

Healy Gallagher, Erin (TAX)

From: Healy Gallagher, Erin (TAX)
Sent: Friday, July 26, 2019 10:31 AM
To: utdj_Nuffer@utd.uscourts.gov; dj.nuffer@utd.uscourts.gov; Edwin S. Wall
Cc: 'Denver Snuffer'; 'Joshua E'; joshua.egan@me.com; 'Dan Garriott'; 'Greg Shepard'; wklein@kleinutah.com; 'Mike Lehr'; Hines, Erin R. (TAX); 'STEVEN PAUL'; jhafen@parrbrown.com; 'Kate Conyers'; 'Heather Stokes'
Subject: US v. RaPower-3 (Civ. No. 15-828): compliance declaration from Neldon Johnson
Attachments: 2019 07 26 Neldon Johnson declaration_US and Receiver redline.DOCX

Dear Mr. Wall,

I am including the Court on this cover email consistent with the procedure ordered to show all of our proposed changes and comments on your client's declaration. (ECF No. 701 at 25-26.) Mr. Klein and I have reviewed your client's draft declaration. We respond as follows.

Generally, the declaration remains non-compliant with Corrected Receivership Order paragraphs 24 and 26. Neldon Johnson repeats many of the same generalities and attempted deflections of his obligations that caused the Court to find him guilty of civil contempt. Therefore, we have taken a two-pronged approach to this revision, to address both its format and its substance:

Format

We have made substantial redline changes to the attached draft declaration to effect the format of the "roadmap" that the Court ordered Neldon Johnson to produce. (See Contempt Order, ECF No. 701 at 13 ("This roadmap is important to help the Receiver understand the facts underlying the financial transactions that may be voidable to increase assets of the Receivership Estate.") and 25 ("If Johnson and Respondents no longer have the documents and are unable to obtain them, then Johnson and Respondents must provide the Receiver a roadmap to the documents that are, or once were, in their possession, custody, or control and describe their efforts to retrieve them.")).

Overall, we recommend following the structure we have created in the attached: for each Receivership Defendant and Affiliated Entity, create a table of documents that Neldon Johnson once had access to or possession of, the date that such documents were turned over to the Receiver, and (if not turned over) the explanation of where the document went and what efforts they have taken to recover the document(s). Some of what Neldon Johnson has already written may be appropriate to add in to the chart – with the specific facts and amplifications required by the Order.

Substance

We have also addressed the substantive contradictions and omissions that we were able to identify within the week since you provided the draft declaration. We note that there are some inconsistencies between the draft you provided and declarations that Neldon Johnson has filed previously in this case. We will not catalogue those inconsistencies, but offer the following docket numbers for your review: ECF Nos. 510, 528, 625, 669, and 684.

Crucially, it is our understanding (and has been our experience) that Nelson Snuffer Dahle and Polson possesses documents, including electronically stored information, that are within Neldon Johnson's control. They were created by NSDP at the direction of Neldon Johnson and they contain his signatures. Therefore, they are responsive to paragraph 24 of the Corrected Receivership Order. This means that Neldon Johnson must search through NSDP records and identify to the Receiver (and produce) copies of every document he saw or signed. Because of the control he has exercised with respect to such documents and data, it is not sufficient for Neldon Johnson to assert that he doesn't have certain records that happen to be stored at NSDP. We expect Neldon Johnson's declaration to fully account for all documents and data among NSDP records that he saw, possessed, signed, or controlled. It is our position that he must provide a

certification that he has reviewed all of those records (because they are under his control) and certify that he has turned over all relevant records. If there are materials over which he would claim a privilege, identify those materials by means of a privilege log. **Neldon Johnson will not purge his contempt until this full accounting is complete.**

Please let us know if you require any clarifications or have any questions.

Sincerely,

Erin Healy Gallagher
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U.S. Department of Justice, Tax Division
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From: Edwin S. Wall [mailto:edwin@edwinwall.com]
Sent: Friday, July 19, 2019 7:03 PM
To: Healy Gallagher, Erin (TAX) <Erin.HealyGallagher@tax.USDOJ.gov>; Hines, Erin R. (TAX) <Erin.R.Hines@tax.USDOJ.gov>; Mangum, John (USAUT) <JMangum@usa.doj.gov>; jhafen@parrbrown.com; 'Mike Lehr' <mlehr@parrbrown.com>; wklein@kleinutah.com
Cc: 'Kate Conyers' <kate@conyersnix.com>; 'Heather Stokes' <hstokes_@msn.com>
Subject: Johnson: Draft Declaration of Neldon Johnson, Case No. 2:15-cv-828 DN, with Attachments

Counsel and Receiver – Attached please find the draft of the Declaration of Neldon Johnson prepared for your review and comments. The Declaration and Exhibits are yet a work in progress. It is anticipated we will have yet further information this coming Monday to add to the Declaration and Exhibits, and a review of the final declaration with Neldon Johnson will be necessary. Please feel free to contact me with any concerns, changes, corrections or questions. - Ed

Edwin S. Wall
Attorney at Law

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IN THE UNITED STATES DISTRICT COURT
DISTRICT OF UTAH, CENTRAL DIVISION

UNITED STATES OF AMERICA,)	DECLARATION OF NELDON JOHNSON
)	
Plaintiff,)	
)	
v.)	Note: This is an Initial Draft Declaration
)	that needs to be fully reviewed by Neldon
)	Johnson and updated, as are all Exhibits
RAPOWER-3, LLC, INTERNATIONAL)	
AUTOMATED SYSTEMS, INC., LTBI,)	
LLC, R. GREGORY SHEPARD and)	Case No. 2:15CV00828-DN
NELDON JOHNSON,)	
)	Hon. DAVID NUFFER
Defendant.)	

