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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-THIRD MOTION
FOR APPROVAL TO CONSUMMATE
SETTLEMENT: HAMBLIN TRUSTS

Civil No. 2:15-cv-00828-DN
District Judge David Nuffer
Magistrate Judge Paul Kohler

R. Wayne Klein, the court-appointed receiver (the "Receiver") of the Receivership Entities and the assets of Neldon Johnson and R. Gregory Shepard, hereby submits this twenty-third motion for approval to consummate settlement with the estate of Roger Hamblin and three trusts administered by his wife, Kristine Hamblin. In support hereof, the Receiver states as follows:

BACKGROUND AND ANALYSIS

1. On October 31, 2018, the Receivership Estate was created with the entry of the Receivership Order (the "Order").¹ The Order authorizes and empowers the Receiver to, among

¹ Docket No. 490. A Corrected Order was filed the next day on November 1, 2018. See Docket No. 491.

other things, investigate, prosecute, and compromise actions to recover Receivership Property.²

On May 24, 2019, the court granted the Receiver leave to commence litigation against designated categories of persons.³

2. The court has granted twenty-two prior motions by the Receiver seeking approval to consummate settlements.

3. The Receiver has entered into an additional settlement agreement ("Settlement Agreement") with the estate of Roger Hamblin ("Hamblin") and three trusts that are administered by Hamblin's wife.

4. The Receiver originally filed suit against Hamblin on October 18, 2019 alleging that Hamblin had received \$98,070.49 in improper payments from Receivership Entities.⁴ On May 14, 2021, the Court entered judgment against Hamblin for \$98,070.49 plus prejudgment interest in the amount of \$14,011.99 ("Judgment").⁵

5. Hamblin appealed and on August 7, 2023 the Tenth Circuit affirmed the Judgment on appeal. During the pendency of the appeal, Hamblin died.⁶

6. On June 24, 2024, the Receiver filed a separate action against Hamblin's estate and three trusts for which Kristine Hamblin serves as trustee or successor trustee, seeking to collect on the Judgment.⁷ The complaint against Hamblin's estate and trusts alleged that after the Receiver filed a writ of garnishment for funds in a Hamblin trust bank account, Kristine Hamblin

² *Id.* at ¶ 59.

³ Main case docket no. 673, filed May 24, 2019.

⁴ The complaint also sought recovery from Digital Wave Energy, a company controlled by Hamblin. The Receiver was unable to identify any assets that Digital Wave Energy had.

⁵ Docket no. 24, filed May 14, 2021.

⁶ Hamblin died on January 27, 2022.

⁷ *Klein v. Kristine Hamblin, Trustee, et al.*, Case no. 2:24-cv-00452-DN-DBP, filed Jun. 24, 2024.

withdrew \$499,000 from the trust's bank account and later transferred real property from another Hamblin trust to a trust she controlled.

7. On July 28, 2025, the Receiver filed a motion for summary judgment ("Motion") seeking to avoid those fraudulent transfers. Hamblin's estate has not opposed the Motion, which is pending.

8. The parties engaged in settlement discussions and signed a Settlement Agreement on September 23, 2025. The Settlement Agreement (a) was negotiated at arm's length and in good faith by the Receiver and Kristine Hamblin, (b) will make the pending Motion moot, (c) will avoid the expense of the Receiver and his counsel conducting a trial of the Receiver's lawsuit (if summary judgment were not granted), and (d) will result in the collection of significant funds for the benefit of the Receivership Estate.

9. If approved by the Court, this agreement will bring \$112,082.48 into the Receivership Estate. Hamblin's estate has paid the settlement amount to the Receiver, which payment will be returned to Hamblin's estate if the Court declines to approve this settlement.

10. In the settlement, the Receiver agreed to waive \$23,583.38 in interest that has accrued on the Judgment. The Receiver believes the Hamblin estate engaged in significant misconduct in hindering and delaying the Receiver's efforts to collect on the Judgment. Nonetheless, the Receiver agreed to waive accrued interest on the Judgment in consideration of the risk the Receiver will not prevail on its Motion or at trial, to avoid further expenses by the Receiver and his counsel, and to conserve judicial resources.

11. If the Court approves the settlement, the Receiver will withdraw the Motion and dismiss the lawsuit against Hamblin's estate and trusts with prejudice.

12. Counsel for the United States has informed the Receiver that it does not oppose the settlement terms.

13. Based on the above, the Receiver believes the Settlement Agreement with Hamblin's estate and trusts is in the best interest of the Receivership Estate.⁸

CONCLUSION

The Receiver moves the court to approve, and authorize the Receiver to finalize, the Settlement Agreement.

A proposed order is attached.

DATED this 23rd day of October, 2025.

PARR BROWN GEE & LOVELESS, P.C.

/s/ Jeffery A. Balls

Jonathan O. Hafen

Jeffery A. Balls

Attorneys for R. Wayne Klein, Receiver

⁸ "In evaluating proposed settlements in equity receiverships . . . the Court should inquire whether the action to be taken is 'in the best interest of the receivership.'" *SEC v. Am. Pension Servs., Inc.*, No. 214CV00309RJSDBP, 2015 WL 12860498, at *10 (D. Utah Dec. 23, 2015) (quoting *SEC v. Capital Consultants, LLC*, No. Civ. 00-1290-KI, 2002 WL 31470399 (D. Ore. March 8, 2002)).

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the above RECEIVER'S TWENTY-THIRD MOTION FOR APPROVAL TO CONSUMMATE SETTLEMENT: HAMBLIN TRUSTS was filed with the court on this 23rd day of October, 2025 and served via ECF on all parties who have requested notice in this case. A copy was also sent by mail to:

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

/s/ Wendy V. Tuckett
