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

<p>R. WAYNE KLEIN, as Receiver, Plaintiff, vs. LAGRAND JOHNSON, an individual, Defendant.</p>	<p>ANSWER, JURY DEMAND AND COUNTERCLAIM</p> <p>Case No. 2:19-cv-00534CW</p> <p>JURY REQUESTED</p>
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Defendant LaGrand Johnson hereby responds and answers Plaintiff's Complaint, dated July 26, 2019, as follows:

FIRST DEFENSE

The Complaint should be dismissed in whole or in part for failure to state a claim against this Defendant upon which relief can be granted.

SECOND DEFENSE

Defendant LaGrand Johnson hereby responds to each of the numbered paragraphs of the Complaint as follows:

1. Denied. Defendant was not a party to the matter referenced, therefore, the allegations and conclusions of paragraph 1 of the Complaint are not of any preclusive effect and are denied.
2. Admit.
3. Admit.
4. Defendant admits this court has jurisdiction over the allegations of Plaintiff's Complaint, but denies that the Complaint states a cause of action against him upon which relief can be granted.
5. Defendant admits that venue is proper in the Central Division to consider the allegations of Plaintiff's Complaint, but denies that the Complaint states a cause of action against him upon which relief can be granted.

FACTUAL ALLEGATIONS

6. Denied. Defendant was not a party to the matter referenced, therefore, the allegations and conclusions of paragraph 6 of the Complaint are not of any preclusive effect and are denied.
7. Defendant is without sufficient knowledge, information or belief as to the truth of the allegations and conclusions of paragraph 7 of the Complaint and, therefore, denies the same.
8. Denied. The solar energy technology worked in the past and has been independently shown to generate electricity.
9. Denied. Defendant was not a party to the matter referenced, therefore, the allegations and conclusions of paragraph 9 of the Complaint are not of any preclusive effect and are denied.

10. Defendant is without sufficient knowledge, information or belief as to the truth of the allegations and conclusions of paragraph 10 of the Complaint and, therefore, denies the same.
11. Denied. Defendant was not a party to the matter referenced, therefore, the allegations and conclusions of paragraph 11 of the Complaint are not of any preclusive effect and are denied.
12. Denied. Defendant was not a party to the matter referenced, therefore, the allegations and conclusions of paragraph 12 of the Complaint are not of any preclusive effect and are denied.
13. Denied. Defendant was not a party to the matter referenced, therefore, the allegations and conclusions of paragraph 13 of the Complaint are not of any preclusive effect and are denied.
14. Denied. Defendant was not a party to the matter referenced, therefore, the allegations and conclusions of paragraph 14 of the Complaint are not of any preclusive effect and are denied.
15. Denied. Defendant was not a party to the matter referenced, therefore, the allegations and conclusions of paragraph 15 of the Complaint are not of any preclusive effect and are denied.
16. Defendant is without sufficient knowledge, information or belief as to the truth of the allegations and conclusions of paragraph 16 of the Complaint and, therefore, denies the same.

17. Defendant is without sufficient knowledge, information or belief as to the truth of the allegations and conclusions of paragraph 17 of the Complaint and, therefore, denies the same.
18. Defendant admits he is knowledgeable about some of the matters pertaining to the Receivership Entities and the original defendants. Defendant admits he was at one time an officer of IAS, was an owner of other entities and is the son of Neldon Johnson. As to the remaining allegations and conclusions of paragraph 18 of the Complaint, Defendant denies the same.
19. Defendant admits he was at one time an officer of IAS and was an owner of other business entities. Defendant admits that at one time he was involved in the preparation of financial statements for IAS and had access to bank records of some of the Receivership Entities. As to the remaining allegations and conclusions of paragraph 19 of the Complaint, Defendant denies the same.
20. Defendant is without sufficient knowledge, information or belief as to the truth of the allegations and conclusions of paragraph 20 of the Complaint and, therefore, denies the same.
21. Denied.
 - a. Denied.
 - b. Denied.
 - c. Denied.
 - d. Denied.

