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*Attorneys for Court-Appointed Receiver R. Wayne Klein*

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

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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 SECOND MOTION  
REQUESTING ORDER APPROVING (1)  
PUBLIC SALE OF PROPERTY FREE  
AND CLEAR OF INTERESTS, (2)  
METHOD AND FORM OF  
PUBLICATION NOTICE, AND (3)  
PUBLIC AUCTION PROCEDURES**

**(Warehouse and 3.46-Acre  
Millard County Property: DO-4568-1)**

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

District Judge David Nuffer

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Pursuant to 28 U.S.C. §§ 2001(a) and 2002 and the *Corrected Receivership Order* (“Receivership Order”),<sup>1</sup> Court-Appointed Receiver R. Wayne Klein (the “Receiver”) hereby files this motion (the “Motion”) requesting that the Court authorize him to sell at public auction certain real property of the Receivership Estate. A proposed order (“Sale Order”) is submitted herewith and attached hereto as Exhibit A.

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<sup>1</sup> [Docket No. 491](#), filed November 1, 2018.

## I. FACTUAL BACKGROUND

1. On October 31, 2018, the Receivership Estate was created with the entry of the Receivership Order.<sup>2</sup> Pursuant to the Receivership Order, the Receiver was appointed, and all of the Receivership Defendants' assets were placed in the Receiver's control.<sup>3</sup>

2. The Court has directed and authorized the Receiver to do, among other things, the following:

- “[D]etermine the nature, location and value of all property interests of each of the Receivership Defendants . . . .”<sup>4</sup>
- “To take custody, control and possession of all Receivership Property and records. . . .”<sup>5</sup>
- “To manage, control, operate, and maintain the Receivership Property and hold in his possession, custody, and control all Receivership Property, pending further order of this Court.”<sup>6</sup>
- “[T]o take immediate possession of all real property of the Receivership Defendants . . . .”<sup>7</sup>
- “[L]ocate, list for sale or lease, engage a broker to sell or lease, cause the sale or lease, and take all necessary and reasonable actions to cause the sale or lease of all real property in the receivership estate, either at public or private sale, on terms and in the manner the Receiver deems most beneficial to the receivership estate and with due regard to the realization of the true and proper value of such real property.”<sup>8</sup>
- “[S]ell and transfer clear title to all real property in the receivership estate,” upon order of the Court “in accordance with such procedures as may be required by this Court and additional authority, such as 28 U.S.C. §§ 2001 and 2002.”<sup>9</sup>

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<sup>2</sup> [Docket No. 490](#). The Corrected Receivership Order was filed on November 1, 2018. See [Docket No. 491](#).

<sup>3</sup> See generally, *id.* On May 3, 2019, the Receivership Estate was expanded to include 13 affiliated entities. See [Docket No. 636](#).

<sup>4</sup> [Docket No.491](#) at ¶ 13(a).

<sup>5</sup> *Id.* at ¶ 13(b).

<sup>6</sup> *Id.* at ¶ 13(c).

<sup>7</sup> *Id.* at ¶ 20.

<sup>8</sup> *Id.* at ¶ 55.

<sup>9</sup> *Id.* at ¶ 56.

**II. REAL PROPERTY TO BE SOLD AT AUCTION AND STALKING HORSE BID**

**Description of Property**

3. The Receivership Order identifies and makes numerous real properties owned by Receivership Defendants part of the Receivership Estate.<sup>10</sup> The Turnover Order<sup>11</sup> brought additional real properties into the Receivership Estate, including the property subject to the instant Motion.<sup>12</sup>

4. Relevant to this Motion is a warehouse and 3.46-acre parcel of real property located in Millard County, Utah (“Property”), identified by parcel number DO-4568-1, and also described as follows:

Commencing at a point located north 89°33’23.5” east 1080.19 feet along the quarter section line from the west quarter corner of section 34, township 17 south, range 7 west, salt lake base and meridian; thence north 00°41’09.5: east 77.73 feet; thence north 36°08’16” east 161.44 feet; thence north 69°36’58” east 49.80 feet; thence north 34°49’13.5” east 67.18 feet to an existing fence line; thence north 65°24’28” east 195.30 feet along an existing fence line; thence north 67°05’16” east 90.54 feet along an existing fence line; thence south 30°31’07” east 1000.20 feet; thence south 25°26’12” west 234.94 feet to the north shoulder of an existing county road; thence north 77°51’02” west 12.17 feet along said north shoulder of the existing county road; thence along a curve to the left 22.87 feet with a radius of 43.026 feet and a chord bearing and distance of south 86°55’28.5” west 22.60 feet along said north shoulder of the existing county road; thence south 71°41’59” west 41.15 feet along said north shoulder of the existing county road to the west right-of-way line of the Union Pacific railroad; thence south 25°26’12” west 94.045 feet along said Union Pacific right-of-way to quarter section line; thence south 25°26’12” west 362.64 feet along said Union Pacific railroad right-of-way; thence along a curve to the left 351.22 feet with a radius of 706.78 feet and a chord bearing and distance of north 20°37’37” west 347.618 feet to the quarter section line and the point of beginning.

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<sup>10</sup> *Id.* at ¶ 20.

