

UNITED STATES OF AMERICA

VS

RAPOWER-3, LLC.

NELDON JOHNSON

May 02, 2019



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May 02, 2019

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1 UNITED STATES DISTRICT COURT FOR THE DISTRICT OF UTAH
2 CENTRAL DIVISION

3 UNITED STATES OF AMERICA,) No. 2:15-cv-00828-DN
4)
5 Plaintiff,) Deposition of
6) NELDON JOHNSON
7 v.)
8)
9 RAPOWER-3, LLC; INTERNATIONAL)
10 AUTOMATED SYSTEMS, INC.;)
11 LTBI, LLC; R. GREGORY SHEPARD;)
12 NELDON JOHNSON; and)
13 ROGER FREEBORN,)
14)
15 Defendants.)



11 * * *

12 May 2, 2019

13 9:08 a.m. to 5:22 p.m.

14
15 Parr Brown Gee & Loveless
16 101 South 200 East, Suite 700
17 Salt Lake City, Utah 84111

18
19
20 * * *

21 Letitia L. Meredith
22 Registered Professional Reporter
23 Certified Shorthand Reporter CA
24
25

May 02, 2019

Neldon Johnson

2		4	
1	A P P E A R A N C E S	1	I N D E X (Continued)
2	For Court-Appointed Receiver R. Wayne Klein:	2	EXHIBITS PAGE
3	Michael S. Lehr	3	2066 United States Bankruptcy Court, Voluntary Petition, January 20, 2011 79
4	PARR BROWN GEE & LOVELESS 101 South 200 East, Suite 700 Salt Lake City, Utah 84111	4	2067 United States Bankruptcy Court, Statement of Financial Affairs February 3, 2011 79
5		5	
6	For the Receivership:	6	2068 Assignment of Warrant Agreement 198
7	R. Wayne Klein	7	2069 Permanent Easement and Right of Way Agreements 127
8	KLEIN & ASSOCIATES P.O. Box 1836 Salt Lake City, Utah 84110	8	2071 Findings of Fact, Conclusions of Law, Order 146
9		9	
10	For United States Department of Justice:	10	2072 Trust Deed Note, Phillips 152
11	Erin Healy-Gallagher	11	2074 Bank Statement, Bank of American Fork April 28, 2017, Account No. -4687, AIS 154
12	UNITED STATES DEPARTMENT OF JUSTICE TAX DIVISION 555 4th Street NW, Suite 8921 Washington DC 20001	12	2075 Deed of Trust, Recorded June 4, 1999 159
13		13	2076 Assignment of Deed of Trust, Assignment of Assignment of Rents; and Assignment of Financing Statement, Recorded 7/11/2011 162
14		14	2077 Full and Final Release of Trust Deed and Trust Deed Note Obligations and Claim of Lien 169
15	Also present: Glenda Johnson	15	2078 Settlement Agreement, March 20, 2013 172
