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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 TWENTY-FOURTH
QUARTERLY STATUS REPORT

*For the period July 1, 2024 to
September 30, 2024*

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

District Judge David Nuffer

R. Wayne Klein, the Court-Appointed Receiver (the "Receiver") in this matter, hereby submits this Twenty-Fourth Quarterly Status Report ("Report") for the period from July 1, 2024 to September 30, 2024 ("Reporting Period").

I. INTRODUCTION AND BACKGROUND

The Court's October 31, 2018 *Receivership Order* ("Order"),¹ created the Receivership Estate. The Receivership Estate was expanded in 2019 to include 13 additional affiliated entities ("Affiliated Entities").²

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

² [Docket no. 636](#), filed May 3, 2019.

During the Reporting Period, the only activities in the main Receivership case were administrative matters. There were, however, significant developments in ancillary cases.

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 the final \$4,000.00 due in one pending settlement.

C. Status of Settlement Agreements. To date, 82 settlement agreements have been satisfied 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 payment was completed in one of these settlement agreements during the quarter. A second should be completed in the current quarter and the third is in litigation.

Settlement Agreements Allowing Installment Payments				
Name	Case No.	Case Status	Prior	Current
Heideman & Assoc.	2:19-cv-00854-DN-PK	Dismissed	83%	83%
Newman, Ina	2:18-cv-00623-DN-PK	Dismissed	96%	100%
Taylor, Christopher ³	2:19-cv-00816-DN-PK	Dismissed	36%	36%

III. REMAINING LITIGATION

A. Pending District Court Litigation. Five of the seven still-pending recovery actions are in District Court:

1. Plaskolite. On September 20, 2024, the Court granted the Receiver summary judgment against Plaskolite.⁴ The Court had previously denied Plaskolite's summary

³ Mr. Taylor filed for bankruptcy after making only a few required settlement payments. The status of the Receiver's actions against Taylor is described below.

⁴ Case no. 2:19-cv-00832-DN-PK, docket no. 85.

judgment motion. The Receiver has prepared a proposed judgment in the amount of \$515,362.64 plus \$163,924.43 in prejudgment interest and sent it to opposing counsel for review.

2. Glenda Johnson. On September 12, 2024, the Court granted the Receiver's motion to substitute Neldon Johnson, acting as the personal representative for the estate of Glenda Johnson, as the defendant in this matter.⁵ On September 27, 2024, the Court issued an order requiring the estate to appear through counsel by October 21, 2024.

3. Nelson Snuffer. The Receiver's lawsuit against the Nelson Snuffer law firm is moving steadily towards trial.⁶ Expert and rebuttal reports for both parties have been submitted. Depositions of the Receiver's experts were taken on September 9-11, 2024. NSDP's experts will be deposed on October 14-16. The deadline for dispositive motions is December 16, 2024.

4. Roger Hamblin, Hamblin Trusts. The Receiver filed suit on June 24, 2024 against Kristine Hamblin as trustee of three trusts and against Hamblin's estate, seeking to recover \$98,070.49 plus prejudgment interest that the Court awarded in 2021.⁷ Defendants filed their answer on September 30, 2024.

5. Becky Johnson. The Receiver filed suit against the former wife of Randale Johnson on September 21, 2024, alleging she received voidable transfers from Randale Johnson shortly before the Court granted a \$200,000 judgment against Randale Johnson. Becky Johnson is acting pro se and has filed an answer.⁸

⁵ Case no. 2:19-cv-00625-DN-PK.

⁶ Case no. 2:19-cv-00851-DN-PK.

⁷ Case no. 2:24-cv-00452-DN-DBP.

⁸ Case no. 2:24-cv-00450-DN-DPB.

B. Bankruptcy Court Litigation: Two recovery actions are in bankruptcy court:

1. Randale Johnson. The final pretrial conference before Judge Hunt is set for November 5, 2024.⁹ Randale Johnson is proceeding pro se.

2. Christopher Taylor. The Receiver participated in Taylor's debtor's examination on July 8, 2024, seeking information and identifying reasons Taylor's bankruptcy filing was abusive. On September 13, 2024, the chapter 13 trustee renewed his motion objecting to confirmation of Taylor's proposed plan, listing numerous failures in Taylor's filings. Taylor amended his summary of assets and liabilities on September 21, but failed to address all the trustee's concerns. On September 26, the confirmation hearing was again postponed, this time to November 5, 2024. The Receiver has filed a proof of claim.¹⁰

C. Criminal Contempt Case. The indictment against Glenda Johnson was dismissed on May 3, 2024 due to her death. Neldon Johnson's trial on criminal contempt charges is still set for December 2, 2024.¹¹

IV. REAL PROPERTY HOLDINGS

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

V. 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:

⁹ Adv. Proc. No. 23-02104.

¹⁰ Bankruptcy case no. 24-22585.

¹¹ 2:21-cr-513.

Category	Revenue	Expenditures
Settlement payments	\$4,000.00	
Shepard book royalties	\$586.38	
Interest earnings	\$12,449.25	
Tax preparation, filing		\$3,666.45
Storage unit, operating		\$375.44
Expert witness fees		\$25,902.00
Total	\$17,035.63	\$29,943.89

The fee application for work performed during the second quarter of 2024 was approved.¹² Payments totaling \$47,332.10 were paid to the Receiver, his counsel, and forensic accountants.

B. Bank Account Balances. The balances of funds in the Receivership accounts at Wells Fargo Bank and Wells Fargo Advisors as of September 30, 2024 were:

Account Balances	
Account	Amount
Checking account	\$8,096.16
Bank savings account	\$40,039.04
Money market fund	\$856,956.26
Total	\$905,091.46

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.

VI. NEXT STEPS

The remaining tasks for the Receivership are:

A. Collection of Plaskolite Judgment. When the judgment is entered, the Receiver will take action to collect the judgment amount from Plaskolite.

¹² Docket no. 1277, filed September 4, 2024.

B. Recovery Litigation. Litigation will continue in the four recovery cases still pending in district court and the two cases pending in bankruptcy court.

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.

VII. CONCLUSION

The Receiver continues making progress in accomplishing the objectives of the Receivership Estate and looks forward to concluding his responsibilities when the remaining tasks—litigating remaining cases and selling remaining real properties—have been accomplished.

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

/s/ Wayne Klein

Wayne Klein
Receiver

DATED this 7th day of October 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 this RECEIVER'S TWENTY-FOURTH QUARTERLY STATUS REPORT was electronically filed with the Clerk of the Court through the CM/ECF system on October 7, 2024, which sent notice of the electronic filing to all counsel of record. A copy was also mailed to the following:

Neldon Johnson
1309 North 550 West
Pleasant Grove, Utah 84062
Pro se Defendant

/s/ Wendy V. Tuckett