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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-EIGHTH
QUARTERLY STATUS REPORT

*For the period July 1, 2025 to
September 30, 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-Eighth Quarterly Status Report ("Report") for the period from July 1, 2025 to September 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 one of the few remaining litigation matters, receipt of payments on prior litigation settlements, and submission of 2024 tax returns. These activities and developments in ancillary cases are described below.

II. ASSET RECOVERY, SETTLEMENT RECOVERIES

A. Motion for Summary Judgment, Settlement with Hamblin Estate. On July 28, 2025, the Receiver filed a motion for summary judgment against the estate of Roger Hamblin and several Hamblin Family Trusts, alleging fraudulent transfers seeking to thwart the Receiver's efforts to collect on his judgment. On September 23, 2025, the parties agreed to a settlement. Hamblin's estate and trusts have paid \$112,082.48 to the Receivership Estate (the full amount of the judgment) and the Receiver will waive collection of post judgment interest. The settlement proceeds were deposited into the Receivership account after the end of the Reporting Period.

B. Settlement Recoveries. During the quarter, the Receiver received \$8,611.46 in installment payments from prior settlements.

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 payments to the Receiver.

| Settlement Agreements Allowing Installment Payments | | | | |
|---|---------------------|----------------|-------|---------|
| Name | Case No. | Case Status | Prior | Current |
| Plaskolite, LLC | 2:19-cv-00832-DN-PK | Judgment | 39% | 68% |
| Johnson, Randale | 2:19-cv-00532-DN-PK | Judgment/Bkpt. | 10% | 20% |

III. REMAINING LITIGATION

A. Pending District Court Litigation. With the settlement of litigation against the Hamblin estate, one recovery action remains pending:

1. 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 in this case is October 30, 2025 and a scheduling conference is set for January 13, 2026.³

IV. REAL PROPERTY HOLDINGS

The Receivership Estate now holds only the three contiguous properties that are subject to a purchase option. The option holder has made all option payments. The option expires on December 15, 2025. If the purchase option is exercised, the Receiver will seek court approval to consummate the sale to the option holder. If the purchase option is not exercised, the Receiver will begin marketing the properties.

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 | \$8,611.46 | |
| Interest earnings | \$3,768.59 | |
| Royalty earnings (Shepard) | \$655.17 | |
| Tax preparation | | \$3,665.63 |
| Operating expenses | | \$425.17 |
| Total | \$13,035.22 | \$4,090.80 |

³ Case no. 2:24-cv-00450-DN-DPB.

The fee application for work performed during the second quarter of 2025 was approved shortly after the end of the Reporting Period.⁴ Fees totaling \$82,855.50 were paid to the Receiver and his counsel in October and will be reflected in the financial report for the third quarter.

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

| Account Balances | |
|----------------------|---------------------|
| Account | Amount |
| Checking account | \$22,292.87 |
| Bank savings account | \$110,020.68 |
| Money market fund | \$218,263.88 |
| Total | \$350,577.43 |

VI. NEXT STEPS

The remaining tasks for the Receivership are:

- A. Recovery Litigation. Litigation will continue in the one remaining recovery case.
- B. Disposition of Remaining Properties. The Receiver will either seek approval to sell the property to the option holder or begin marketing the property to potential purchasers.
- C. Termination of the Receivership Estate. The Receiver can begin contemplating termination of the Receivership Estate, including disposition of the records and distribution of remaining funds.

VII. CONCLUSION

The Receiver hopes to soon dispose of the real estate still held and obtain a ruling on the final outstanding litigation. When these tasks are completed, the Receiver will consult with the United States and propose a plan to terminate the Receivership Estate.

⁴ Docket no. 1304, filed Oct. 3, 2025.

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

/s/ Wayne Klein

Wayne Klein
Receiver

DATED this 23rd day of October, 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-EIGHTH QUARTERLY STATUS REPORT was electronically filed with the Clerk of the Court through the CM/ECF system on October 23, 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
Pro se Defendant

/s/ Wendy V. Tuckett