I, Neldon Johnson, pursuant to 28 U.S.C. § 1746, and as notarized, declare as follows:

1. I am over twenty one (21) years of age, am within the United States, am of sound and deposing mind, am under oath and make this declaration based on my own personal knowledge.
2. I submit this declaration to comply with the Corrected Receivership Order (“C.R.O.”), ECF Doc. 491, ¶ 24, ¶ 25 and ¶ 26; the Affiliates Order, ECF Doc. 636, ¶ 9; and, the provisions of the Civil Contempt Order, ECF Doc. 701 (which directs compliance with the Corrected Receivership Order and the Affiliates Order).

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3. Pursuant to C.R.O., ¶ 24 and Affiliates Order, ¶ 9, I am to preserve and turn over to the Receiver all paper and electronic information of, or relating to, RaPower-3, LLC, (“RaPower”), International Automated Systems, Inc. (“IAC”), LTB1, LLC (“LTB”), R. Grefory Shepard, (“Mr. Shepard”) and myself, (collectively referred to herein and in the respective pleadings as “Receivership Defendants”) or Receivership Property; such information shall include, but is not limited to: books, records, documents, accounts, stock certificates, intellectual property records, evidence of intellectual property rights, computer and electronic records, and all other instruments and papers; the Affiliates Order, including and encompassing the “Affiliated Entities” identified as:

1. Solco I, LLC (“Solco”);
2. Xsun Energy, LLC (“Xsun”);
3. Cobblestone Centere, LC (“Cobblestone”);
4. LTB O&M, LLC (“LTB”);
5. U-Check, Inc. (“U-Check”);
6. DCL16 BLT, Inc. (“DCL16BLT”);
7. DCL-16A, Inc. (“DCL-16A”);
8. N.P. Johnson Family Limited Partnership, (“NPJFLP”);
9. Solstice Enterprises, Inc. (“Solstice”);
10. Black Night Enterprises, Inc. (“Black Night”);
11. Starlight Holdings, Inc. (“Starlight”);
12. Shepard Energy; and
13. Shepard Global.

Commented [EHG1]: We will not be correcting spelling errors and other typos throughout.

Further, because the word-processing version you provided was in WordPerfect and did not translate with all features into Word, our additional paragraphs below are not automatically updated with the next paragraph number. Therefore, please be mindful of the need to ensure numbering continuity in any revised draft.

(Collectively referred to herein as “Affiliated Entities”).

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4. In response to C.R.O., ¶ 24 and Affiliates Order, ¶ 9, I do not have own, do not have access to, in my possession, do not control and do not have the ability to direct another to assert control any of the Receivership Entities or Affiliate Entities books, records, documents, accounts, stock certificates, intellectual property records, evidence of intellectual property rights, computer and electronic records, or related instruments and papers of the Entities, other than [Note: some additional documents are anticipated this Monday].

5. Further, in response to C.R.O., ¶ 24 and Affiliates Order, ¶ 9, I provided and turned over to the Receiver or to the law firm of Nelson Snuffer all of the books, records, documents, accounts, stock certificates, intellectual property records, evidence of intellectual property rights, computer and electronic records, or related instruments and papers of the Receivership Entities and/or Affiliate Entities which previously I owned, had access, possessed, controlled or had the ability to direct another to assert control; and, it is my directive, expectation and understanding that all books, records, documents, accounts, stock certificates, intellectual property records, evidence of intellectual property rights, computer and electronic records, or related instruments and papers of the Receivership Entities and/or Affiliate Entities which I provided and turned over to Nelson Snuffer and should be available to the Receiver; further, it is my understanding the Wells Fargo bank records have not been delivered to the Receiver, Glenda Johnson delivered copies of certain bank records and check registers to the Receiver, and the Receiver has copies of all of Glenda Johnson’s relevant personal bank records.

NEW PARAGRAPH: With respect to documents regarding International Automated Systems, Inc., and its related Receivership Property, I once had possession of, control of, or access to the

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Commented [EHG2]: This and other such notes promising additional documents or information after the date of the draft declaration do not meet Neldon Johnson’s compliance requirements under the Corrected Receivership Order or the Contempt Order. He was to have submitted a complete draft for review by the United States and the Receiver no later than July 19, 2019. (ECF No. 725 at 3).

We acknowledge that, on July 23, 2019, you provided the aircraft log books for the Cessna 414 and stock certificates. But as of the time of delivering this response on July 26, 2019, you have not provided other “additional documents” or information.

Commented [EHG3]: This assertion (and others like it throughout this draft declaration, all of which should be corrected) fails to meet Neldon Johnson’s burden under ¶ 24 of the Corrected Receivership Order, as Judge Nuffer has already ruled: “With respect to books and records for the Receivership Defendants and Receivership Property, Johnson claims either that all books and records have been delivered to the Receiver, or that he does not have any responsive documents.52 First, Johnson’s assertion that he has delivered all documents to the Receiver is an attempt to shift the burden to the Receiver to identify the documents that Johnson has not delivered. The Corrected Receivership Order puts the burden of ensuring compliance on Johnson, not the Receiver. . . . Further, Johnson’s assertion that third parties have documents does not to satisfy his burden under the Corrected Receivership Order.” (ECF No. 701 at 12-13 (fn omitted)).

Neldon Johnson, and not anyone else, is required to compile the documents and information required and provide them to the Receiver. He is not permitted to attempt to shift that burden on to any other person, especially the Receiver.