<sup>11</sup> *Memorandum Decision and Order Granting Turnover Motion; Denying Motion to Strike; Overruling Objection to Authentication of Exhibits; and Overruling Objection to Rejection of Reputed Contract*, Docket No. 1007, filed September 15, 2020.

<sup>12</sup> *Id.* at 47-48.

Excepting: any portion within the boundary of the county road right-of-way and the Union Pacific right-of-way.

\* \* \* \* reserving unto the grantor any and all water rights \* \* \* \*.<sup>13</sup>

5. The Property contains a warehouse consisting of multiple connected buildings as well as some detached sheds and silos. The equipment, metals, tools, vehicles, and supplies that were in the warehouse or on the Property have been sold separately—with the exception of approximately 68 pallets of plastic lenses that were manufactured by Plaskolite LLC and sold to RaPower. These pallets of plastic are still stored at the Property. The sale to the buyer gives the Receiver the option to exclude the Plaskolite-manufactured lenses up to the date of closing.

6. Water needs for the Property are supplied by a special services district. Originally, there were separate water rights associated with the Property (#68-2188), but water rights were retained by the seller who sold the Property to Glenda Johnson. As a result, the Property does not include any water rights.

### **Appraising the Property**

7. On May 13, 2020, the Receiver filed a motion seeking to appoint an appraiser for the Property.<sup>14</sup> The Court granted the motion and approved the appointment of Thomas V. Boyer of TVB Management Company (“Appraiser”).<sup>15</sup>

8. The Appraiser completed and submitted his appraisal of the Property (the “Appraisal”) to the Receiver, excerpts of which are attached hereto as Exhibit B. The Appraiser valued the Property at \$325,280.<sup>16</sup>

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<sup>13</sup> *Id.* at ¶ 20(j).

<sup>14</sup> Docket No. 922, filed May 13, 2020.

<sup>15</sup> Docket No. 963, filed on April 9, 2019.

<sup>16</sup> See Appraisal Report, Ex. B, at 2. Millard County’s 2021 assessed value for the Property is \$221,677.

9. The Receiver obtained a survey of the Property on May 26, 2021.

**Stalking Horse Bid**

10. As part of his diligence into a potential sale of the Property, the Receiver contacted a local real estate broker about the Property. On October 14, 2020, the Receiver entered into a listing agreement with Lauri Mathews of Signature Real Estate Services (the “Broker”) to assist with the marketing and sale of the Property.

11. In March 2021, the Receiver received an offer of \$300,000 for the Property. He moved for approval to sell the property at auction,<sup>17</sup> which the Court approved.<sup>18</sup> An auction was held on June 3, 2021, with the stalking horse bidder being the high bidder. The buyer subsequently failed to close on the sale, claiming the investors who supported his offer had withdrawn their support. The buyer forfeited his earnest money deposit.

12. In August 2021, another buyer made an offer of \$300,000 for the Property, giving a \$30,000 earnest money deposit. However, that buyer withdrew his offer during the due diligence period, deciding that too much work was needed for the warehouse to be usable.

13. On September 16, 2021, the Receiver lowered the listing price of the Property to \$275,000.

14. In January 2022, two potential buyers expressed interest in the Property. However, one buyer needed county approval and a possible zoning change and the other potential buyer needed financing. The Receiver offered to work with the first potential buyer to obtain county approval and a zoning change and told the second buyer the Receiver is willing to

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<sup>17</sup> Docket no. 1112, filed March 30, 2021.

<sup>18</sup> Docket no. 1119, filed April 26, 2021.

consider an offer that is conditioned on financing. Neither potential buyer submitted an offer.

15. As a result of continued marketing efforts, the Receiver has received an offer from Bud's Equipment Sales (the "Buyer") to purchase the Property for \$215,000.

16. The proposed sale price is 66% of the appraised value of the Property. In light of the numerous showings of the Property, the failed and withdrawn offers, and the responses of potential buyers upon inspection of the Property, the Receiver and Broker believe this offer likely represents the best offer that will be received in the near future for this Property.

Accordingly, the Receiver entered into a conditional Real Estate Purchase Contract ("Purchase Agreement") with the Buyer on or about May 5, 2022, subject to Court approval and higher or better offers.

17. The Receiver proposes to use this offer as a stalking horse bid (the "Stalking Horse Bid") at the public auction described below.

#### **Sales Costs and Net Sale Proceeds**

18. The Receiver anticipates paying at the time of the Property's closing the ordinary costs of sale, including market-rate closing costs and a standard 6% real estate commission to the Broker.<sup>19</sup> The gross sale proceeds, less the costs of sale and taxes are referred to herein as the "Net Sale Proceeds."

19. Any other financial interests against the Property (to the extent they exist and without any waiver of the Receiver's or the Receivership Estate's rights and defenses related thereto) will survive the sale and will attach to the Net Sale Proceeds.

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<sup>19</sup> 2021 property taxes have been paid. The Receiver will pay a pro-rata share of 2022 property taxes.

20. The Receiver will separately account to the Court for the Net Sale Proceeds pending resolution of any disputes related to interests that may exist against the Property.

**Free and Clear Sale**

21. The Receiver proposes to sell the Property free and clear of all interests therein, with any interests that may exist attaching to the Net Sale Proceeds. In so doing, the Receiver is not in any way waiving any rights, claims, interests or defenses to any claims or interests made against the Property or the Net Sale Proceeds.