16		16	2079 Agreement, December 8, 2004 174
17	* * * *	17	2080 FAA Record, Mooney Aircraft, Tail No. N9400V 212
18	I N D E X	18	
19	EXAMINATION PAGE	19	2081 FAA Registry, N31BS, Cessna 414 217
20	By Mr. Klein 6	20	2083 Photocopy of Checks, Lyle F., Helen O. 29
21	By Ms. Healy-Gallagher 218	21	2084 USPTO Printout, Assignee N.P. Johnson Family Limited 59
22	By Mr. Klein 246	22	
23		23	
24		24	
25		25	
3		5	
1	I N D E X (Continued)	1	I N D E X (Continued)
2	EXHIBITS PAGE	2	EXHIBITS PAGE
3	2017 Spreadsheet, Real Property owned by Glenda Johnson 104	3	2085 Minutes of the Meeting of Board of Directors of IAS, June 24, 2003 114
4		4	2086 Court Filing, 215-cv-828, Document 625-1 Pages 55 through 57 116
5	2023 Partnership Asset Purchase Agreement October 23, 2012 82	5	2087A Utah Business Search, DCL-16A, Inc., Registered November 2, 2004 208
6	2024 Partnership Asset Purchase Agreement, October 23, 2012, Johnson Family Limited Partnership and Starlite Holdings 93	6	2087B Utah Business Search, DCL-16A, Inc., Registered November 19, 2008 208
7	2051 Notice of Intent to Serve Subpoena and Subpoena 8	7	2088 Letter from Receiver 246
8		8	647 Photocopy of Check, January 27, 2012, IAS to N.P. Johnson Family Limited Partnership 140
9	2052 Spreadsheet, N. Johnson Patents Granted 35	9	649 Photocopy of Check, Cobblestone Centre to Howard County Tax Office, 08/25/15 125
10		10	
11	2053 Spreadsheet, N. Johnson Patent Applications, Publication Numbers 37	11	
12	2054 USPTO Printout, Assignor N. Johnson 39	12	
13	2055 Annual Report, IAS, 6/30/16, SEC Form 10-K 43	13	
14	2056 USPTO Printout, Assignee, IAS 47	14	
15	2057 Spreadsheet, Patents assigned to IAS 50	15	
16	2058 Agreement between N. Johnson and IAS May 14, 2004 56	16	
17		17	
18	2059 Exhibit C, Warrant Agreement, 10/13/04 58	18	
19		19	
20	2060 Spreadsheet, Patents and Patent Applications Assigned to IAS, NPJFLP 60	20	
21	2061 USPTO Printout, Assignee, Black Night 66	21	
22	2063 USPTO Printout, Assignee, Starlite 70	22	
23	2064 Partnership Interest Sale and Transfer Agreement, January 14, 2011 71	23	
24		24	
25	2065 Share Transfer and Consent Agreement January 14, 2011 76	25	