Accordingly, Neldon Johnson should provide the information in the following paragraph and chart, as we recommended to Glenda, LaGrand, and Randal Johnson (see ECF No. 701-5).

following documents:

<u>International Automated Systems</u>			
<u>Category</u>	<u>Document Identification</u>	<u>Date Delivered to Receiver</u>	<u>If not Delivered, Explanation of Document Location, Custodian, and Efforts to Recover</u>
<u>Corporate Records</u>			
	<u>Articles of incorporation</u>		
	<u>Bylaws</u>		
	<u>Minutes of board meetings (list all)</u>		
	<u>Corporate resolutions (list all)</u>		
	<u>Amendments to articles, bylaws</u>		
	<u>Others (specify)</u>		
<u>Stock Records, Regulatory Filings</u>			
	<u>Ledger or other records showing to whom shares were issues, certificate numbers</u>		
	<u>Agreement(s) with transfer agent(s)</u>		
	<u>Agreement(s) with market makers</u>		
	<u>Printed, but unissued share certificates</u>		
	<u>Canceled or voided share certificates</u>		
	<u>Issued certificates still in possession of IAS</u>		
	<u>Reports prepared or filed with any securities regulators including:</u>		
	<ul style="list-style-type: none"> • <u>Annual, quarterly, and special reports</u> • <u>Reports of sales of securities by insiders</u> 		
	<u>Others (specify)</u>		
<u>Litigation, Regulatory Investigation Records</u>			
	<u>Files regarding all lawsuits filed by IAS against others</u>		
	<u>Files regarding all lawsuits filed against IAS by others</u>		
	<u>Files regarding all investigations of or litigation against IAS by the SEC, NASD, FINRA, or state regulators</u>		

Commented [EHG4]: This table has been drafted for you, because we believe that you once had access, at the very least, to documents on this list. Only you know all categories of documents that should appear on it, however. You must account for all documents required by paragraph 24, for all Receivership Entities, including the Affiliated Entities. (ECF No. 701 at 13.)

This paragraph will provide the “roadmap” that the Court ordered Neldon Johnson to produce. (See Contempt Order, ECF No. 701 at 13 (“This roadmap is important to help the Receiver understand the facts underlying the financial transactions that may be voidable to increase assets of the Receivership Estate.” (fn omitted)) and 25 (“If Johnson and Respondents no longer have the documents and are unable to obtain them, then Johnson and Respondents must provide the Receiver a roadmap to the documents that are, or once were, in their possession, custody, or control and describe their efforts to retrieve them.”)).

International Automated Systems			
Category	Document Identification	Date Delivered to Receiver	If not Delivered, Explanation of Document Location, Custodian, and Efforts to Recover
Financial Records			
	<u>Paper copies of any accounting records (including QuickBooks records) such as balance sheets, income statements, accounts receivable, accounts payable</u>		
	<u>Financial records prepared or used in the preparation of 10-K (annual reports) and 10-Q (quarterly reports)</u>		
	<u>Financial records prepared or used in assisting the outside auditors to prepare the audited financial reports of IAS.</u>		
	<u>Financial records prepared or used in making financial reports for meetings of the board of directors.</u>		
	<u>Financial records prepared or used to report to the CEO on financial matters</u>		
	<u>Bank statements for each bank account IAS had for which I had signatory authority</u>		
	<u>Account opening documents for each bank account of IAS.</u>		
	<u>Check registers for each bank account (paper or electronic)</u>		
	<u>Documents showing wires sent or received.</u>		
	<u>Deposit slips for all deposits to IAS bank accounts</u>		
	<u>Copies of canceled checks</u>		
	<u>Others (specify)</u>		
Payments Made to Others			
	<u>Documents reflecting the reason for any payments made from IAS to any other person or entity, such as:</u>		

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International Automated Systems			
Category	Document Identification	Date Delivered to Receiver	If not Delivered, Explanation of Document Location, Custodian, and Efforts to Recover
	<ul style="list-style-type: none"> • <u>Agreements with contractors or suppliers</u> • <u>Employment agreements</u> • <u>Consulting agreements</u> • <u>Records showing commissions paid</u> • <u>Transfers to affiliated entities</u> • <u>Other (specify)</u> 		
Reasons for Payments to IAS			
	<u>Documents reflecting the reason for any payments to IAS from any other person or entity, such as:</u> <ul style="list-style-type: none"> • <u>Reasons for my payments to IAS</u> • <u>Transfers from affiliated entities</u> • <u>Others (specify)</u> 		
Real Estate Owned			
	<u>Documents showing IAS acquisition of real property</u>		
	<u>Documents showing property taxes paid on real property</u>		
	<u>Documents showing any maintenance or repairs of real property owned by IAS</u>		
	<u>Documents showing construction of towers or other structures on property owned by IAS</u>		
	<u>Easements granted</u>		
	<u>Assets used by me</u>		
	<u>Other (specify)</u>		
Equipment, Vehicles			
	<u>Records showing all equipment and vehicles purchased by IAS</u>		

International Automated Systems			
<u>Category</u>	<u>Document Identification</u>	<u>Date Delivered to Receiver</u>	<u>If not Delivered, Explanation of Document Location, Custodian, and Efforts to Recover</u>
	<u>Records of all equipment and vehicles sold or transferred by IAS</u>		
	<u>Records of all repairs of equipment and vehicles</u>		
	<u>Assets used by me</u>		
	<u>Other (specify)</u>		
Payments to Neldon Johnson			
	<u>Records showing payments of any kind to me and the reasons for such payments</u>		
	<u>Records showing payments of any kind to other persons for my benefit and the reasons for such payments, including:</u> <ul style="list-style-type: none"> • <u>Payments of credit card expenditures,</u> • <u>Payments on obligations owed by companies I control, such as affiliates and subsidiaries,</u> • Payments of utility expenses, HOA fees, home repairs, furniture, insurance, home improvement, property taxes, and internet service for homes where I reside, • Payment of licensing fees for vehicles titled in my name, • Purchasing aircraft that were titled in my name; • Paying for repairs and licensing fees for aircraft owned by me, • Purchasing vehicles or paying lease payments for vehicles I drove and trailers I used, • Paying for gasoline and repairs on vehicles I drove, 		

Commented [EHG5]: Take an expansive view of this phrase. It includes, for example, any payment you directed Glenda Johnson to make for any aspect of your living expenses and all payments made to members of your family and your friends that were for your benefit (including to pay any debt you owed or for a reputational benefit).