22. Defendant is without sufficient knowledge, information or belief as to the truth of the allegations and conclusions of paragraph 22 of the Complaint or the accuracy of Exhibit 1. Therefore, he denies the same.
23. Denied.
24. Defendant denies that IAS and RaPower were being operated as a fraudulent scheme at any time and further admits that at all times Defendant had a good-faith belief and expectation that the solar energy technology developed by IAS and its affiliates was firmly based in sound scientific principles and application; that he confirmed through independent authority that the solar lenses and associated components were functional as designed and built. Defendant was personally involved in nearly all aspects of the development of the solar lenses and associated components and has seen the production of solar process heat from the lenses and has seen the production of electricity from the heat generated by the solar lenses.
25. Defendant is without sufficient knowledge, information or belief as to the truth of the allegations and conclusions of paragraph 25 of the Complaint and, therefore, denies the same.
26. Defendant is without sufficient knowledge, information or belief as to the truth of the allegations and conclusions of paragraph 26 of the Complaint and, therefore, denies the same.
27. Denied.

FIRST CLAIM FOR RELIEF
(Avoidance of Fraudulent Transfers:
UCA 25-6-5(1)(a) and 25-6-8 or UCA 25-6-202(1)(a) and 25-6-303)

28. Defendant incorporates by reference his answers and responses to the foregoing paragraphs of Plaintiff's Complaint as if set forth here in their entirety.
29. Denied.
30. Denied.
31. Defendant is without sufficient knowledge, information or belief as to the truth of the allegations and conclusions of paragraph 31 of the Complaint and, therefore, denies the same.
32. Denied.
33. Denied.
34. Denied.
35. Denied.

SECOND CLAIM FOR RELIEF
(Avoidance of Fraudulent Transfers:
UCA 25-6-5(1)(b) and 25-6-8 or UCA 25-6-202(1)(b) and 25-6-303)

36. Defendant incorporates by reference his answers and responses to the foregoing paragraphs of Plaintiff's Complaint as if set forth here in their entirety.
37. Denied.
38. Denied.
39. Defendant is without sufficient knowledge, information or belief as to the truth of the allegations and conclusions of paragraph 39 of the Complaint and, therefore, denies the same.
40. Denied.

41. Denied.

42. Denied.

THIRD CLAIM FOR RELIEF
(Avoidance of Fraudulent Transfers:
UCA 25-6-6(1) and 25-6-8 or UCA 25-6-203(1) and 25-6-303)

43. Defendant incorporates by reference his answers and responses to the foregoing paragraphs of Plaintiff's Complaint as if set forth here in their entirety.

44. Denied.

45. Denied

46. Defendant is without sufficient knowledge, information or belief as to the truth of the allegations and conclusions of paragraph 46 of the Complaint and, therefore, denies the same.

47. Denied.

48. Defendant is without sufficient knowledge, information or belief as to the truth of the allegations and conclusions of paragraph 48 of the Complaint and, therefore, denies the same.

49. Denied.

FOURTH CLAIM FOR RELIEF
(Avoidance of Fraudulent Transfers:
UCA 25-6-6(2) and 25-6-8 or UCA 25-6-203(2) and 25-6-303)

50. Defendant incorporates by reference his answers and responses to the foregoing paragraphs of Plaintiff's Complaint as if set forth here in their entirety.

51. Denied.

52. Denied.

53. Defendant is without sufficient knowledge, information or belief as to the truth of the allegations and conclusions of paragraph 53 of the Complaint and, therefore, denies the same.

54. Denied.

55. Defendant is without sufficient knowledge, information or belief as to the truth of the allegations and conclusions of paragraph 55 of the Complaint and, therefore, denies the same.

56. Defendant is without sufficient knowledge, information or belief as to the truth of the allegations and conclusions of paragraph 56 of the Complaint and, therefore, denies the same.

57. Denied.

**FIFTH CLAIM FOR RELIEF
(Breach of Fiduciary Duty)**

58. Defendant incorporates by reference his answers and responses to the foregoing paragraphs of Plaintiff's Complaint as if set forth here in their entirety.

