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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-SIXTH
QUARTERLY STATUS REPORT

*For the period January 1, 2025 to
March 31, 2025*

Civil No. 2:15-cv-00828-DN-DAO
Honorable David Nuffer

R. Wayne Klein, the Court-Appointed Receiver (the "Receiver") in this matter, hereby submits this Twenty-Sixth Quarterly Status Report ("Report") for the period from January 1, 2025 to March 31, 2025 ("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, activities in the main Receivership case related to a settlement approval and administrative matters. These activities and developments in ancillary cases, are described below.

II. ASSET RECOVERY, SETTLEMENTS

A. Settlements. One new settlement agreement was reached. As a result of a mediation conducted by Judge Anderson, the Receiver reached a settlement with Randale Johnson in which Randale Johnson agreed to pay \$50,000.00 over a three-year period. The Court approved the settlement on March 20, 2025.³ Mr. Johnson paid his first installment of \$5,000.00.

B. Settlement Recoveries. During the quarter, the Receiver received \$5,000.00 from his settlement with Randale Johnson.

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.

Settlement Agreements Allowing Installment Payments				
Name	Case No.	Case Status	Prior	Current
Heideman & Assoc. ⁴	2:19-cv-00854-DN-PK	Dismissed	83%	83%
Plaskolite, LLC	2:19-cv-00832-DN-PK	Judgment	0%	39%
Johnson, Randale	2:19-cv-00532-DN-PK	Judgment/Bkpt.	0%	10%
Taylor, Christopher ⁵	2:19-cv-00816-DN-PK	Dismissed	36%	36%

³ Docket no. 1289, filed Mar. 20, 2025.

⁴ Heideman & Associates is in default. The status of this matter is described below.

⁵ 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.

D. Settlement Agreement Defaults. Two of the settlements are in default.

1. Heideman & Associates. In March 2022, the Receiver settled his lawsuit against Heideman, which settlement was approved by the Court.⁶ Heideman agreed to pay \$75,000.00 in six semi-annual payments. Heideman made five of the six payments but failed to make the final \$12,500.00 payment due October 1, 2024. Counsel for the Receiver reminded Heideman of the missing payment four times between December and February, each time receiving assurances that the payment would be sent. The Receiver will soon file a motion asking the Court to declare Heideman in default and to set a trial schedule on the \$66,298.36 unpaid amount of the Receiver's original claim.

2. Christopher Taylor. The Receiver sued Taylor in 2019 seeking to recover \$445,920.20. The Receiver settled with Taylor in 2023 for \$73,000.00. Taylor paid \$26,500.00 toward the settlement, then filed a chapter 13 bankruptcy petition. On March 10, 2025, the bankruptcy court approved Taylor's chapter 13 plan, over the objection of the trustee. Pursuant to the plan, Taylor will be required to pay \$1,570.00 to unsecured creditors over the next 60 months. The Receiver is very disappointed with this outcome.

III. REMAINING LITIGATION

A. Pending District Court Litigation. With the conclusion of the two bankruptcy court proceedings (Randale Johnson and Christopher Taylor), four recovery actions were pending at the beginning of the Reporting Period, all in District Court:

⁶ Docket no. 1205, filed Apr. 14, 2022.

1. Glenda Johnson. On January 6, 2025, the Court sanctioned Neldon Johnson, as personal representative of the estate of Glenda Johnson, with default judgment.⁷ On February 12, 2025, the Court entered orders granting default judgment in the amount of \$3,543,950.68 plus prejudgment interest of \$1,169,018.25, for a total of \$4,712,968.93.⁸ The Court also directed that \$100,000.00 the Receiver was holding in reserve from the sale of the Delta warehouse be applied to the judgment. The litigation is now concluded and the Receiver will seek to identify additional assets that can be used to satisfy the judgment.

2. Nelson Snuffer. The Receiver's lawsuit against the Nelson Snuffer law firm is moving steadily toward trial.⁹ Expert discovery has concluded. The deadline for dispositive motions is April 17, 2025 and the deadline for motions to exclude expert testimony is May 1, 2025. A scheduling conference will be held on May 13, 2025 to set a trial date. The parties intend to conduct a second mediation before the scheduling hearing.

3. 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 2021.¹⁰ An answer has been filed. The case is in the discovery phase, with discovery to be

⁷ Case no. 2:19-cv-00625-DN-PK, docket no. 73, filed Jan. 6, 2025.

⁸ *Id.*, docket nos. 75, 76, filed Feb. 12, 2025.

⁹ Case no. 2:19-cv-00851-DN-PK.

¹⁰ Case no. 2:24-cv-00452-DN-DBP.

completed by June 23, 2025. The motion deadline is July 28, 2025, with a status conference set for August 12, 2025.

4. Becky Johnson. Becky Johnson, the former wife of Randale Johnson, failed to cooperate with the Receiver in establishing a scheduling order. On March 24, 2025, Judge Pead gave Ms. Johnson until April 11, 2025 to submit her proposed scheduling order.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. The option expires on December 15, 2025.

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:

Category	Revenue	Expenditures
Settlement payments	\$5,000.00	
Book royalty payments	\$433.98	
Interest earnings	\$10,676.52	
Deposition expenses		\$3,620.63
Storage unit		\$354.00
Tax preparation		\$671.00
Total	\$16,110.50	\$4,645.63

The fee application for work performed during the fourth quarter of 2024 was approved.¹² Fees totaling \$55,034.08 were paid to the Receiver, his counsel, and forensic accountants.

¹¹ Case no. 2:24-cv-00450-DN-DPB.

¹² Docket no. 1292, filed Apr. 2, 2025.

B. Bank Account Balances. The balances of funds in the Receivership accounts at Wells Fargo Bank and Wells Fargo Advisors as of April 3, 2025¹³ were:

Account Balances	
Account	Amount
Checking account	\$9,220.54
Bank savings account	\$11,016.47
Money market fund	\$1,003,021.38
Total	\$1,023,258.39

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. Recovery Litigation. Litigation will continue in the three recovery cases still pending in district court.

B. Collection Efforts. The Receiver will consider whether he is likely to locate assets owned by Glenda Johnson's estate or he should assign the judgment to the United States.

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

With the Court's help, the Receiver continues making progress in accomplishing the objectives of the Receivership Estate and looks forward to concluding his responsibilities when

¹³ This date reflects the results of fees paid to the Receiver and his professionals on April 3, 2025.

the remaining tasks—litigating remaining cases and selling remaining real properties—have been accomplished.

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

/s/ Wayne Klein

Wayne Klein
Receiver

DATED this 14th day of April, 2025.

PARR BROWN GEE & LOVELESS

/s/ Jeffery A. Balls

Jonathan O. Hafen
Jeffery A. Balls
Attorneys for Receiver

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the above RECEIVER'S TWENTY-SIXTH QUARTERLY STATUS REPORT was electronically filed with the Clerk of the Court through the CM/ECF system on April 14, 2025, which sent notice of the electronic filing to all counsel of record. A copy was also mailed to the following:

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

/s/ Wendy V. Tuckett