International Automated Systems			
Category	Document Identification	Date Delivered to Receiver	If not Delivered, Explanation of Document Location, Custodian, and Efforts to Recover
	<ul style="list-style-type: none"> • Payments relating to any timeshares that are or were owned by me, • Payments made to attorneys and others to obtain patents that were registered in my name. 		
	<u>Records showing payments of any kind to me and the reasons for such payments</u>		
Contracts			
	<u>Contracts between me and IAS (specifically including contracts showing the amounts of salary I was to be paid)</u>		
	<u>Contracts or agreements between IAS and affiliated entities which I signed or approved</u>		
	<u>Contracts between IAS and third parties which I signed on behalf of IAS</u>		
	<u>Agreements by IAS to acquire or transfer assets (including intellectual property)</u>		
	<u>Agreements to license intellectual property</u>		
	<u>Asset purchase agreements</u>		
Shareholder Agreements			
	<u>Royalty agreements</u>		
	<u>Shareholder agreements</u>		
	<u>Voting trust agreements</u>		
	<u>Warrant agreements</u>		
	<u>Share purchase agreements</u>		
Correspondence			

International Automated Systems			
Category	Document Identification	Date Delivered to Receiver	If not Delivered, Explanation of Document Location, Custodian, and Efforts to Recover
	<u>Correspondence from IAS signed by me</u>		
	<u>Emails to and from the email domain @iaus.com</u>		
Securities Transactions			
	<u>All documents related to sales of IAS shares by me, including:</u> <ul style="list-style-type: none"> • <u>Warrant agreements</u> • Exercises of warrants, including evidence showing the payment of the warrant exercise price to IAS, • <u>Share certificates,</u> • <u>Confirmation statements for every sale of shares</u> by me, • <u>Account statements for brokerage accounts</u> from which <u>my shares were sold,</u> • <u>Payments to me by LaGrand Johnson, Randale Johnson, Stacy Snow, and Christopher Taylor</u> representing a portion of the proceeds from shares of IAS stock they sold. 		
Tax Records			
	<u>Tax returns of IAS and backup documents for tax returns</u>		
	<u>Files regarding all audits and investigations by any state or federal taxing authority</u>		
Documents Signed by Neldon Johnson			
	<u>All documents relating to IAS or any affiliated entities signed by me</u>		

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International Automated Systems			
Category	Document Identification	Date Delivered to Receiver	If not Delivered, Explanation of Document Location, Custodian, and Efforts to Recover

1. With respect to documents regarding RaPower-3, LLC and its related Receivership Property, I once had possession of, control of, or access to the following documents:
2. With respect to documents regarding Solco I, LLC, and its related Receivership Property, I once had possession of, control of, or access to the following documents:
3. With respect to documents regarding XSun Energy, LLC, and its related Receivership Property, I once had possession of, control of, or access to the following documents:
4. With respect to documents regarding Cobblestone Centre, LC, and its related Receivership Property, I once had possession of, control of, or access to the following documents:
5. With respect to documents regarding LTB O&M, LLC, and its related Receivership Property, I once had possession of, control of, or access to the following documents:
6. With respect to documents regarding U-Check, Inc., and its related Receivership Property, I once had possession of, control of, or access to the following documents:
7. With respect to documents regarding DCL16BLT, Inc., and its related Receivership Property, I once had possession of, control of, or access to the following documents:
8. With respect to documents regarding DCL16A, Inc., and its related Receivership Property, I once had possession of, control of, or access to the following documents:
9. With respect to documents regarding the N.P. Johnson Family Limited Partnership, and its related Receivership Property, I once had possession of, control of, or access to the following documents:

Commented [EHG6]: Create a table like the one for IAS and add it to this paragraph, and each successive paragraph regarding each of the Affiliated Entities. Not all document types that are in the list for IAS may apply, and there may be some new documents unique to one or more of the Affiliated Entities. Be expansive and thorough in your listing of such documents.

10. With respect to documents regarding Solstice Enterprises, Inc., and its related Receivership Property, I once had possession of, control of, or access to the following documents:

11. With respect to documents regarding Black Night Enterprises, Inc., and its related Receivership Property, I once had possession of, control of, or access to the following documents:

12. With respect to documents regarding Starlight (or Starlite) Holdings, Inc., and its related Receivership Property, I once had possession of, control of, or access to the following documents:

13. With respect to all other Receivership Property not otherwise identified herein, I once had possession of, control of, or access to the following documents:

6. Pursuant to C.R.O. ¶ 25, I am to submit a sworn statement listing:
- (a) the identity, location, and estimated value of all Receivership Property;

DRAFT (b) all employees (and job titles thereof), other personnel, attorneys, accountants, and any other agents or contractors of the Entity Receivership Defendants;

(c) the names, addresses, and amounts of claims of all known creditors of the Receivership Defendants;

(d) the existence of an information about all insurance policies owned by, issue to, or obtained by any of the Receivership Defendants or for which a Receivership Defendant is the beneficiary;

(e) the password for all computers, electronic devices, software programs, online financial accounts, websites, social media accounts, cloud storage, servers, and any other book or record or account of the Receivership Defendants that is accessible by password;

(f) the status of any pending litigation to which any of the Receivership Defendants are involved, other than the instant case, including the names of the parties, the names of attorneys who have represented the Receivership Defendants, and the location of any records relating to the litigation which records are not under the control of Receivership Defendants; and,

(g) a financial statement setting forth the identity, value, and location of all assets of each Receivership Defendant, including assets held outside the territory of the United States.