59. Admit.

60. Admit.

61. Denied.

62. Denied.

**SIXTH CLAIM FOR RELIEF
(Unjust Enrichment)**

63. Defendant incorporates by reference his answers and responses to the foregoing paragraphs of Plaintiff's Complaint as if set forth here in their entirety.

64. Denied.

65. Denied.

66. Denied.

67. Denied.

68. Denied.

69. Denied.

JURY DEMAND

Defendant hereby demands a trial by jury in this case on all claims so triable under the law.

THIRD DEFENSE – AFFIRMATIVE DEFENSES

First Affirmative Defense

The Complaint should be dismissed in whole or in part based on the equitable doctrines or ratification, acquiescence, accord and satisfaction and/or acceptance of benefits.

Second Affirmative Defense

The Complaint should be dismissed in whole or in part based on a lack of ripeness.

Third Affirmative Defense

The Complaint should be dismissed in whole or in part based on the running of the applicable statute of limitations.

Fourth Affirmative Defense

The Complaint should be dismissed in whole or in part based on estoppel, claims against Defendant should be estopped, lack of standing, and any other appropriate equitable grounds.

Fifth Affirmative Defense

The Complaint should be dismissed in whole or in part based on Plaintiff's unclean hands, waiver, or other affirmative defense listed in Rule 8 of the Federal Rules of Civil Procedure.

Sixth Affirmative Defense

The Complaint should be dismissed in whole or in part based on Plaintiff's failure to mitigate damages, which he has an affirmative duty to do, and to the extent to which Plaintiff failed to do so, his claims are barred.

Seventh Affirmative Defense

The Complaint should be dismissed in whole or in part because the present action is without merit and was not brought or asserted in good faith.

Eighth Affirmative Defense

The Complaint should be dismissed in whole or in part based on the Statute of Frauds.

Ninth Affirmative Defense

The Complaint should be dismissed in whole or in part based on an accord and satisfaction.

Tenth Affirmative Defense

The Complaint should be dismissed in whole or in part based on offsets to which Defendant is entitled for funds paid to any Receivership Entity.

RESERVATION OF RIGHTS

Facts may come to light supporting additional affirmative defenses. Accordingly, this Defendant reserves the right to raise such other affirmative defenses including, but not limited to, any matter considered an affirmative defense under Rule 8 of the Federal Rules of Civil Procedure.

WHEREFORE, having fully answered Plaintiff's Complaint, dated July 26, 2019, against him, Defendant LaGrand Johnson respectfully requests the following:

1. That the Complaint be dismissed in its entirety;

2. That Defendant be awarded his costs and attorney's fees for defending against the claims made by Plaintiff in the Complaint;
3. For such other and further relief as the court deems appropriate.

COUNTERCLAIM

LaGrand Johnson does hereby claim against R. Wayne Klein as follows:

1. LaGrand Johnson held shares of International Automated Systems, Inc. (hereafter "IAUS"), which is a publicly traded company.
2. Wayne Klein was appointed by the US District Court as receiver over the assets of the defendants in case no 2:15-cv-00828-DN.
3. Wayne Klein was at all times relevant hereto acting as agent of the Internal Revenue Service and/or The US Department of Justice and/or the US District Court.
4. Wayne Klein sought and obtained an order from the US District Court, for the Central District of Utah, cancelling all shares in IAUS. See **Exhibit 1** hereto (ECF Doc. 719).
5. LaGrand Johnson, although an owner of IAUS stock was not a party to the Motion for Order Cancelling Shares in IAUS, (ECF Doc. 682) or the Order.
6. Under the Order appointing the Receiver, Wayne Klein was granted authority to (1) determine "whether trading of IAS stock should be suspended"; and (2) propose a plan for the future of IAUS, which may include continuing operation of the business unrelated to the solar energy business or liquidating the business. See **Exhibit 2** hereto at p. 41 (paragraphs (e) and (f)).
7. The cancellation of shares in IAUS exceeded the scope of authority granted to Wayne Klein as the appointed Receiver over the Receivership Entities and/or the Receivership

Defendants, was therefore ultra vires, and done with the intent to harm shareholders including LaGrand Johnson.

