldon Johnson's family members and affiliated entities for no consideration and in an attempt to hide company resources from creditors.

c. The issuance of IAS stock to various persons and entities for no consideration and as a means to provide funding to benefit Neldon Johnson and his family.

56. Nelson Snuffer also knew that the Receivership Entities were insolvent at all relevant times hereto. Specifically, it knew or should have known that:

a. IAS's audited financial statements showed that IAS had never made any sales of any products, had not generated a profit since its 1986 inception, and had an accumulated deficit of more than \$40 million;

b. RaPower's revenue came from the sales of solar lenses to customers and that RaPower had promised that those lens purchasers would receive more in revenue from electricity generated from those solar lenses than what purchasers had paid for the lenses. As a result, if those lenses never generated any revenue from the sales of electricity, RaPower would be liable to those lens purchasers for the amount the customers paid for the lenses and for bonuses promised by RaPower;

c. XSun Energy's revenue came either as a result of agreements with other Receivership Entities or from third parties where XSun had liabilities to those third parties at least as great as the amount of revenues it received. XSun never earned any revenues from operations, other than transfers from affiliated entities in connection with the promotion of the abusive tax shelter; and

d. The vast majority, if not all, of Cobblestone's revenue came from Receivership Entities and were in connection with promotion of the abusive tax shelter. Upon information and belief, Cobblestone had no source of net revenues from third parties.

FIRST CLAIM FOR RELIEF

(Avoidance of Fraudulent Transfers Under Utah Code Ann. §§ 25-6-5(1)(a) and 25-6-8 or Utah Code Ann. §§ 25-6-202(1)(a) and 25-6-303)

57. The Receiver re-alleges and incorporates herein by reference each of the preceding allegations as if set forth completely herein.

58. The Receivership Entities were engaged in an enterprise with all of the characteristics of a fraud scheme.

59. The Receivership Entities, under the control of Neldon Johnson, made the Transfers to Nelson Snuffer in furtherance of the fraud scheme.

60. The Receivership Entities, under the control of Neldon Johnson, made the Transfers of IAS stock to Nelson Snuffer in furtherance of the fraud scheme.

61. At all relevant times hereto, each Receivership Entity that made the Transfers to Nelson Snuffer had at least one creditor.

62. At all relevant times hereto, Nelson Snuffer had extensive knowledge of the operations of Receivership Entities.

63. Based on Nelson Snuffer's extensive knowledge of Receivership Entities and the fraudulent scheme, Nelson Snuffer lacked good faith in accepting the Transfers.

64. At all relevant times hereto, Receivership Entities were insolvent.

65. Many of the Transfers were made after the end of trial in the Civil Enforcement Case.

66. The Transfers were paid and any obligations to Nelson Snuffer incurred with actual intent to hinder, delay or defraud a creditor of the Receivership Entities.

67. Pursuant to Utah Code Ann. §§ 25-6-5(1)(a) and 25-6-8 or Utah Code Ann. §§ 25-6-202(1)(a) and 25-6-303, the Receiver may avoid and recover the Transfers and recover the value of IAS stock paid to Nelson Snuffer.

SECOND CLAIM FOR RELIEF

(Avoidance of Fraudulent Transfers Under Utah Code Ann. §§ 25-6-5(1)(b) and 25-6-8 or Utah Code Ann. §§ 25-6-202(1)(b) and 25-6-303)

68. The Receiver re-alleges and incorporates herein by reference each of the preceding allegations as if set forth completely herein.

69. The Receivership Entities were engaged in an enterprise that has all of the characteristics of a fraud scheme.

70. The Receivership Entities, under the control of Neldon Johnson, paid the Transfers to Nelson Snuffer in furtherance of the fraud scheme.

71. The Receivership Entities, under the control of Neldon Johnson, made the Transfers of IAS stock to Nelson Snuffer in furtherance of the fraud scheme.

72. At all relevant times hereto, each Receivership Entity making Transfers to Nelson Snuffer had at least one creditor.

73. At all relevant times hereto, Nelson Snuffer had extensive knowledge of the operations of Receivership Entities.

74. Based on Nelson Snuffer's extensive knowledge of Receivership Entities and the fraudulent scheme, Nelson Snuffer lacked good faith in accepting the Transfers.

75. The Transfers were made or the obligations to Nelson Snuffer were incurred by the Receivership Entities without receiving a reasonably equivalent value in exchange for the Transfers or obligations.

76. At the time the Transfers were made, the Receivership Entities (a) were engaged or was about to be engaged in a business or transaction for which the remaining assets of the Receivership Entities were unreasonably small in relation to the business or transaction; or (b) intended to incur, or believed or reasonably should have believed that it would incur, debts beyond its ability to pay as such debts became due.