22. Any other financial interests against the Property, other than property taxes and closing costs, will not be paid at the time of closing. Rather, any such interests (to the extent they exist and without any waiver of the Receiver's or the Receivership Estate's right and defenses related thereto) will survive the sale and will attach to the Net Sale Proceeds.

23. A copy of this Motion is being served on the relevant taxing authority.

**Best Interests**

24. The Receiver believes that the sale of the Property at public auction with the Stalking Horse Bid is beneficial for and in the best interests of the Receivership Estate based on the appraised value of the Property and the amount of the Stalking Horse Bid, which was obtained through good faith and arms' length negotiations.

25. The Stalking Horse Bid is 66% of the appraised value of the Property. Through the proposed auction, the purchase price cannot go lower but may increase.

26. The sale of the Property will relieve the Receivership of the financial burdens of insuring the property, paying electric and water utility bills, and paying property taxes on the property.<sup>20</sup>

27. Notice of the auction described below will be published in the Millard County Chronicle Progress, a newspaper with regular circulation in Millard County, Utah, posted on the Receiver's website, provided to Defendants via the Court's electronic filing system, and sent by the Receiver to persons who the Receiver has identified as potentially having an interest in the Property.

28. Upon completion of the sale and after the conclusion of the public auction discussed below, the Receiver will file with the Court a "Notice of Sale Results," stating the purchase price that was obtained at public auction and reporting on the Net Sale Proceeds of the sale. This Notice of Sale Results will be served on those parties asserting an interest in the Property, if any.

**Portion of Sales Proceeds to be Held in Reserve**

29. The Turnover Order directed the Receiver to hold \$100,000 of the proceeds from the sale of the Property "in reserve, pending resolution of the Receiver's separate lawsuit against Glenda Johnson."<sup>21</sup>

30. The Receiver intends to file a separate motion with the Court requesting resolution of the \$100,000 to be held in reserve, rather than waiting for trial on the separate lawsuit against Glenda Johnson. However, until directed otherwise by the Court, the Receiver

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<sup>20</sup> These carrying expenses total approximately \$7,500 per year.

<sup>21</sup> Turnover Order at 51, ¶ 11 (footnote omitted).



will retain \$100,000 of the proceeds from the sale of the Property to satisfy any claims Glenda Johnson may have to those funds.

**III. RECEIVER'S PLANNED RETURN, SALE, OR ABANDONMENT OF PLASKOLITE PLASTIC STORED AT THE PROPERTY**

31. When the Property was turned over to the Receiver, it was filled with equipment, tools, supplies, metal, forklifts, and debris—as well as approximately 68 pallets of plastic lenses manufactured by Plaskolite LLC. The Receiver has sold all the contents of the warehouse and Property with the exception of these pallets of plastic.

32. The Receiver has filed a separate lawsuit against Plaskolite, seeking recovery of \$512,594.38 in funds that Receivership Entities paid to Plaskolite after Plaskolite was aware of the fraud investigation being conducted by the United States.<sup>22</sup> Plaskolite has informed the Receiver that the plastic lenses do not have meaningful value to Plaskolite and the Receiver believes the cost of shipping those lenses to Plaskolite would exceed the recyclable value of the lenses. Therefore, unless the Receiver succeeds in selling the lenses to another buyer or Plaskolite expresses a desire to reclaim those lenses, the Receiver intends to abandon the lenses at the warehouse.<sup>23</sup>

**IV. APPLICABLE LAW**

33. The Receivership Order, as set forth above, anticipates the relief sought by the Receiver herein and is within the scope of his duties under that Order.

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<sup>22</sup> *Amended Complaint*, Case No. 2:19-cv-832, docket no. 16, filed April 29, 2020.

<sup>23</sup> At one time, a potential buyer had offered \$7,000 for the plastic sheets, but that buyer failed to consummate the purchase. Until the closing of this sale, the Receiver will continue trying to sell these lenses. However, he does not believe the lenses have sufficient value to justify renting a new storage location and transporting the lenses in the hopes of selling them in the future.

34. Section 2001(a) of title 28 of the United States Code permits the Receiver to sell property of the Receivership Estate:

at public sale in the district wherein such receiver was first appointed, at the courthouse of the county, parish, or city situated therein in which the greater part of the property in such district is located, or on the premises or some parcel thereof located in such county, parish, or city, as such court directs. Such sale shall be upon such terms and conditions as the Court directs.

35. Section 2002 of title 28 of the United States Code requires that notice of such public sale be published, in relevant part:

once a week for at least four weeks prior to the sale in at least one newspaper regularly issued and of general circulation in the county, state, or judicial district of the United States wherein the realty is situated.

#### **IV. REQUESTED RELIEF**

36. The Receiver requests that the Court enter the proposed Sale Order attached as Exhibit A, thus (a) authorizing the sale of the Property free and clear of interests; (b) approving the form and method of publication notice as proposed herein; and (c) approving the proposed “Auction Procedures” described below and attached as Exhibit C.

