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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 TWENTY-SECOND  
QUARTERLY STATUS REPORT

*For the period January 1, 2024 to  
March 31, 2024*

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

District Judge David Nuffer

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R. Wayne Klein, the Court-Appointed Receiver (the "Receiver") in this matter, hereby submits this Twenty-Second Quarterly Status Report ("Report") for the period from January 1, 2024 to March 31, 2024 ("Reporting Period").

I. INTRODUCTION AND BACKGROUND

The Receivership Estate was created on October 31, 2018 with entry of the Court's *Receivership Order* ("Order"),<sup>1</sup> which, among other things, appointed the Receiver and

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<sup>1</sup> [Docket no. 490](#). A *Corrected Receivership Order* ("CRO"), which corrected formatting errors, was entered the following day. [Docket no. 491](#), filed November 1, 2018.

continued a previously entered asset freeze.<sup>2</sup> The Receivership Estate was expanded in 2019 to include 13 additional affiliated entities ("Affiliated Entities").<sup>3</sup>

Activities during the Reporting Period focused on recovering assets and litigation.

## II. ASSET RECOVERY, SETTLEMENTS

A. Settlements. There were no new settlements reached during the Reporting Period.

B. Settlement Recoveries. During the quarter, the Receiver received \$71,520.83 in payments from other settlements.

C. Status of Settlement Agreements. To date, 80 settlement agreements have been paid in full and the underlying lawsuits have been dismissed or notices were filed that the judgments were satisfied. The table below shows the status of settlement agreements where the debtors are making (or have promised) payments to the Receiver. Full payments were completed in five settlement agreements during the quarter.

<b>Settlement Agreements Allowing Installment Payments</b>				
<b>Name</b>	<b>Case No.</b>	<b>Case Status</b>	<b>Prior</b>	<b>Current</b>
Aulds, Robert	2:19-cv-00192-DN-PK	Dismissed	95%	100%
Heideman & Assoc.	2:19-cv-00854-DN-PK	Dismissed	67%	67%
Jameson, Richard	2:19-cv-00822-DN-PK	Dismissed	0%	100%
Johnson, LaGrand <sup>4</sup>	2:19-cv-00534-DN-PK	Dismissed	90%	100%
Johnson, Randale <sup>5</sup>	2:19-cv-00532-DN-PK	Bankruptcy stay	0%	100%
Kinsey, Ed	2:19-cv-00729-DN-PK	Dismissed	50%	53%
Newman, Ina	2:18-cv-00623-DN-PK	Dismissed	85%	89%
Taylor, Christopher	2:19-cv-00816-DN-PK	Dismissed	36%	36%
Woodson, James	2:19-cv-00794-DN-PK	Judgment	98%	100%

<sup>2</sup> Memorandum Decision and Order Freezing Assets and to Appoint a Receiver, [Docket no. 444](#), filed August 22, 2018.

<sup>3</sup> [Docket no. 636](#), filed May 3, 2019.

<sup>4</sup> The remaining payments are coming from financial institutions, not the defendant. One of three expected payments has been received.

<sup>5</sup> This settlement agreement is with the trustee for Randale Johnson's bankruptcy estate. Payment came from the bankruptcy estate. The Receiver's litigation against Randale Johnson continues in bankruptcy court.

D. Collection Efforts.

1. Richard Jameson. Shortly after the Court's December 20, 2023 order determining that preconditions to Richard Jameson's settlement agreement were satisfied, Jameson's estate and North Star Tax Services paid the \$16,000.00 settlement amount.<sup>6</sup>

2. Christopher Taylor. Taylor has made only two settlement payments since August but has promised to resume regular payments. The Receiver will wait before deciding whether to seek approval to assign this judgment to the United States.

III. TAXES

The Receiver had his tax preparer issue Form 1099s to recipients of payments by the Receiver. Tax returns are in process of being prepared.

