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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.

**RECEIVER'S NOTICE OF SALE
RESULTS**

(Elk Ridge, Utah Home)

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

District Judge David Nuffer

R. Wayne Klein, the Court-Appointed Receiver (the "Receiver") for RaPower-3, LLC, International Automated Systems, and LTB1 (collectively, "RaPower"), and the assets of Neldon Johnson and R. Gregory Shepard, by and through his counsel, hereby files this *Notice of Sale Results (Elk Ridge, Utah Home)*. In support hereof, the Receiver states as follows:

1. On October 2, 2020, the Court entered an *Order Granting Receiver's Motion*

Seeking Authorization to Sell Elk Ridge, Utah Home Free and Clear of Purported Interests)¹ (the “Sale Order”), authorizing the private sale of certain real property described as a home located at 87 West Sky Hawk Way, located in Elk Ridge, Utah County, Utah (the “Real Property”), free and clear of interests.

2. The Receiver had acquired the property through a foreclosure, based on monies owed to International Automated Systems that were secured by the Property. The Receiver paid \$2,000 to the former owners in exchange for their agreement to vacate the home voluntarily. The Receiver paid \$234,270.11 to the mortgage holder, so the Receiver would have title unencumbered by debt. The Receiver spent \$13,360.37 for new carpets, paint, installation of a sprinkler system, and appliance repairs and also paid for utilities and lawn care during his control over the Property.

3. With approval of the Court,² the Receiver published notice of the proposed sale in the *Daily Herald*, a newspaper of general circulation in Utah County, Utah. The notice was published on August 11, 2020 and notice of the publication was filed with the Court.³ Notice also was provided on the Receiver’s website and via solicitations of potential real estate investors by electronic mail and regular mail.

4. No other bidders offered a higher bid as a result of the notice published in the newspaper.

5. The Court held a hearing on August 28, 2020 at which time the Receiver notified the Court that the original buyer (who had offered \$429,000) had failed to qualify for financing

¹ [Docket No. 1017](#), filed October 2, 2020.

² [Docket No. 988](#), filed August 7, 2020.

³ [Docket No. 1005](#), filed September 4, 2020.

and had withdrawn his offer for the Property. However, within days, the Receiver had received multiple, higher offers for the property and ultimately accepted an offer of \$446,000. The Receiver filed a supplemental motion seeking approval to sell the property to the substitute buyer.⁴

6. The sale of the Real Property to the substitute buyer (Shillingburg) closed on October 7, 2020. The following is a summary of the results of this sale.

Gross Sales Price	\$446,000.00
Wells Fargo Home Mortgage	-\$234,270.11
Appraisals and publication costs	-\$1,425.47
Payment to former owners	-\$2,000.00
Repairs and remodeling	-\$13,360.37
Utilities and lawn care	-\$1,577.50
2020 Property Tax	-\$2,200.23
Home warranty	-\$450.00
Real Estate Commissions	-\$24,530.00
Title Insurance	-\$2,269.00
Settlement Agent Fee, Escrow Fee	<u>-\$355.00</u>
NET SALES PROCEEDS	\$163,562.32

7. Because the mortgage payoff, repairs, sales expenses, and utilities were paid previously, from Receivership funds, the proceeds from the closing amounted to \$416,195.77. These proceeds will be deposited into the Receivership operating account.

DATED this 2nd day of November, 2020.

PARR BROWN GEE & LOVELESS

/s/ Michael S. Lehr
 Jonathan O. Hafen
 Michael S. Lehr
 Attorneys for Receiver

⁴ [Docket No. 1015](#), filed September 22, 2020.

CERTIFICATE OF SERVICE

IT IS HEREBY CERTIFIED that service of the foregoing was electronically filed with the Clerk of the Court through the CM/ECF system on November 2, 2020, which sent notice of the electronic filing to all counsel of record.

/s/ Michael S. Lehr