May 02, 2019

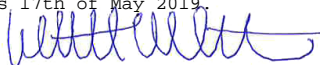
<p style="text-align: right;">190</p> <p>1 A. No, I did not.</p> <p>2 Q. Did you approve the payment of fees to</p> <p>3 entities in Nevis who would be acting as the</p> <p>4 registered agent?</p> <p>5 A. I could have done, but I don't know.</p> <p>6 Q. Have you signed any of the documents to</p> <p>7 create these entities?</p> <p>8 A. I could have, but I don't know.</p> <p>9 Q. Have you signed any of the annual reports</p> <p>10 for these entities?</p> <p>11 A. No, I haven't, not that I know of.</p> <p>12 Q. When IAS sold shares to investors, how were</p> <p>13 the shares issued? Were they stock certificates or</p> <p>14 were they book entry shares?</p> <p>15 A. Well, if they personally sold stock, they</p> <p>16 would usually have a board of directors' meeting</p> <p>17 issuing the stock, and then they would give that -- a</p> <p>18 document to the transfer agent and then they would</p> <p>19 prepare the stock.</p> <p>20 Q. So when stock certificates were issued,</p> <p>21 were those issued by the transfer agent?</p> <p>22 A. That's correct.</p> <p>23 Q. And were stock certificates issued when</p> <p>24 someone purchased stock?</p> <p>25 A. Yes, I think so. That's where yours came</p>	<p style="text-align: right;">192</p> <p>1 Q. Who are they?</p> <p>2 A. I don't know them. I don't really know. I</p> <p>3 don't know how they become market makers or not.</p> <p>4 Q. In the Annual Report, the 10-K, it</p> <p>5 identifies the auditors as Pinaki & Associates of</p> <p>6 Newark, Delaware. Does that sound familiar?</p> <p>7 A. I suppose. I don't know what date that</p> <p>8 you're referring to.</p> <p>9 Q. Let's look. Find Exhibit 2055. Turn to</p> <p>10 page 37.</p> <p>11 A. 37. Okay. Okay.</p> <p>12 Q. Do you see this it says Independent</p> <p>13 Auditor's Report from Pinaki & Associates?</p> <p>14 A. All right. I didn't know they were out of</p> <p>15 Newark. I never looked at it before.</p> <p>16 Q. How was this firm selected to be the</p> <p>17 independent auditors for IAS?</p> <p>18 A. I probably picked them, but I don't</p> <p>19 remember who the names were.</p> <p>20 Q. And how did you pick them?</p> <p>21 A. I don't remember just how. Probably was</p> <p>22 looking at different companies and called around and</p> <p>23 these people said they would do the work.</p> <p>24 Q. We talked earlier about your having signed</p> <p>25 this report. Do you remember that discussion?</p>
<p style="text-align: right;">191</p> <p>1 from or the -- I mean the ones that go to the</p> <p>2 Solstice group.</p> <p>3 Q. Did IAS keep a record of all the stock that</p> <p>4 was issued?</p> <p>5 A. I don't know. I would assume they would,</p> <p>6 but they would rely upon the stock transfer agent for</p> <p>7 most of that.</p> <p>8 Q. Did IAS keep a stock ledger book?</p> <p>9 A. No, they didn't ever do that.</p> <p>10 Q. How did IAS know who their shareholders</p> <p>11 were?</p> <p>12 A. They would have to contact the transfer</p> <p>13 agent.</p> <p>14 Q. And was that Pacific Stock Transfer?</p> <p>15 A. Started out -- no, it wasn't originally</p> <p>16 that. It was something else, and they sold it over</p> <p>17 to those people not too long ago, actually, but --</p> <p>18 Q. Have you had any discussions with anybody</p> <p>19 at Pacific Stock Transfer in the last six months?</p> <p>20 A. I've never talked to anybody over there as</p> <p>21 far as I know.</p> <p>22 Q. Do you know whether there are any</p> <p>23 market makers for the company?</p> <p>24 A. There's one, but I don't know. There may</p> <p>25 be two or three.</p>	<p style="text-align: right;">193</p> <p>1 A. I do.</p> <p>2 Q. When you signed the Annual Report and</p> <p>3 approved its submission to the SEC, was all the</p> <p>4 information in the 10-K accurate?</p> <p>5 A. There's never a hundred percent, just like</p> <p>6 the fact is I didn't own real estate, but as far as I</p> <p>7 could determine and read through this and grasp the</p> <p>8 information, I believe that it's accurate.</p> <p>9 Q. So what things have you since decided might</p> <p>10 be inaccurate -- that you learned since then that</p> <p>11 might be inaccurate?</p> <p>12 A. Well, I'm not sure. And we need to maybe</p> <p>13 evaluate some things. I'm not sure that all of the</p> <p>14 contracts are represented properly, but that's</p> <p>15 something we're going to have to look through now. I</p> <p>16 didn't recognize that, but I will.</p> <p>17 Q. Turn to page 33, please.</p> <p>18 A. Okay.</p> <p>19 Q. It says there that Neldon Johnson,</p> <p>20 President, CEO, and Director was the beneficial owner</p> <p>21 of 94.3 million shares. Do you see that?</p> <p>22 A. I do.</p> <p>23 Q. Was that accurate in 2016?</p> <p>24 A. Yes, it was.</p> <p>25 Q. Is it accurate now?</p>