IV. LITIGATION

A. Anticipated Collection Litigation. The Receiver anticipates initiating litigation to collect on two judgments:

1. Roger Hamblin. One of the judgments affirmed on appeal was against Roger Hamblin and his company, Digital Wave Energy. Hamblin died during the pendency of the appeal. Because the Receiver found that funds were withdrawn from his bank accounts and assets were transferred between various trusts after the Receiver first filed suit, the United States and the Receiver agreed that the Receiver should initially pursue initial collection efforts. The Receiver had demanded payment from Hamblin's estate and is preparing to initiate an action to recover voidable transfers.

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<sup>6</sup> In a January 24, 2024 hearing, Magistrate Kohler granted Justin Heidman's motion to withdraw as counsel for Jameson and North Star Tax Services. The Court has dismissed the case based on a stipulation of the parties.

2. Becky Johnson. The Receiver's settlement agreement with the trustee of Randale Johnson's bankruptcy estate gave the Receiver rights to pursue an action to avoid voidable transfers of real property from Randale Johnson to his former wife, Becky Johnson. The Receiver expects to file a voidable transfer action in this Court.

B. Bankruptcy Court Litigation: Randale Johnson. The Receiver's settlement agreement with the trustee of Randale Johnson's bankruptcy estate was described above. On November 9, 2023, the Receiver filed an adversary complaint in bankruptcy court seeking a determination that the \$200,000.00 judgment granted by this Court and the Receiver's claims for recovery of an additional \$464,467.80 are not dischargeable. The bankruptcy court has entered a scheduling order for that action, with a final pretrial conference set for November 5, 2024.<sup>7</sup>

C. Recovery Litigation. Three recovery lawsuits filed by the Receiver are still active.

1. Plaskolite. Cross summary judgment motions are pending in this lawsuit brought by the Receiver.

2. Glenda Johnson. On March 26, 2024, the Receiver filed a motion for partial summary judgment against Glenda Johnson. The deadline for her response has not yet arrived.

3. Nelson Snuffer. The Receiver took the depositions of Nelson Snuffer and three of its lawyers in late January. Nelson Snuffer deposed the Receiver in January. The Receiver expended significant time providing supplemental discovery responses to Nelson Snuffer. The parties will next be providing expert reports.

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<sup>7</sup> The Receiver has provided information requested by the U.S. Trustee relating to possible misconduct in bankruptcy filings by Randale Johnson and Curtis Snow.

D. Criminal Contempt Case. Neldon Johnson and Glenda Johnson's trial on criminal contempt charges was postponed to July 29, 2024.<sup>8</sup>

E. Lawsuits Filed by Neldon Johnson. Two lawsuits filed by Neldon Johnson before appointment of the Receiver are still pending:

1. State Court Injunctive Action. Johnson filed a lawsuit in Utah's Fourth District Court on October 16, 2018, naming the Internal Revenue Service, the U.S. Department of Justice, and Judge Nuffer as defendants. The United States removed the action to federal court on October 31, 2018 and filed a motion to dismiss the lawsuit.<sup>9</sup> Before the dismissal motion was heard, the removed case was stayed due to the appointment of the Receiver. Circuit Judge Tymkovich, who now presides over that case, lifted the stay order for the limited purpose of ruling on the United States' motion to dismiss.<sup>10</sup> Magistrate Cecilia Romero issued a report and recommendation to dismiss Johnson's action for lack of jurisdiction. The United States urged the district court to adopt the recommendation and dismiss the case. Neldon Johnson opposed dismissal. The district court dismissed the action on March 29, 2024.<sup>11</sup>

2. Federal Court Injunctive Action. Johnson filed a lawsuit in federal court against the Department of Justice, the Internal Revenue Service, and Judge Nuffer on September 20, 2018.<sup>12</sup> The United States filed a motion to dismiss that lawsuit, but the case was stayed before the dismissal motion was decided. This case also has been assigned to

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<sup>8</sup> 2:21-cr-513.

<sup>9</sup> Case no. 4:18-cv-0073.

