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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-SEVENTH
QUARTERLY STATUS REPORT

*For the period April 1, 2025 to
June 30, 2025*

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-Seventh Quarterly Status Report ("Report") for the period from April 1, 2025 to June 30, 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, the principal activities in the main Receivership case were settlement of a significant litigation matter and distribution of a substantial payment to the U.S. Treasury. These activities and developments in ancillary cases are described below.

II. ASSET RECOVERY, SETTLEMENTS

A. Settlements. With the assistance of retired Judge William Bohling as mediator, the Receiver settled his significant litigation against the law firm Nelson, Snuffer, Dahle & Poulsen. Under the settlement, Nelson Snuffer paid \$925,000.00, of which \$825,000.00 came from the law firm's insurer and \$100,000.00 from the law firm itself. The Court approved the settlement on June 5, 2025.³ The full settlement amount has been paid.

B. Settlement Recoveries. During the quarter, the Receiver received \$1,087,500.00 in settlements, including \$925,000.00 from his settlement with Nelson Snuffer, \$150,000.00 from Plaskolite, and \$12,500.00 from Heideman & Associates.

C. Status of Settlement Agreements. To date, 84 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.	2:19-cv-00854-DN-PK	Dismissed	83%	100%
Plaskolite, LLC	2:19-cv-00832-DN-PK	Judgment	39%	68%
Johnson, Randale	2:19-cv-00532-DN-PK	Judgment/Bkpt.	10%	10%
Taylor, Christopher ⁴	2:19-cv-00816-DN-PK	Dismissed	36%	36%

³ Docket no. 1301, filed Jun. 5, 2025.

⁴ Mr. Taylor's chapter 13 bankruptcy plan was approved by the court.

D. Settlement Agreement Defaults. The two settlements that were in default have been resolved.

1. Heideman & Associates. In April, Heideman & Associates paid the sixth and final payment owed on his 2022 settlement with the Receiver.

2. Christopher Taylor. The bankruptcy court approved Christopher Taylor's chapter 13 bankruptcy plan on March 10, 2025. On May 28, 2025, the trustee filed his report of claims. Thirteen claims were asserted against Taylor, all unsecured. Eleven of the claims are from lenders, one is from Taylor's bankruptcy counsel, and the largest (at \$46,500.00) is the Receiver's claim. The Receiver expects to receive approximately \$912.00 over the 60-month term of Taylor's repayment plan.

III. REMAINING LITIGATION

A. Pending District Court Litigation. With the settlement of the Nelson Snuffer litigation and termination of bankruptcy proceedings involving Christopher Taylor, two recovery actions remain pending:

1. 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 2021.⁵ An answer has been filed. The case is in the discovery phase, with discovery to be completed by June 23, 2025. The motion deadline is July 28, 2025, with a status conference set for August 12, 2025.

⁵ Case no. 2:24-cv-00452-DN-DBP.

2. Becky Johnson. The Receiver filed suit against Becky Johnson, the former wife of Randale Johnson, to recover the value of real properties Randale Johnson transferred to her after being sued by the Receiver. The discovery deadline is October 30, 2025 and a scheduling conference is set for January 13, 2026.⁶

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	\$1,087,500.00	
Interest earnings	\$10,742.20	
Litigation expenses		\$9,420.63
Operating expenses ⁷		\$467.00
U.S. Treasury: distribution		\$1,750,000.00
Total	\$1,098,242.20	\$1,759,887.63

The fee application for work performed during the first quarter of 2025 was approved.⁸ Fees totaling \$24,336.50 were paid to the Receiver and his counsel.

B. Bank Account Balances. The balances of funds in the Receivership accounts at Wells Fargo Bank and Wells Fargo Advisors as of June 30, 2025 were:

⁶ Case no. 2:24-cv-00450-DN-DPB.

⁷ These included storage unit rental fees, a tax filing fee, and minor fees.

⁸ Docket no. 1299, filed Jun. 4, 2025.

Account Balances	
Account	Amount
Checking account	\$117,111.04
Bank savings account	\$10,018.07
Money market fund	\$213,761.98
Total	\$340,891.09

C. Prior Distributions to the U.S. Treasury. On June 23, 2025, the Receiver distributed an additional \$1,750,000.00 to the U.S. Treasury, bringing the total amount distributed to date to \$10,750,000.00.

VI. NEXT STEPS

The remaining tasks for the Receivership are:

- A. Recovery Litigation. Litigation will continue in the two remaining recovery cases.
- B. Collection Efforts. The Receiver is evaluating what additional judgments to assign to the United States, including the judgment against Glenda Johnson's estate and rights to recovery under the Christopher Taylor bankruptcy plan.
- C. Managing Remaining Properties. The Receiver will continue managing the three real properties that are subject to the purchase option, including paying property taxes and ensuring collection of the option payments.

VII. CONCLUSION

The Nelson Snuffer settlement eliminates a major task faced by the Receiver. The Receiver now looks to completing the two remaining pending lawsuits, concluding the real estate purchase option, and terminating the Receivership Estate.

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

/s/ Wayne Klein

Wayne Klein
Receiver

DATED this 9th day of July 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 this RECEIVER'S TWENTY-SEVENTH QUARTERLY STATUS REPORT was electronically filed with the Clerk of the Court through the CM/ECF system on July 9, 2025, 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

/s/ Wendy V. Tuckett