May 02, 2019

<p style="text-align: right;">194</p> <p>1 A. It is.</p> <p>2 Q. Have you sold any shares since 2016?</p> <p>3 A. No.</p> <p>4 Q. Where are those shares now?</p> <p>5 A. Well, these are warrants. They're not --</p> <p>6 when they talk about shares, they're talking about</p> <p>7 the combination, not just common stock. They're</p> <p>8 talking about all of the shares -- the voting</p> <p>9 shares -- I don't have any common stock that I know</p> <p>10 of.</p> <p>11 Q. The footnote one says the 94.3 million</p> <p>12 number includes warrants to purchase 93.3 million</p> <p>13 shares of common stock.</p> <p>14 A. That's correct.</p> <p>15 Q. Which would suggest to me that when you</p> <p>16 deduct the 93.3 million that there is still a million</p> <p>17 hundred and five thousand twenty shares of stock?</p> <p>18 A. That's preferred stock, and that's voting</p> <p>19 rights. There's no -- you can't sell them.</p> <p>20 Q. Do you have stock certificates representing</p> <p>21 those preferred shares?</p> <p>22 A. These aren't even mine. They belong to</p> <p>23 Starlight and Black Night, but they leave them in</p> <p>24 there because of the fact that the stockholders would</p> <p>25 like to know that the CEO and that is there, but they</p>	<p style="text-align: right;">196</p> <p>1 A. No, it wasn't.</p> <p>2 Q. So you do not own any shares or warrants in</p> <p>3 IAS? Is that what you're saying?</p> <p>4 A. That's true.</p> <p>5 Q. Is that because they were all transferred</p> <p>6 to Black Night and Starlight?</p> <p>7 A. That's correct.</p> <p>8 Q. Then should there have been a disclosure in</p> <p>9 here that you own no shares and that the 94.3 million</p> <p>10 shares and warrants are owned by foreign companies?</p> <p>11 A. Yes, there should have been.</p> <p>12 Q. Why was that not done?</p> <p>13 A. Because I'm -- I didn't take care of it</p> <p>14 properly. It was something that I overlooked as I</p> <p>15 was reading the documents, and somehow when I got</p> <p>16 there I didn't -- I have three sets of accountants,</p> <p>17 and I assume those accountants are going to take care</p> <p>18 of the things that are going on in the company.</p> <p>19 And I didn't think that three accounting</p> <p>20 firms would make that kind of mistake, and that's my</p> <p>21 problem, and I should have taken care of it. That's</p> <p>22 not -- I can't do anything about that.</p> <p>23 Q. This indicates that Randle Johnson</p> <p>24 beneficially owns 450,000 shares and options.</p> <p>25 A. He could do.</p>
<p style="text-align: right;">195</p> <p>1 know that they're not mine. They know they're in a</p> <p>2 different company.</p> <p>3 Q. How do the shareholders know that?</p> <p>4 A. Well, shareholders don't, but the auditors</p> <p>5 I believe do, and they're the ones who felt like it</p> <p>6 was okay to do that. So I am not sure why they did</p> <p>7 it or why they didn't do it, but that's just how they</p> <p>8 did it.</p> <p>9 Q. Are you saying in reality you do not own</p> <p>10 any preferred shares or warrants?</p> <p>11 A. I don't own anything.</p> <p>12 Q. And so the decision -- so did you decide to</p> <p>13 state that you do beneficially control 94 million</p> <p>14 shares and warrants because the shareholders would be</p> <p>15 unhappy if they learned that the shares were owned by</p> <p>16 a company in Nevis?</p> <p>17 A. No, I'm not saying that at all.</p> <p>18 Q. Tell me what -- because I'm seeing a</p> <p>19 disconnect. You're telling me you own no shares and</p> <p>20 no warrants, and the 10-K, which is signed under</p> <p>21 oath, says that you beneficially own 94.3 million</p> <p>22 shares and warrants.</p> <p>23 A. Right. And that needs to be changed</p> <p>24 obviously, but right now that's just the way it is.</p> <p>25 Q. Was this correct at the time you signed it?</p>	<p style="text-align: right;">197</p> <p>1 Q. Does he still own that?</p> <p>2 A. I believe he does, yes, but I -- I'm not</p> <p>3 going to say -- I'm not going to guarantee it now.</p> <p>4 I'm going to go find out. Like I said, I believe</p> <p>5 that's accurate.</p> <p>6 Q. Do you know if Black Night and Starlight</p> <p>7 have sold any of the shares that are in your name,</p> <p>8 that were issued in your name?</p> <p>9 A. They couldn't sell them. They don't have</p> <p>10 anything they could sell. It's only warrants. They</p> <p>11 would have to purchase them to sell them. There</p> <p>12 isn't any stock. There's is no stock owned by</p> <p>13 Starlight that can be sold.</p> <p>14 Q. There's also a million five thousand and</p> <p>15 twenty preferred shares; correct?</p> <p>16 A. It's voting shares. You can't sell them.</p> <p>17 Q. Are those shares -- are there certificates</p> <p>18 representing those preferred shares?</p> <p>19 A. I don't know. I have no idea, but I do</p> <p>20 know that that -- that you can't market them.</p> <p>21 Q. If there are certificates representing</p> <p>22 those shares, where are those certificates presently?</p> <p>23 A. Probably in the possession of whoever</p> <p>24 owns -- controls Starlight and Black Night. It could</p> <p>25 be in Nevis. I don't even know.</p>