7. In response to C.R.O. ¶ 25,

a. as to the identity, location, and estimated value of all Receivership Property,

i. I do not have in my possession any Receivership Property,

ii. Attached is an inventory, titled Assets at Delta, Utah Property, as to those items that I am aware of located in Delta, Utah, see, Assets at Delta, Utah Property, **Exhibit A**, together with real property in the name of Glenda Johnson, see, Real Property in the Name of Glenda Johnson, **Exhibit B**, and

iii. I do not have knowledge of and am not aware of any other Receivership Property;

DRAFT b. as to all employees (and job titles thereof), other personnel, attorneys, **DRAFT**
accountants, and any other agents or contractors of the Entity Receivership Defendants,

- i. Accountants, Hansen, Barnett and Maxwell, CPA, for IAS, Eid Bailey, contact, Ph; 800-301-1040, has no records or documents, as they only keep records for 7 years and any documents would only be those in the federal records system,
 - ii. Accountants, Mantyla & McRenolds, CPA, Ph 801-269-1818, **[Note: Still attempting contact, not returning calls]**,
 - iii. Accountants, Candence Group, for IAS, Ph: 801-349-1360, for which further information can only be obtained from the specific accountant who worked on the project, anticipated to be known by LaGrand Johnson,
 - iv. Now CFO, for IAS, Ph: 877-884-0232, for which further information can only be obtained from the specific accountant who worked on the account, anticipated to be known by LaGrand Johnson,
 - v. Peregrine Consulting and Accounting, Ph: 801-915-4124, accountant Gary Peterson **[Note: additional information anticipated as soon as Mr. Peterson can be contacted, further efforts are being made]**,
 - vi. Pinaki and Associates, Ph 510-274-5471, appears to be out of business due to issues with the SEC,
 - vii. **[Note: Additional names and details are anticipated this Monday]**,
- c. the names, addresses, and amounts of claims of all known creditors of the Receivership Defendants,

Commented [WK7]: To the extent that documents have been identified as being in the possession of another, the declaration should identify all attempts that have been made, including the dates and manner of attempts to recover the records.

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i. I do not have any knowledge of and am not aware of any creditors of the

Receivership Defendants, Receivership Entities or Affiliated Entities;

d. as to the existence of an information about all insurance policies owned by, issued to, or obtained by any of the Receivership Defendants or for which a Receivership Defendant is the beneficiary,

i. I do not have any knowledge of and am not aware of any insurance policies obtained by any of the Receivership Defendants, Receivership Entities or Affiliated Entities, and

ii. I do not have any knowledge of and am not aware of any insurance policies where I am, or any Receivership Defendants, Receivership Entities or Affiliated Entities are, the beneficiary of an insurance policy;

e. as to the password for all computers, electronic devices, software programs, online financial accounts, websites, social media accounts, cloud storage, servers, and any other book or record or account of the Receivership Defendants that is accessible by password,

i. I do not have knowledge of and am not aware of any password;

f. as to the status of any pending litigation to which any of the Receivership Defendants are involved, other than the instant case, including the names of the parties, the names of attorneys who have represented the Receivership Defendants, and the location of any records relating to the litigation which records are not under the control of Receivership Defendants

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DRAFT i. I do not have any knowledge of and am not aware of any litigation DRAFT

involving or relating to any Receivership Defendants, Receivership Entities or Affiliated Entities, other than the present litigation;

g. as to a financial statement setting forth the identity, value, and location of all assets of each Receivership Defendant, including assets held outside the territory of the United States,

i. I do not have any knowledge of and am not aware of any financial statement for any Receivership Defendants, Receivership Entities or Affiliated Entities, and

ii. I do not have and am not aware of such information as would enable me to prepare or provide a financial statement for any Receivership Defendants, Receivership Entities or Affiliated Entities.

8. Pursuant to C.R.O. ¶ 26, I am to file a sworn statement and accounting, with complete documentation, covering the period from January 1, 2005, to the present:

a. Of all Receivership Property, wherever located, held by or in the name of the Receivership Defendants, or in which any of them, directly or indirectly, has or had any beneficial interest, or over which any of them maintained or maintains or exercised or exercises control, including, but not limited to: (i) all securities, investments, funds, digital currencies, real estate, vehicles, aircraft, watercraft, recreational vehicles, jewelry and other assets, stating the location of each; (ii) all patents and other intellectual property, including documents of the grants of intellectual property, all documents used in support of the applications, all models or samples of products that are the subject of intellectual property grants, and any documents showing the assignment, sale, or licensing of any intellectual property; and (iii) any and all accounts, including all funds held in such accounts, with any bank, brokerage, or other financial institution, including the account statements from each bank, brokerage, or other financial institution.

b. Identifying every safe deposit box, commercial mail box, business office, storage facility, or other building or facility belonging to, for the use or benefit of, controlled by,

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DRAFT or titled in the name of any Receivership Defendant, or subject to access by any DRAFT

Receivership Defendant or other person subject to the Asset Freeze in Section A of this Order.

c. Identifying all credit, bank, charge, debit, stored-value, or other deferred payment card issued to or used by each Receivership Defendant including, but not limited to, the issuing institution, the card or account numbers, all persons or entities to which a card was issued or with authority to use a card, the balance of each account or card as of the most recent billing statement, and all statements for the last twelve months.

d. Identifying for the Entity Receivership Defendants: (i) the names, contact information, and number of shares for all shareholders as of November 23, 2015, and all purchases and sales of stock, including common and preferred shares, since November 23, 2015, which information shall include identification of the buyers and sellers, the number of shares transferred, the dates of the transfers, and the value of the transfers; and (ii) the names and contact information for transfer agents, market makers, attorneys, and accountants who provided services to IAS relating to its status as an issuer or publicly-held company.

e. Of all assets received by any of the Receivership Defendants from any person or entity, including the value, location, and disposition of any assets so received.

f. Of all funds received by the Receivership Defendants, and each of them, in any way related, directly or indirectly, to the conduct alleged in the United States' Complaint in this case. The submission must clearly identify, among other things, all purchases of solar lenses or alternative energy systems or other products sold by Receivership Defendants, the dates and amounts of the purchases, and the current location of funds received from the sales.

g. Of all expenditures exceeding \$1,000 made by any of them, including those made on their behalf by any person or entity.

h. Of all transfers of assets by them, including a description or identification of: (i) the assets; (ii) the transferees of the assets; (iii) the date of the transfers; (iv) the amount or value of the assets transferred; (v) a description of any goods or services received in exchange for the assets, including the value of any goods or services received; and, (vi) to the best of their knowledge, the current location of the assets.