77. Pursuant to Utah Code Ann. §§ 25-6-5(1)(b) and 25-6-8 or Utah Code Ann. §§ 25-6-202(1)(b) and 25-6-303, the Receiver may avoid and recover the Transfers and recover the value of IAS stock paid to Nelson Snuffer.

THIRD CLAIM FOR RELIEF

(Avoidance of Fraudulent Transfers Under Utah Code Ann. §§ 25-6-6(1) and 25-6-8 or Utah Code Ann. §§ 25-6-203(1) and 25-6-303)

78. The Receiver re-alleges and incorporates herein by reference each of the preceding allegations as if set forth completely herein.

79. The Receivership Entities were engaged in a fraud scheme.

80. The Receivership Entities, under the control of Neldon Johnson, paid the transfers of money to Nelson Snuffer in furtherance of the fraud scheme.

81. The Receivership Entities, under the control of Neldon Johnson, made the transfers of IAS stock in furtherance of the fraud scheme.

82. Each Receivership Entity had at least one creditor at the time that the Transfers were made or the obligations to Nelson Snuffer were incurred.

83. At all relevant times hereto, Nelson Snuffer had extensive knowledge of the operations of Receivership Entities.

84. Based on Nelson Snuffer's extensive knowledge of Receivership Entities and the fraudulent scheme, Nelson Snuffer lacked good faith in accepting the Transfers.

85. The Transfers were paid or the obligations to Nelson Snuffer were incurred by the Receivership Entities without the Receivership Entities receiving a reasonably equivalent value in exchange for the Transfers or obligations.

86. The Receivership Entities were each insolvent at the time the Transfers were paid or the obligations were incurred, or became insolvent as a result of the Transfers or the obligations incurred.

87. Pursuant to Utah Code Ann. §§ 25-6-6(1) and 25-6-8 or Utah Code Ann. §§ 25-6-203(1) and 25-6-303, the Receiver may avoid and recover the Transfers and recover the value of IAS stock paid to Nelson Snuffer.

FOURTH CLAIM FOR RELIEF

(Avoidance of Fraudulent Transfers Under Utah Code Ann. §§ 25-6-6(2) and 25-6-8 or Utah Code Ann. §§ 25-6-203(2) and 25-6-303)

88. The Receiver re-alleges and incorporates herein by reference each of the preceding allegations as if set forth completely herein.

89. The Receivership Entities were engaged in a fraud scheme.

90. The Transfers were made as part of and in furtherance of a fraud scheme.

91. Each Receivership Entity had at least one creditor at the time that the Transfers from that Receivership Entity were made.

92. Nelson Snuffer was an insider of the Receivership Entities.

93. At all relevant times hereto, Nelson Snuffer had extensive knowledge of the operations of Receivership Entities.

94. Based on Nelson Snuffer's extensive knowledge of Receivership Entities and the fraudulent scheme, Nelson Snuffer lacked good faith in accepting the Transfers.

95. Transfers were made to the Nelson Snuffer for an antecedent debt.

96. The Receivership Entities were insolvent at the time all Transfers were made and, on information and belief, Nelson Snuffer had reasonable cause to believe that the Receivership Entities were insolvent.

97. Pursuant to Utah Code Ann. §§ 25-6-6(2) and 25-6-8 or Utah Code Ann. §§ 25-6-203(2) and 25-6-303, the Receiver may avoid and recover the Transfers and recover the value of IAS stock paid to Nelson Snuffer.

FIFTH CLAIM FOR RELIEF
(Breach of Fiduciary Duty)

98. The Receiver re-alleges and incorporates herein by reference each of the preceding allegations as if set forth completely herein.

99. As attorneys for IAS, RaPower and other Receivership Entities, Nelson Snuffer was in a fiduciary relationship with Receivership Entities.

100. Despite Nelson Snuffer's knowledge of the misuse of company funds of IAS and RaPower, Defendant continued to represent the Receivership Entities.

101. Nelson Snuffer failed to act in good faith when representing IAS, RaPower and other Receivership Entities.

102. Nelson Snuffer knew the IAS annual reports contained material misrepresentations and omissions.

103. Nelson Snuffer received payments from Receivership Entities for services it knew were for the personal benefit of Neldon Johnson and his family members.

104. Nelson Snuffer received and expended funds in its trust account belonging to XSun and Solco after knowing that those funds were likely the subject of an expected disgorgement order.

105. Nelson Snuffer knew Neldon Johnson and his family were misusing and transferring IAS and RaPower assets for their personal benefit and without legally recognized consideration.

106. Nelson Snuffer knew Neldon Johnson and other insiders were transferring IAS and RaPower funds to affiliated entities and other persons, to hide assets from creditors.

107. Nelson Snuffer failed to exercise reasonable care when representing Receivership Entities.

108. Nelson Snuffer helped prepare annual reports of IAS that contained material misrepresentations and omissions.

109. Nelson Snuffer's breach of fiduciary duty to Receivership Entities damaged the companies.

110. Defendant's breach enabled Neldon Johnson and other insiders to perpetuate the fraudulent scheme and transfer assets from IAS and RaPower to Neldon Johnson, insiders, commission recipients and others.