<sup>10</sup> *Id.*, docket no. 30.

<sup>11</sup> *Id.*, docket no. 37.

<sup>12</sup> Case no. 4:18-cv-062.

Circuit Judge Tymkovich. As previously noted, the Receiver, joined by the United States, filed a status report in March 2023 recommending that Johnson not be allowed to pursue any claims for monetary damages, expressing a belief that these claims lack merit, and suggesting Johnson's claims have been mooted by subsequent court rulings and the multiple appeals filed by Johnson.<sup>13</sup> There has been no activity in that case since March 2023.

#### V. REAL PROPERTY HOLDINGS

The Receivership Estate now holds only the three contiguous properties that are subject to a purchase option. Option payments are current.

#### VI. FINANCIAL OPERATIONS OF THE RECEIVERSHIP ESTATE

A. Receipts and Disbursements. The table below summarizes the revenue and expenditures of the Receivership Estate during the quarter:

<b>Category</b>	<b>Revenue</b>	<b>Expenditures</b>
Settlement payments	\$71,520.83	
Royalty, refund	\$739.83	
Interest earnings	\$11,092.06	
Tax preparation		\$587.50
Storage unit, operating		\$368.00
Refund excess turnover		\$2,453.01
<b>Total</b>	<b>\$83,352.72</b>	<b>\$3,408.51</b>

The fee application for work performed during the fourth quarter of 2023 was approved.<sup>14</sup> Payments totaling \$34,026.91 were paid to the Receiver, his counsel, and forensic accountants.

<sup>13</sup> *Id.*, docket no. 27, filed March 31, 2023.

<sup>14</sup> Docket no. 1270, filed February 14, 2024.

B. Bank Account Balances. The balances of funds in the Receivership accounts at Wells Fargo Bank and Wells Fargo Advisors as of March 31, 2024 were:

<b>Account Balances</b>	
<b>Account</b>	<b>Amount</b>
Checking account	\$20,427.53
Bank savings account	\$149,961.58
Money market fund	\$822,397.03
<b>Total</b>	<b>\$992,786.14</b>

C. Prior Distributions to the U.S. Treasury. The Receiver has distributed \$9,000,000.00 to the U.S. Treasury to date. The most recent distribution was December 20, 2021. The amount the Receiver is retaining in the Receivership Estate is to cover potential litigation expenses.

## VII. NEXT STEPS

The remaining tasks for the Receivership are:

A. Ongoing Litigation. Litigation will continue in: (i) the three recovery cases still pending, (ii) bankruptcy court litigation to determine the dischargeability of the \$200,000.00 judgment against Randale Johnson and to recover additional claimed fraudulent transfers, and (iii) voidable transfer actions expected to be filed against Roger Hamblin and Becky Johnson.

B. Assignment of Judgments. The Receiver may seek to assign at least one additional judgment to the United States and continues to provide information to the United States to assist the United States's collection of judgments and settlement agreements previously assigned.

C. Managing Remaining Properties. The Receiver will continue managing the three properties that are subject to the purchase option, including paying property taxes and ensuring collection of the option payments.

VIII. CONCLUSION

While many of the objectives of the Receivership have been accomplished, the remaining tasks will require significant effort, or, in the case of the property sales, require waiting.

The Receiver certifies that the information in this Twenty-Second Quarterly Status Report is accurate to the best of his knowledge.

/s/ Wayne Klein

Wayne Klein  
Receiver

DATED this 17th day of April, 2024.

PARR BROWN GEE & LOVELESS

/s/ Jeffery A. Balls

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

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that service of the above RECEIVER'S TWENTY-SECOND QUARTERLY STATUS REPORT was electronically filed with the Clerk of the Court through the CM/ECF system on April 17, 2024, which sent notice of the electronic filing to all counsel of record. A copy was also mailed to the following:

Neldon Johnson  
Post Office Box 95332  
South Jordan, Utah 84095

*Pro se Defendant*

/s/ Wendy V. Tuckett