9. In response to C.R.O. ¶ 26,

a. as to all Receivership Property, specifically,

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i. personal property, including, all securities, investments, funds, digital

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currencies, real estate, vehicles, aircraft, watercraft, recreational vehicles, jewelry and other assets,

(1) I do not have any knowledge of and am not aware of any securities held, controlled or invested in by any Receivership Defendants, Receivership Entities or Affiliated Entities,

(2) I do not have any knowledge of and am not aware of any investments held, controlled or invested in by any Receivership Defendants, Receivership Entities or Affiliated Entities,

(3) I do not have any knowledge of and am not aware of any funds held, controlled or invested in by any Receivership Defendants, Receivership Entities or Affiliated Entities, other than the \$1,368.00, I receive from Social Security, those funds indicated in court being received by R. Gregory Shephard which were discussed in court,, and funds in the Trust Account of Nelson Snuffer for the payment of attorney's fees (which I understand are the subject of the Court's freeze),

(4) I do not have any knowledge of and am not aware of any digital currencies held, controlled or invested in by any Receivership Defendants, Receivership Entities or Affiliated Entities,

(5) I do not have any knowledge of and am not aware of any real estate held, controlled or invested in by any Receivership Defendants, Receivership Entities or Affiliated Entities, other than the real estate I have

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disclosed to the Receiver, including the real property in the name of DRAFT

Glenda Johnson, see, Real Property in the Name of Glenda Johnson,

Exhibit B,

(6) I do not have any knowledge of and am not aware of any vehicles held, controlled or invested in by any Receivership Defendants,

Receivership Entities or Affiliated Entities, other than my personal vehicles which include a 2003 GMC Citron K2500 HD worth \$4,650, a

2000 Ford F 250 Super-duty worth \$9,000, a 2014 Chevy Town and

Country owned by Glenda Johnson for which payments have been made by Cobblestone; together with those vehicles located in Delta, Utah, see, Assets at Delta, Utah Property, **Exhibit A;**

(7) I do not have any knowledge of and am not aware of any aircraft held, controlled or invested in by any Receivership Defendants,

Receivership Entities or Affiliated Entities, other than the two aircraft known to the Receiver, to-wit: the Mooney (N9400V) located in Delta, Utah, [Note: the Log Books are anticipated this Monday], and the Cessna (N12213) which the Receiver should have the log books and other related materials,

(8) I do not have any knowledge of and am not aware of any watercraft held, controlled or invested in by any Receivership Defendants,

Receivership Entities or Affiliated Entities, other than the watercraft located in Delta, Utah, see, Assets at Delta, Utah Property, **Exhibit A,**

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Commented [EHG8]: We note the following inconsistencies: In ECF No. 528 at 1 and Ex. 1, Neldon Johnson identified these vehicles as Receivership Property; in ECF No. 669 paragraph 4(a) Neldon Johnson claimed to have turned over to the Receiver all Receivership Property in his possession (while also denying that he owned any vehicles). In this draft, Neldon Johnson once again acknowledges these vehicles as Receivership Property. But, as of the time of delivering this response on July 26, 2019, he has not turned them over to the Receiver.

To the extent Neldon Johnson still has possession of these vehicles or any other Receivership Property (including the wave runners noted in the Receiver's comment below), his statement in ECF No. 669 appears to be false. If he believes he has turned over all Receivership Property to the Receiver, he should provide the date and circumstances under which he turned over the property.

Commented [WK9]: These were delivered to the Receiver on July 23, 2019.

Commented [WK10]: The only watercraft listed in Exhibit A is a boat. Neldon must account for all watercraft, including "wave runners" that were purchased on August 26, 2014.

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(9) I do not have any knowledge of and am not aware of any DRAFT

recreational vehicles held, controlled or invested in by any Receivership Defendants, Receivership Entities or Affiliated Entities, other than the recreational vehicles located in Delta, Utah, see, Assets at Delta, Utah Property, Exhibit A,

(10) I do not have any knowledge of and am not aware of any jewelry held, controlled or invested in by any Receivership Defendants, Receivership Entities or Affiliated Entities, other than [Note: information about personal jewelry such as wedding rings, watches and family heirlooms is anticipated this Monday]. ,

(11) I do not have any knowledge of and am not aware of any other property held, controlled or invested in by any Receivership Defendants, Receivership Entities or Affiliated Entities, other than the assignment of patents to Black Night, see Exhibit D and NPJFLP, see Exhibit E;

ii. as to all patents and other intellectual property, including documents of the grants of intellectual property, all documents used in support of the applications, all models or samples of products that are the subject of intellectual property grants, and any documents showing the assignment, sale, or licensing of any intellectual property,

(1) I previously provided the Receiver a list of all patents and pending patents that I owned, have knowledge or am aware of, which include those

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set for in the List of Patents, **Exhibit C**, those patents Assigned to Black

Night, **Exhibit D**, and those patents Assigned to NPJFLP, **Exhibit E**.