SIXTH CLAIM FOR RELIEF
(Aiding and Abetting Breach of Fiduciary Duty)

111. The Receiver re-alleges and incorporates herein by reference each of the preceding allegations as if set forth completely herein.

112. As corporate officers and directors of IAS, RaPower, and other Receivership Entities, Neldon Johnson, LaGrand Johnson, and Randale Johnson owed the companies a fiduciary duty.

113. Neldon Johnson, LaGrand Johnson, and Randale Johnson breached their fiduciary duty by:

a. Transferring funds from IAS and RaPower bank accounts to personal bank accounts of Neldon Johnson's family members and affiliated entities for no consideration and in an attempt to hide company resources from creditors;

b. Issuing IAS stock to various persons and entities for no consideration and as a means to provide funding for the benefit Neldon Johnson and his family;

c. Submitting IAS annual reports with material misrepresentations and omissions.

114. These breaches damaged the companies.

115. The breaches enabled Neldon Johnson and other insiders to perpetuate the fraudulent scheme and transfer assets from IAS and RaPower to Neldon Johnson, insiders, commission recipients and others.

116. Nelson Snuffer was a knowing participant in the breaches of Neldon Johnson, LaGrand Johnson, and Randale Johnson.

SEVENTH CLAIM FOR RELIEF
(Unjust Enrichment)

117. The Receiver re-alleges and incorporates herein by reference each of the preceding allegations as if set forth completely herein.

118. The Transfers of money and IAS stock were comprised of property of Receivership Entities and were made by Receivership Entities in furtherance of the fraud scheme.

119. The Transfers in money and IAS stock conferred a benefit upon Nelson Snuffer.

120. Nelson Snuffer knowingly benefitted from the Transfers and the issuance and sale of IAS stock.

121. Allowing Nelson Snuffer to retain the Transfers would unjustly enrich it and would be inequitable.

122. Absent return of the Transfers, the Receivership Estate will be damaged by Nelson Snuffer's unjust enrichment and may have no adequate remedy at law.

123. Nelson Snuffer must disgorge the amount of the Transfers.

PRAYER FOR RELIEF

WHEREFORE, the Receiver prays for Judgment against Nelson Snuffer as follows:

A. Pursuant to the Receiver's First Claim for Relief, judgment avoiding the Transfers under Utah Code Ann. §§ 25-6-5(a)(1) and 25-6-8 or §§ 25-6-202(1)(a) and 25-6-303, and permitting Plaintiff's recovery of the value of the Transfers in the total amount of no less than \$2,236,573.95.

B. Pursuant to the Receiver's Second Claim for Relief, judgment avoiding the Transfers under Utah Code Ann. §§ 25-6-5(a)(2) and 25-6-8 or Utah Code Ann. §§ 25-6-202(1)(b) and 25-6-303, and permitting Plaintiff's recovery of the value of the Transfers in the total amount of no less than \$2,236,573.95.

C. Pursuant to the Receiver's Third Claim for Relief, judgment avoiding the Transfers under Utah Code Ann. §§ 25-6-6(1) and 25-6-8 or Utah Code Ann. §§ 25-6-203(1) and 25-6-303, and permitting Plaintiff's recovery of the value of the Transfers in the total amount of no less than \$2,236,573.95.

D. Pursuant to the Receiver's Fourth Claim for Relief, judgment avoiding the Transfers under Utah Code Ann. §§ 25-6-6(2) and 25-6-8 or Utah Code Ann. §§ 25-6-203(2) and

25-6-303, and permitting Plaintiff's recovery of the value of the Transfers in the total amount of no less than \$2,236,573.95.

E. Pursuant to the Receiver's Fifth Claim for Relief, a judgment permitting Plaintiff's recovery of the value of the amount in damages caused by Defendant's breach of fiduciary duty in an amount to be determined at trial.

F. Pursuant to the Receiver's Sixth Claim for Relief, judgment permitting Plaintiff's recovery of the value of the amount in damages caused by Defendant's aiding and abetting breach of fiduciary duty in an amount to be determined at trial.

G. Pursuant to the Receiver's Seventh Claim for Relief, judgment permitting Plaintiff's recovery of the value of the: (1) Transfers in the total amount of no less than \$2,236,573.95; (2) imposition a constructive trust for the benefit of the receivership estate on any and all transfers; and (3) disgorgement of the value of the transfers.

H. Judgment for pre-judgment interest, costs, and fees, including reasonable attorney's fees, as may be allowed by law.

I. For such other and further relief as the Court deems just and proper.

DATED this 31th day of October, 2019.

PARR BROWN GEE & LOVELESS, P.C.

/s/ Jeffery A. Balls
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Michael S. Lehr
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