May 02, 2019

Neldon Johnson

250	<p>1 constitutional freedoms. I will sit in any court, 2 any judge, anyplace you want, and they will threaten 3 me with anything they want to threaten me with, and 4 they can put me in jail. 5 But I will not stand in this next life and 6 look at my friends in the face and say, "What in the 7 hell did I die for?" That is not one of the things 8 that I will do. 9 Now, if that's the choice that you're 10 giving me, I will take going to jail, and I will die 11 soon, and it won't matter. I am 74 years old, so it 12 won't make that much difference, but that's not 13 something I'm going to do. 14 I believe there's a hereafter. I will face 15 those men, and they will say, "What did you do with 16 my life and how did you protect your liberties?" I 17 will protect my liberties any way I can, and if it 18 means giving up my life, I hope that I will be 19 willing to do that, for your liberties as much as 20 mine. 21 Because if they take my liberties, they 22 take yours and they take yours, and if they can do 23 what they're doing to me, they can do it to you; and 24 if you don't think they can, then just wait. But I 25 will not give them up voluntarily, nor should you ask</p>	252	<p>1 something I will ever do, nor will you ever see it, 2 not for one dollar, not for ten dollars, not for 3 \$10 million. 4 And that's where I stand, and if you want 5 to do anything different, you're not -- you're never 6 going to scare me into doing something. You can take 7 a .44 Magnum and put it right in my face and pull the 8 god-damned trigger. 9 MR. KLEIN: Anything else you want to state? 10 NELDON JOHNSON: That's all I'm saying. 11 MR. KLEIN: Then we will conclude this record 12 and go off the record. 13 NELDON JOHNSON: All right. Thank you. 14 THE COURT REPORTER: Mr. Johnson, would you like 15 a copy of this transcript? 16 NELDON JOHNSON: Yes, I would. 17 (Whereupon the taking of this deposition was 18 concluded at 5:22 p.m.) 19 * * * 20 The reading copy was submitted to the witness 21 at 2730 West 4000 South, Oasis, Utah 84624. 22 (Whereupon the taking of this deposition was 23 concluded at 5:22 p.m.) 24 * * * 25</p>
251	<p>1 me to do that an as American citizen. I am ashamed 2 of anybody who would do that. 3 To think that my friends died for their 4 country to protect this Constitution and see it 5 ripped apart the way I'm looking at it is citeful and 6 it will not maintain this country. Once the people 7 recognize that there's no fair courts, this country 8 will rip apart. 9 There's only one thing that holds this 10 country together, and that is the belief that the 11 system is honest. Once that is broken, you'll never 12 get that back, and if that's ever broken, this 13 country will go into a faction and go into tribe 14 units. That's only the way it will go. 15 You will never put these people in any 16 other position, and when you get through and find out 17 that your judges are not honest and your prosecutors 18 are not living up to the oath and covenant they've 19 taken to protect and secure this Constitution. And 20 when that gets out to the point where the people no 21 longer can believe in it and have to coalesce 22 together to get protection, this country is over. 23 And I'm not going to be standing in one of 24 the lines that says "I participated in destroying 25 this greatest country that's ever been." That's not</p>	253	<p>1 C E R T I F I C A T E 2 STATE OF UTAH)) 3 COUNTY OF UTAH) 4 THIS IS TO CERTIFY that the foregoing 5 deposition was taken before me, Letitia L. Meredith, 6 Registered Professional Reporter and Notary Public 7 for the State of Utah and Certified Shorthand 8 Reporter for the State of California. 9 That the said witness was by me, before 10 examination, duly sworn to testify the truth, the 11 whole truth, and nothing but the truth in said cause. 12 That the testimony was reported by me in 13 Stenotype, and thereafter transcribed by computer 14 under my supervision, and that a full, true, and 15 correct transcription is set forth in the foregoing 16 pages. 17 I further certify that I am not of kin or 18 otherwise associated with any of the parties to 19 said cause of action and that I am not interested in 20 the event thereof. 21 WITNESS MY HAND and official seal at 22 Spanish Fork, Utah, this 17th of May 2019. 23  24 Letitia L. Meredith, CSR, RPR 25</p>