#### **Sale Free and Clear of Interests**

37. Sale of the Property as proposed is within the scope of the Receiver’s authority under the Receivership Order as quoted in Paragraph 2 above and 28 U.S.C. §§ 2001(a) and 2002. The sale is also in the best interest of the Receivership Estate, and the sale serves the Estate’s purposes by providing a “realization of the true and proper value” of the Property.<sup>24</sup>

38. The Court may order a sale of the Property free and clear of interests, provided that parties claiming an interest against the Property are given proper notice. Here, such notice

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<sup>24</sup> See [Docket No. 491](#), Corrected Receivership Order, ¶ 55.

will be provided, with any interests that may ultimately be determined to exist attaching to the Net Sale Proceeds.

**Proposed Publication Notice**

39. To comply with the requirement of publication notice for public sales as set forth in 28 U.S.C. § 2002, the Receiver seeks approval of the method and form of publication notice of the proposed public sale.

40. Accordingly, the Receiver proposes that the following notice be published in the *Millard County Chronicle Progress*, which is a publication of general circulation in Millard County, Utah, once a week for a period of four weeks prior to the public sale (the “Publication Notice Time”):<sup>25</sup>

R. Wayne Klein, the court-appointed receiver (“Receiver”) for RaPower-3, LLC, International Automated Systems, Inc., and LTB1, LLC, as well as certain of their subsidiaries and affiliates, and the assets of Neldon Johnson and R. Gregory Shepard, in the civil case (“Case”) styled *United States v. RaPower-3, LLC*, No. 2:15-cv-00828-DN (D. Utah) gives notice of his intent to sell certain real property (“Property”) constituting a warehouse and 3.46 acres located in Millard County, UT, with parcel number DO-4568-1 through a public auction (“Auction”) to the highest bidder payable in lawful money of the United States on \_\_\_\_\_, 2022, at \_\_: \_\_.m. at the Fourth Judicial District Court in Millard County, 765 S. Highway 99, Ste. 6, Fillmore, UT, or as may be continued from time to time by the Receiver. The Property will be sold at the Auction free and clear of all interests, “as is,” with no representations or warranties. The Receiver has accepted an initial bid of \$215,000.00 to act as the opening “Stalking Horse Bid” at Auction. Only “Qualified Bidders” may participate in the Auction. To be a Qualified Bidder, you must, at least five business days before the Auction, comply with the “Auction Procedures” that have been approved in the Case, which Auction Procedures may be obtained upon request made to attorney Jeffery A. Balls, Parr Brown Gee & Loveless, 101 S. 200 E., Ste. 700, Salt Lake City, Utah 84111, [jballs@parrbrown.com](mailto:jballs@parrbrown.com).

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<sup>25</sup> By publishing notice in the *Millard County Chronicle Progress*, the notice will also be available on [www.utahlegals.com](http://www.utahlegals.com).

41. The Receiver maintains that the above proposed method and form of publication notice is in accordance with 28 U.S.C. §§ 2001(a) and 2002 and, therefore, should be approved.

**Proposed Auction Procedures**

42. The Receiver requests that the Court enter a Sale Order approving the following proposed procedures to govern the public sale (collectively, or as may be amended by the Court's Sale Order, the "Auction Procedures"), a copy of which is attached hereto as Exhibit C:

- a. The Receiver may conduct an auction of certain real property located in Millard County, UT, identified by parcel number DO-4568-1 (the "Property") at the conclusion of the Publication Notice Time (the "Auction") in accordance with these Auction Procedures.
- b. The Receiver will facilitate reasonable requests for inspections of the Property by interested parties prior to the "Bid Deadline" (defined below).
- c. The Receiver has received an offer to purchase the Property for \$215,000.00, subject to higher and better bids at the Auction. The Receiver is treating the offer as the opening bid at Auction and is referred to herein as the "Stalking Horse Bid."
- d. To participate in the Auction, the potential purchaser must be a "Qualified Bidder."
- e. No person will be deemed to be a Qualified Bidder unless the person:
  - i. Delivers to the Receiver for the benefit of the Receivership Estate cash or a cashier's check in the amount of \$5,000.00 as an initial deposit (all such deposits being collectively, the "Initial Deposit"), by no later than 5:00 p.m. Mountain Time at least five business days prior to the date set for the Auction (the "Bid Deadline");
  - ii. Agrees in writing that its Initial Deposit is non-refundable pending the Sale Closing Date (defined below) and will be applied as set forth in these Auction Procedures;
  - iii. Agrees in writing to the approved Auction Procedures;
  - iv. Represents and warrants in writing that it has the ability to perform at Auction and on the Sale Closing Date (defined below);