(2) I do not have any knowledge of and am not aware of any other property held, controlled or invested in by any Receivership Defendants, Receivership Entities or Affiliated Entities of any patents and other intellectual property, including documents of the grants of intellectual property, all documents used in support of the applications, all models or samples of products that are the subject of intellectual property grants, and any documents showing the assignment, sale, or licensing of any intellectual property, other than the documents used in support of applications, office actions and responses and other patent prosecution records which are in the boxes I delivered to Nelson Snuffer and should be available to the Receiver.

iii. as to any and all accounts, including all funds held in such accounts, with any bank, brokerage, or other financial institution, including the account statements from each bank, brokerage, or other financial institution,

(1) I have attached the Account List, which reflects the accounts to the best of my knowledge, owned or used for the benefit of the Receiver Defendants, or Receiver Entities, Bank Accounts owned by Receiver Defendants (or used for their Benefit), **Exhibit F**, however I do not have access to, control over, or the ability to direct the production of the statements for the accounts,

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(2) I have a personal account into which my Social Security check of

\$1,368.00 is deposited each month,

(3) I do not have any knowledge of and am not aware of any other accounts, including all funds held in such accounts, with any bank, brokerage, or other financial institution, held, controlled or invested in by any Receivership Defendants, Receivership Entities or Affiliated Entities

b. as to every safe deposit box, commercial mail box, business office, storage facility, or other building or facility belonging to, for the use or benefit of, controlled by, or titled in the name of any Receivership Defendant, or subject to access by any Receivership Defendant or other person subject to the Asset Freeze,

i. I do not have safe deposit box, commercial mail box, business office, storage facility, or other building or facility, other than the Safe Deposit Box in Delta Utah, which is empty (as confirmed by Christopher Bertram, investigator), a storage facilities and building in Delta Utah, see Exhibit A, and the place where I now reside;

ii. I do not have knowledge of and am not aware of any other Receivership Property, Receivership Entities or Affiliated Entities having safe deposit box, commercial mail box, business office, storage facility, or other building or facility;

c. as to each credit, bank, charge, debit, stored-value, or other deferred payment card issued to or used by each Receivership Defendant,

Commented [WK11]: Please indicate under whose direction Mr. Bertram was acting. Is he your agent?

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- i. I have a bank account into which my Social security funds, in the amount of \$1,386.00 are deposited each month;
- ii. I do not have knowledge of and am not aware of any other Receivership Property, Receivership Entities or Affiliated Entities having a credit, bank, charge, debit, stored-value, or other deferred payment card;
- d. as to the names, contact information, and number of shares for all shareholders as of November 23, 2015, and all purchases and sales of stock, including common and preferred shares, since November 23, 2015, which information shall include identification of the buyers and sellers, the number of shares transferred, the dates of the transfers, and the value of the transfers; and (ii) the names and contact information for transfer agents, market makers, attorneys, and accountants who provided services to IAS relating to its status as an issuer or publicly-held company
- i. I have attached a list of shares from those of the IAS minutes I have been able to locate which reflect the shares issued, see, IAS List of Shares, **Exhibit G** [Note: some additional updates are anticipated this Monday],
- ii. I have also attached the list from the Pacific Stock Transfer Agent which reflects those shares for which they are the transfer agent, see, Pacific Stock Transfer Record, **Exhibit H (multiple documents)**.
- iii. I do not have further knowledge of and am not aware of any other Receivership Property, Receivership Entities or Affiliated Entities **having or receiving any shares since November 23, 2015, other than** [Note: an update is anticipated this Monday].

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DRAFT e. as to assets received by any of the Receivership Defendants, Receivership Entities and Affiliated Entities, from any person or entity,

i. In order to provide the best information I have as to any assets received by the Receivership Defendants, Receivership Entities and Affiliated Entities, I have attached Assets at Delta, Utah Property, Exhibit A, together with real property in the name of Glenda Johnson, see, Real Property in the Name of Glenda Johnson, Exhibit B, List of Patents, Exhibit C, those patents Assigned to Black Night, Exhibit D, and those patents Assigned to NPJFLP, Exhibit E, Bank Accounts owned by Receiver Defendants (or used for their Benefit), Exhibit F, IAS List of Shares, Exhibit G, Pacific Stock Transfer Record, Exhibit H

ii. I do not have knowledge of and am not aware of any other Receivership Property, Receivership Entities or Affiliated Entities having or receiving any other assets.

f. as to all funds received by the Receivership Defendants, and each of them, in any way related, directly or indirectly, to the conduct alleged in the United States' Complaint in this case among other things, all purchases of solar lenses or alternative energy systems or other products sold by Receivership Defendants, the dates and amounts of the purchases, and the current location of funds received from the sales,

i. It is my understanding and belief, and to the best of my knowledge, the Receiver has the computer hard drive and the computer on which the Quick Book Records are stored and I am informed that on May 9, 2019, the laptop of Glenda Johnson was delivered to the Receiver who had a forensic image of the computer

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created by computer experts, and those experts have been able to extract the

accounting records and make them readable,

ii. the Quick Book Records are the primary record that reflects the purchases of solar lenses, commissions paid for sales of solar lenses, all purchases and sales, and all related banking transactions related to the alternative energy systems of the Receivership Defendants are recorded, and as I do not have access to or a copy of

those records I am unable to provide further or more detailed information [Note: it is anticipated for the final draft we will be able to make a list of the payments made based on summaries of the commissions], and

iii. as to those records Glenda Johnson created and maintained those records and is the only person I am aware of that can provide any further explanation as to any matters in those records;

g. as to all expenditures exceeding \$1,000 made by any of the Receiver Defendants, Receiver Entities or Affiliated Entities, including those made on their behalf by any person or entity,

i. I have attached a spread sheet of all expenditures exceeding \$1,000.00 that I have been able to locate based on the bank records in my possession and have attached that spreadsheet as Expenditures Spreadsheet, Exhibit I,

ii. the spreadsheet indicates the account, date, check or transaction number, payee, amount, payment method, memo and further information for which I have knowledge or am aware, where practicable, [Note: This is a work in progress, but we have now logged all the \$1,000 expenditures],

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Commented [EHG12]: As mentioned above, this is an impermissible attempt to shift the burden to the Receiver to identify this information. You have been provided a copy of everything the Receiver has, for the express purpose of being able to identify the information required. This was done at your suggestion:

"[T]his is a serious contempt proceeding which has custodial consequences which justify my presence here under the Criminal Justice Act, but also that the Court consider adding to the team that I have under the Criminal Justice Act a paralegal or an assistant that would assist in going through in detail not only with my client what he recalls but also going through the documents and materials that have been turned over to Mr. Klein so that he can put together a clear roadmap.