8. Wayne Kline has a background in securities law and knows that a public trading company has inherent value solely by virtue of being publicly traded, and that IAUS stock therefore had value to its shareholders including LaGrand Johnson.

**COUNT I
INVERSE CONDEMNATION**

9. LaGrand Johnson incorporates the foregoing paragraphs of this Counterclaim as if fully set forth here in their entirety.
10. The shares of IAS owned by LaGrand Johnson were a protectable property interest legally held by LaGrand Johnson and had value.
11. The cancellation of IAUS shares owned by LaGrand Johnson was done under the power and authority of the US Government through its appointed Receiver, Wayne Klein.
12. The cancellation of IAUS shares owned by LaGrand Johnson was a flagrant violation of his constitutional rights of which a reasonable person would have known because the shares were taken without any due process afforded to LaGrand Johnson and the shares were taken without paying just compensation.
13. Wayne Klein injured LaGrand Johnson by destroying the value of his ownership interest in IAUS, thereby injuring LaGrand Johnson in an amount to be proven at trial.
14. Existing remedies do not redress LaGrand Johnson's remedies because the judge in the receivership case granted the authority by order to take the IAUS shares without notice to LaGrand Johnson or the opportunity to be heard.
15. No other relief exists to LaGrand Johnson to contest the wrongful taking of his property, other than to sue for relief in this court.

COUNT II
***BIVENS* VIOLATION OF DUE PROCESS**

16. LaGrand Johnson incorporates the foregoing paragraphs of this Counterclaim as if fully set forth here in their entirety.
17. At all times relevant hereto, Wayne Klein was acting under color of federal law as the duly appointed receiver over the Receivership Defendants and the Receivership Entities.
18. While acting under color of federal law, Wayne Klein deprived LaGrand Johnson of a recognized property right, specifically the shares he owned in IAUS, when he petitioned for and obtained an order of the US District Court for the Central District of Utah cancelling all shares of IAUS stock.
19. The cancellation of IAUS shares exceeded the adjudicative functions for which Wayne Klein was appointed receiver and his conduct is therefore not immune from action by IAUS shareholders.
20. LaGrand Johnson, and all similarly situated shareholders in IAUS, is entitled to an order enjoining Mr. Klein from taking action on the court's order cancelling shares and publishing the order or otherwise seeking to have the SEC or FINRA take action to cancel the shares or terminate the trading of IAUS shares in the open market.
21. Under *Bivens v. Six Unknown Agents*, 403 U.S. 388 (1971)), LaGrand Johnson is entitled to have his rights protected by a direct claim against Wayne Klein.
22. LaGrand Johnson is entitled to recover his damages caused by Wayne Klein's actions in cancelling shares in IAUS including, but not limited to, the fair value of his shares at the time Wayne Klein sought to have the shares cancelled.
23. LaGrand Johnson is entitled to recover his attorney's fees if successful under 42 U.S.C.A. § 1988(b).

WHEREFORE, based on the foregoing, LaGrand Johnson requests the entry of the following relief against Wayne Klein:

1. An award of damages for the wrongful taking of property without just compensation in an amount to be determined at trial;
2. An injunction against Wayne Klein or any person acting by, through or under him, from publishing or otherwise enforcing the Order Cancelling Shares (ECF Doc. 719) with the SEC or FINRA to limit or terminate the trading of IAUS shares in the open market;
3. An award of compensation against Wayne Klein for the lost value of his IAUS shares;
4. For an order awarding LaGrand Johnson his attorney's fees and costs in prosecuting this matter;
5. For such other and further relief as the court may find appropriate under the circumstances.

Dated this 19th day of August, 2019.

NELSON SNUFFER DAHLE & POULSEN

/s/ Steven R. Paul

Steven R. Paul

Attorneys for LaGrand Johnson

CERTIFICATE OF FILING

I hereby certify that I filed the foregoing using the Court's CM/ECF approved electronic filing system, which served a copy via email on all parties and counsel of record.

/s/ Steven R. Paul

Steven R. Paul

Attorneys for LaGrand Johnson