- v. Agrees in writing that the sale of the Property is “AS IS” with no representations and warranties; and
- vi. Appears in person or through a qualified agent at the Auction and performs at Auction, as determined in the sole discretion of the Receiver, as provided in these Auction Procedures.
- f. If no Qualified Bidders exist on the expiration of the Bid Deadline, the Receiver, in his sole discretion, need not conduct the Auction and may sell the Property to the holder of the Stalking Horse Bid. Such sale shall be deemed to be a sale of the Property at public auction under all applicable law.
- g. The Auction will take place at the Fourth District Court in Millard County, 765 South Highway 99, Fillmore, UT 84631.
- h. The Receiver will conduct the Auction. The Auction shall proceed in rounds. Bidding at the Auction shall begin with an initial minimum overbid of the Stalking Horse Bid in an amount of \$5,000.00 in cash, and shall subsequently continue in \$5,000.00 minimum cash overbid increments. However, the holder of the Stalking Horse Bid will be allowed to match any bid made by a Qualified Bidder without increasing such bid by the \$5,000.00 minimum cash overbid amount. Bidding will continue until the Receiver determines that he has received the highest and best offer for the Property, at which time he will close the Auction, with the person making the last bid prior to the Receiver’s close of the Auction bound to purchase the Property pursuant to the terms of the approved Auction Procedures (the “Successful Bidder”).
- i. Each Qualified Bidder and the holder of the Stalking Horse Bid agree that its last offer made is irrevocable until the date that sale of the Property closes to the Successful Bidder (the “Sale Closing Date”).
- j. Each Initial Deposit shall be retained by the Receiver until the Sale Closing Date. On the Sale Closing Date, the Initial Deposit of the Successful Bidder will be applied to the purchase price accepted at Auction by the Receiver. Within ten business days of the Sale Closing Date, the Receiver shall return all other Initial Deposits. In the event that the Successful Bidder’s sale does not close, the Receiver (i) shall retain the Initial Deposit of the Successful Bidder as damages, and (ii) the Qualified Bidder who made the next highest and best offer at Auction (the “Back-Up Bid”) shall be deemed the Successful Bidder. The Initial Deposit of the Qualified Bidder with the Back-Up Bid shall be applied by the Receiver to the purchase offer made at Auction. The Receiver may repeat the same Back-Up Bid procedure provided herein to each Qualified Bidder, in the order of the highest and best offers received at Auction.
- k. Immediately upon the close of the Auction, the Successful Bidder must (i) sign a

purchase agreement on terms materially similar to the terms of sale stated in the Stalking Horse Bid; and (ii) must deliver to the Receiver an additional non-refundable deposit of 50% of the purchase price accepted at Auction (the “50% Deposit”). In the event that the Sale Closing Date does not occur for the Successful Bidder, the Successful Bidder’s Initial Deposit and this 50% Deposit will be retained by the Receiver as damages.

43. The Receiver submits that the proposed Auction Procedures are permitted under 28 U.S.C. §§ 2001(a) and 2002 and, therefore, requests that the Court approve the same.

44. Counsel for the United States has informed the Receiver that it does not oppose the Receiver’s plans to sell this Property at auction.

**CONCLUSION**

For the reasons set forth herein, the Receiver requests that the Court enter the proposed Sale Order attached hereto as Exhibit A, thus (a) authorizing the sale of the Property free and clear of interests; (b) approving the form and method of publication notice as proposed herein; and (c) approving the proposed Auction Procedures attached hereto at Exhibit C. The Receiver also requests any other relief appropriate under the circumstances

DATED this 12<sup>th</sup> day of May 2022.

**PARR BROWN GEE & LOVELESS**

/s/ Jeffery A. Balls  
Jonathan O. Hafen  
Jeffery A. Balls  
*Attorneys for Receiver*

**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 May 12, 2022, which sent notice of the electronic filing to all counsel of record.

Notice also was sent by U.S. mail to:

Millard County Auditor  
50 South Main Street  
Fillmore, UT 84631

Neldon and Glenda Johnson  
PO Box 95332  
South Jordan, UT 84095

R. Gregory Shepard  
10672 Winter Haven Court  
South Jordan, UT 84095

/s/ Jeffery A. Balls

**Exhibit A**

**Exhibit A**

**Exhibit A**



*Prepared and Submitted by:*

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*Attorneys for Court-Appointed Receiver R. Wayne Klein*

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

Before the Court is *Receiver’s Second Motion Requesting Order Approving (1) Public Sale of Property Free and Clear of Interests, (2) Method and Form of Publication Notice, and (3) Public Auction Procedures* (the “Motion”) filed by R. Wayne Klein, the Court-Appointed Receiver (the “Receiver”) in the above-captioned case, related to the sale of certain real property located in Millard County, Utah (the “Property”), identified by parcel number DO-4568-1 and described as follows:

Commencing at a point located north 89°33’23.5” east 1080.19 feet along the quarter section line from the west quarter corner of section 34, township 17 south,

range 7 west, salt lake base and meridian; thence north  $00^{\circ}41'09.5$ : east 77.73 feet; thence north  $36^{\circ}08'16$ " east 161.44 feet; thence north  $69^{\circ}36'58$ " east 49.80 feet; thence north  $34^{\circ}49'13.5$ " east 67.18 feet to an existing fence line; thence north  $65^{\circ}24'28$ " east 195.30 feet along an existing fence line; thence north  $67^{\circ}05'16$ " east 90.54 feet along an existing fence line; thence south  $30^{\circ}31'07$ " east 1000.20 feet; thence south  $25^{\circ}26'12$ " west 234.94 feet to the north shoulder of an existing county road; thence north  $77^{\circ}51'02$ " west 12.17 feet along said north shoulder of the existing county road; thence along a curve to the left 22.87 feet with a radius of 43.026 feet and a chord bearing and distance of south  $86^{\circ}55'28.5$ " west 22.60 feet along said north shoulder of the existing county road; thence south  $71^{\circ}41'59$ " west 41.15 feet along said north shoulder of the existing county road to the west right-of-way line of the Union Pacific railroad; thence south  $25^{\circ}26'12$ " west 94.045 feet along said Union Pacific right-of-way to quarter section line; thence south  $25^{\circ}26'12$ " west 362.64 feet along said Union Pacific railroad right-of-way; thence along a curve to the left 351.22 feet with a radius of 706.78 feet and a chord bearing and distance of north  $20^{\circ}37'37$ " west 347.618 feet to the quarter section line and the point of beginning.