To do that, one of two things has to occur. One would be that we have access to materials that are now in the possession of the receiver directly. The second alternative would be to have a reproduction made of the documents and materials that are in the possession of the receiver. . . . But also it would be tremendously helpful to have copies of the digital information and then have this project of literally my client working with me and my team putting together a declaration which is a roadmap. But also in doing that, and I know that Mr. Klein's gone to the extent of doing this, he's put together Bates stamp numbers with regard to all of this, and we could put together specifically where he could find it.

. . . . But at this point we are seeing responses. And with those responses I think that we can keep things moving forward. And I would suggest that rather than the sanction of putting my client in custody and waiting to see what happens that the Court not place my client in custody, but require my client to fully cooperate with me and my team and have a review hearing in 30 days to see where we are and what kind of progress has been made.

. . . And then if progress has, in fact, been made in 30 days, then you're going to see that this is headed in the direction of not being willful contempt.

And quite frankly, if me in my efforts and my team find that we run into the same kinds of roadblocks that this court has had throughout, what appears to be its frustration, I anticipate we won't, but if we run into the same kind of roadblocks, then the Court will obviously know that this is a willful contemptuous situation."

May 28 Tr. at 24:18-26:17.

Commented [EHG13]: As with the comment above, this is inaccurate, as you have been given a copy of, or access to, everything in the Receiver's possession, including a copy of the QuickBooks file.

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iii. I do not have knowledge of and am not aware of any other Receivership

Property, Receivership Entities or Affiliated Entities expenditures exceeding \$1,000 ;

h. as to all transfers of assets by and of each of the Receiver Defendants, Receiver Entities and Affiliated Entities, I have provided, to the best of my ability, knowledge and memory, the identification of the asset, transferees, transfer dates, amount or value, any description of any goods or services received in exchange for the assets, including the value of any goods or services received; and, the current location of the assets.

10. This is my full, true and complete statement under oath, and I have not omitted, falsified, embellished or altered any statement or representation I have made.

11. I have read this declaration and had the assistance of counsel in preparing it. I understand and acknowledge the terms, statements and representations made in this declaration and it is my intention, by executing below, that this be a lawful and binding on me.

State of Utah)
 : ss
County of Salt Lake)

I declare under penalty of perjury that the foregoing is true and correct.

Executed on the ____ day of July, 2019.

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Neldon Johnson

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On this ____ day of July, in the year 2019, before me Heather Stokes a notary public, personally appeared Neldon Johnson, proved on the basis of satisfactory evidence to be the person whose name is subscribed to this instrument, and did swear to under oath, acknowledge and execute this document.

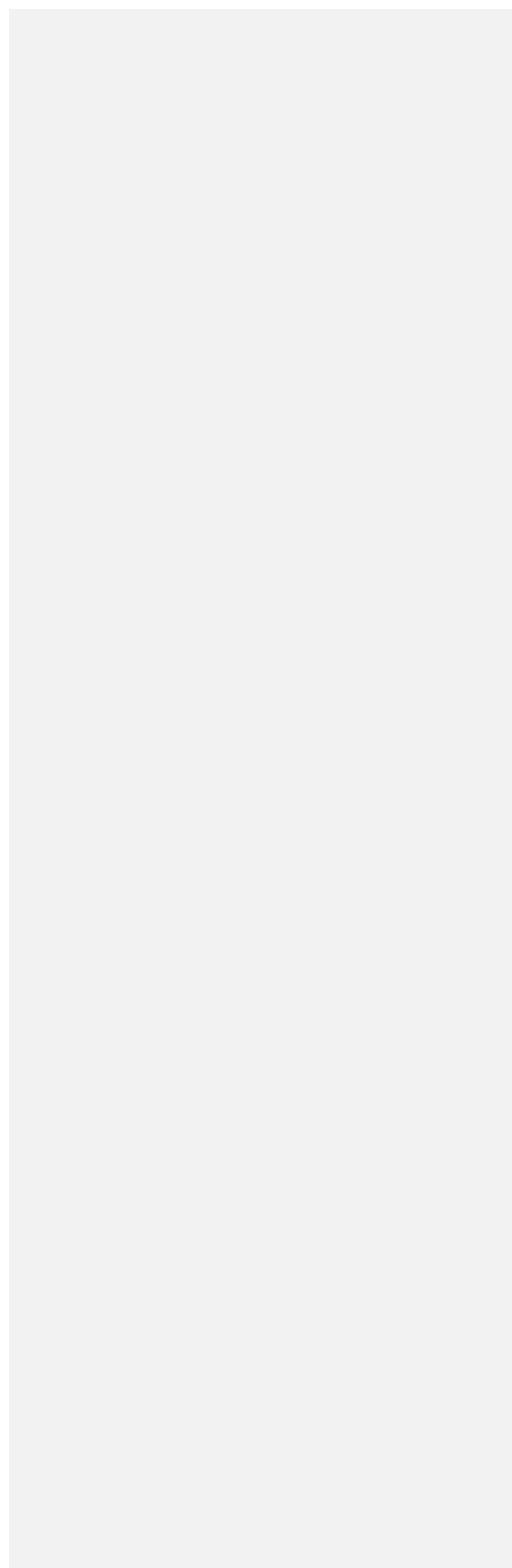
(Seal)

Heather Stokes
Notary Public

My commission expires: _____

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CERTIFICATE OF SERVICE

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I, Edwin S. Wall, hereby certify that on July 19, 2019, I served a copy of the attached Draft Declaration of Neldon Johnson, upon the counsel for the Plaintiff in this matter, by email with a Certificate of Service Filed with the Court, to all designated parties.

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Edwin S. Wall,
Attorney for the Defendant

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