Excepting: any portion within the boundary of the county road right-of-way and the Union Pacific right-of-way.

\* \* \* \* reserving unto the grantor any and all water rights \* \* \* \*

Through the Motion, the Receiver is seeking (1) authorization to sell the Property at public sale to the highest and best offeror, free and clear of all interests, (2) approval of the form and method of publication notice, and (3) approval of the proposed auction procedures.

The Court has reviewed the Motion and together with the Exhibits attached thereto, all other papers filed related thereto, and applicable law. Based thereon and for good cause appearing,

**IT IS HEREBY ORDERED** that:

1. The Motion is GRANTED;
2. The sale of the Property free and clear of interests as set forth in the Motion to the proposed buyer or a higher and better offeror at auction is APPROVED.
3. The method and form of the publication notice as set forth in the Motion are

APPROVED. The following notice shall be published in the Millard County Chronicle Progress, a newspaper of general circulation throughout Millard County, Utah, once a week for a period of four weeks prior to the public sale:

R. Wayne Klein, the court-appointed receiver (“Receiver”) for RaPower-3, LLC, International Automated Systems, Inc., and LTB1, LLC, as well as certain of their subsidiaries and affiliates, and the assets of Neldon Johnson and R. Gregory Shepard, in the civil case (“Case”) styled *United States v. RaPower-3, LLC*, No. 2:15-cv-00828-DN (D. Utah) gives notice of his intent to sell certain real property (“Property”) constituting a warehouse and 3.46 acres located in Millard County, UT, with parcel number DO-4568-1 through a public auction (“Auction”) to the highest bidder payable in lawful money of the United States on \_\_\_\_\_, 2022, at \_\_:\_\_ .m. at the Fourth Judicial District Court in Millard County, 765 S. Highway 99, Ste. 6, Fillmore, UT, or as may be continued from time to time by the Receiver. The Property will be sold at the Auction free and clear of all interests, “as is,” with no representations or warranties. The Receiver has accepted an initial bid of \$215,000.00 to act as the opening “Stalking Horse Bid” at Auction. Only “Qualified Bidders” may participate in the Auction. To be a Qualified Bidder, you must, at least five business days before the Auction, comply with the “Auction Procedures” that have been approved in the Case, which Auction Procedures may be obtained upon request made to attorney Jeffery A. Balls, Parr Brown Gee & Loveless, 101 S. 200 E., Ste. 700, Salt Lake City, Utah 84111, [jballs@parrbrown.com](mailto:jballs@parrbrown.com).

4. The Auction Procedures described in the Motion and attached to the Motion as Exhibit C are APPROVED.

DATED this \_\_\_ day of \_\_\_\_\_, 2022.

**BY THE COURT:**

\_\_\_\_\_  
The Honorable David Nuffer  
U.S. District Court Judge

**Exhibit B**

**Exhibit B**

**Exhibit B**

**Subject:**  
**International Automated System Properties**  
**Millard County UT**

**Client:**  
**Wayne Klein, Receiver**  
**PO Box 1836**  
**Salt Lake City, UT 84110**

**Appraiser:**  
**TVB Management Company**  
**Thomas V. Boyer**  
**2200 Chalk Creek**  
**Coalville, Utah 84017**  
**(801) 376-4685**

**Effective Date of Appraisal:**  
**October 15, 2020**

# TVB Management Company

October 30, 2020

Wayne Klein, Receiver  
PO Box 1836  
Salt Lake City, UT 84110

Dear Wayne,

Based upon your request, I have inspected the International Automated System Properties in Millard County, Utah. I have investigated matters pertaining to the properties and have arrived at a conclusion of market value based on the data available. It is my opinion that the current market value of the properties as of October 15, 2020 is:

Description	Parcel Number	Acres	Total Value
Oasis Warehouse	DO-4568-1	3.46	\$325,280
Sherman Shores Home	DO-SS-136 & 137	0.58	\$376,678
Solar Farm Home & 5 Acres	HD-4606-2-1	5.00	\$247,313
Solar Farm	HD-4606-2	67.50	\$18,563
Solar Farm 80 ac	HD-4648	80.00	\$24,000
South Parcel	4805	160.00	
South Parcel	4806-A	640.00	
South Parcel	4806-B	320.00	\$322,560
Topaz	HD-3511	600.00	\$210,000
Topaz	HD-3511-1	40.00	\$17,000
Sugarville	MA-2662-B	360.00	\$103,680
Totals		2276.54	\$1,645,074

I certify that I have personally inspected the property, and I have no past, present or future anticipated interest in the property. The above value of the property is based upon the property being placed on the market for a period of twelve months.

My State of Utah general appraiser certification number is 5477369-CG00. This report conforms to the Uniform Standards of Professional Appraisal Practice (USPAP).

If I can provide additional information or assistance, please feel free to call. I appreciate the opportunity to be of service to you.

Sincerely,



Utah Certified General Appraiser  
Certificate # 5477369-CG00  
Expires 11/30/21

Thomas V Boyer, AFM, ARA, AAC

## SUMMARY - SALIENT FACTS AND CONCLUSIONS

**GENERAL LOCATION**

Delta, Millard County, Utah

**LEGAL DESCRIPTION**

Description	County	Parcel Number	Acres	Section	Township	Range
Oasis Warehouse	Millard	DO-4568-1	3.46	34	17S	7W
Sherman Shores Home	Millard	DO-SS-136 & 137	0.58			
Solar Farm Home	Millard	HD-4606-2-1	5.00	2	17S	8W
Solar Farm	Millard	HD-4606-2	67.50	2	17S	8W
Solar Farm 80 Acre	Millard	HD-4648	80.00	11	17S	8W
South Parcel	Millard	4805	160.00	27	17S	9W
South Parcel	Millard	4806-A	640.00	28	17S	9W
South Parcel	Millard	4806-B	320.00	29	17S	9W
Topaz	Millard	HD-3511	600.00	16	16S	8W
Topaz	Millard	HD-3511-1	40.00	16	16S	8W
Sugarville	Millard	MA-2662-B	360.00	27	15S	8W
Totals			2276.54			

**EFFECTIVE DATE OF APPRAISAL**

October 15, 2020

**INSPECTION DATE**

October 15, 2020

**PROPERTY OWNERSHIP**

R Wayne Klein Receivership etal

**PROPERTY RIGHTS APPRAISED**

Fee Simple

**ACREAGE**

2276.54

**ZONING**

Description	County	Parcel Number	Zoning
Oasis Warehouse	Millard	DO-4568-1	Light Industrial
Sherman Shores Home	Millard	DO-SS-136 & 137	Residential
Solar Farm Home	Millard	HD-4606-2-1	AG
Solar Farm	Millard	HD-4606-2	AG
Solar Farm 80 Acre	Millard	HD-4648	AG 20
South Parcel	Millard	4805	Range & Forest
South Parcel	Millard	4806-A	Range & Forest
South Parcel	Millard	4806-B	Range & Forest
Topaz	Millard	HD-3511	AG 20
Topaz	Millard	HD-3511-1	AG 20
Sugarville	Millard	MA-2662-B	AG 20



**VALUE INDICATION FROM THE VALUATION APPROACHES**

Description	Parcel Number	Acres	Sales	
			Approach	Cost Approach
Oasis Warehouse	DO-4568-1	3.46	\$325,280	\$277,303
Sherman Shores Home	DO-55-136 & 137	0.58	\$376,678	\$380,228
Solar Farm Home & 5 Ac.	HD-4606-2-1	5.00	\$247,313	\$240,415
Solar Farm	HD-4606-2	67.50	\$18,563	\$18,563
Solar Farm 80 ac	HD-4648	80.00	\$24,000	\$24,000
South Parcel	4805	160.00		
South Parcel	4806-A	640.00		
South Parcel	4806-B	320.00	\$322,560	\$322,560
Topaz	HD-3511	600.00	\$210,000	\$210,000
Topaz	HD-3511-1	40.00	\$17,000	\$17,000
Sugarville	MA-2662-B	360.00	\$103,680	\$103,680
Totals		2276.54	\$1,645,074	\$1,593,749

**FINAL ESTIMATE OF VALUE**

"Market Value" - Sales Approach - \$1,645,074

## PROPERTY DESCRIPTION

### OASIS WAREHOUSE

#### Size, Shape and Location of the Property

The subject is identified as DO-4568-1 contains 3.46 acres of dry land and the old Oasis Seed Cooperative warehouse. The land is irregular in shape and is in Oasis. The legal description for the parcel is:

COMM AT A PT LOC N 89°33'23.5" E 1080.19 FT ALG 1/4 SEC LN FR W1/4 COR SEC 34, T17S, R7W, SLM, TH N 0°41'09.5" E 77.73 FT, N 36°08'16" E 161.44 FT, N 69°36'58" E 49.80 FT, N 34°49'13.5" E 67.18 FT TO AN EXST FNC LN, N 65°24'28" E 195.30 FT ALG EXST FNC LN, N 67°05'16" E 90.54 FT ALG EXST FNC LN, S 30°31'07" E 100.20 FT, S 25°26'12" W 234.94 FT TO N SHOULDER OF EXST CO RD, N 77°51'02" W 12.17 FT ALG SD N SHOULDER EXST CO RD, TH ALG CRV TO L 22.87 FT WITH A RAD OF 43.026 FT & A CHR D BEARING & DIST OF S 86°55'28.5" W 22.60 FT ALG SD N SHOULDER EXST CO RD, S 71°41'59" W 41.15 FT ALG SD N SHOULDER EXST CO RD TO W R/W LN UNION PACIFIC RR, S 25°26'12" W 94.045 FT ALG SD UNION PACIFIC R/W TO 1/4 SEC LN, S 25°26'12" W 362.64 FT ALG SD UNION PACIFIC RR R/W, TH ALG A CRV TO L 351.22 FT WITH A RAD OF 706.78 FT & A CHR D BEARING & DIST OF N 20°37'37" W 347.618 FT TO 1/4 SEC LN & PT OF BEG. LESS PRTN CO RD R/W & U P RR R/W.

The general physical location is 2800 W 4000 South.



## Improvements



## Management, Use and Condition

The subject was historically used as the base of operations for the Oasis Seed Company which primarily dealt in locally produced alfalfa seed. While in this use additional buildings and grain bins were added to provide adequate utility for seed handling operations. More recently the site and building were used as a fabrication site for solar structures. The building was in some areas updated with radiant heat, lighting, and other improvements while other areas were unused resulting in further deterioration. The grain bins located on the west side of the structure were altered structurally by linking them together. This results in their use now being storage only and it is possible they would be a liability and being razed. Overall the building has significant physical depreciation due to the lack of maintenance in some portions and inadequate improvements in other areas such as unpainted chipboard on exterior surfaces. The building further suffers from functional depreciation given the design, accessibility problems and altered-use grain bins. There is also external depreciation resulting from the location being a significant distance from main highway systems including Interstate 15 which is 38 miles to the east. While the railroad tracks pass by the building there is not a rail spur there permitting shipping and receiving by rail. Overall the building is sound structurally and has the following depreciation: Physical 50%, Functional 10% and External 20%.



















**Exhibit C**

**Exhibit C**

**Exhibit C**

**Auction Procedures for Real Property located in Millard County, UT –**  
**Parcel Number DO-4568-1**

1. The Receiver may conduct an auction of certain real property located in Millard County, UT, identified by parcel number DO-4568-1 (the “Property”) at the conclusion of the Publication Notice Time (the “Auction”) in accordance with these Auction Procedures.
2. The Receiver will facilitate reasonable requests for inspections of the Property by interested parties prior to the “Bid Deadline” (defined below).
3. The Receiver has received an offer to purchase the Property for \$215,000.00, subject to higher and better bids at the Auction. The Receiver is treating the offer as the opening bid at Auction and is referred to herein as the “Stalking Horse Bid.”
4. To participate in the Auction, the potential purchaser must be a “Qualified Bidder.”
5. No person will deemed to be a Qualified Bidder unless the person:
  - i. Delivers to the Receiver for the benefit of the Receivership Estate cash or a cashier’s check in the amount of \$5,000.00 as an initial deposit (all such deposits being collectively, the “Initial Deposit”), by no later than 5:00 p.m. Mountain Time at least five business days prior to the date set for the Auction (the “Bid Deadline”);
  - ii. Agrees in writing that its Initial Deposit is non-refundable pending the Sale Closing Date (defined below) and will be applied as set forth in these Auction Procedures;
  - iii. Agrees in writing to the approved Auction Procedures;
  - iv. Represents and warrants in writing that it has the ability to perform at Auction and on the Sale Closing Date (defined below);
  - v. Agrees in writing that the sale of the Property is “AS IS” with no representations and warranties; and
  - vi. Appears in person or through a qualified agent at the Auction and performs at Auction, as determined in the sole discretion of the Receiver, as provided in these Auction Procedures.

6. If no Qualified Bidders exist on the expiration of the Bid Deadline, the Receiver, in his sole discretion, need not conduct the Auction and may sell the Property to the holder of the Stalking Horse Bid. Such sale shall be deemed to be a sale of the Property at public auction under all applicable law.

7. The Auction will take place at the Fourth District Court in Millard County, 765 South Highway 99, Fillmore, UT 84631.

8. The Receiver will conduct the Auction. The Auction shall proceed in rounds. Bidding at the Auction shall begin with an initial minimum overbid of the Stalking Horse Bid in an amount of \$5,000.00 in cash and shall subsequently continue in \$5,000.00 minimum cash overbid increments. However, the holder of the Stalking Horse Bid will be allowed to match any bid made by a Qualified Bidder without increasing such bid by the \$5,000.00 minimum cash overbid amount. Bidding will continue until the Receiver determines that he has received the highest and best offer for the Property, at which time he will close the Auction, with the person making the last bid prior to the Receiver's close of the Auction bound to purchase the Property pursuant to the terms of the approved Auction Procedures (the "Successful Bidder").

9. Each Qualified Bidder and the holder of the Stalking Horse Bid agree that its last offer made is irrevocable until the date that sale of the Property closes to the Successful Bidder (the "Sale Closing Date").

10. Each Initial Deposit shall be retained by the Receiver until the Sale Closing Date. On the Sale Closing Date, the Initial Deposit of the Successful Bidder will be applied to the purchase price accepted at Auction by the Receiver. Within ten business days of the Sale Closing Date, the Receiver shall return all other Initial Deposits. In the event that the Successful Bidder's sale does not close, the Receiver (i) shall retain the Initial Deposit of the Successful Bidder as damages, and (ii) the Qualified Bidder who made the next highest and best offer at Auction (the "Back-Up Bid") shall be deemed the Successful Bidder. The Initial Deposit of the Qualified Bidder with the Back-Up Bid shall be applied by the Receiver to the purchase offer made at Auction. The Receiver may repeat the same Back-Up Bid procedure provided herein to each Qualified Bidder, in the order of the highest and best offers received at Auction.

11. Immediately upon the close of the Auction, the Successful Bidder must (i) sign a purchase agreement on terms materially similar to the terms of sale stated in the Stalking Horse Bid; and (ii) must deliver to the Receiver an additional non-refundable deposit of 50% of the purchase price accepted at Auction (the "50% Deposit"). In the event that the Sale Closing Date does not occur for the Successful Bidder, the Successful Bidder's Initial Deposit and this 50% Deposit will be retained by the Receiver as damages.