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

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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 EIGHTH QUARTERLY  
STATUS REPORT**

*For the period July 1, 2020 to September  
30, 2020*

Civil No. 2:15-cv-00828-DN-DAO

District Judge David Nuffer

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R. Wayne Klein, the Court-Appointed Receiver (the "Receiver") of RaPower-3, LLC ("RaPower"), International Automated Systems, Inc. ("IAS"), and LTB1, LLC ("LTB1"), as well as 13 subsidiaries and affiliates (collectively, the "Receivership Entities"), and the assets of Neldon Johnson ("Johnson") and R. Gregory Shepard ("Shepard") (collectively "Receivership Defendants"), hereby submits this Eighth Quarterly Status Report ("Report") for the period from July 1, 2020 to September 30, 2020 ("Reporting Period").

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## I. INTRODUCTION AND BACKGROUND

The Receivership Estate was created on October 31, 2018 with entry of the Court's *Receivership Order* ("Order"),<sup>1</sup> which, among other things, appointed the Receiver and continued a previously-entered asset freeze.<sup>2</sup> A May 3, 2019 order expanded the Receivership Estate to include 13 additional affiliated entities ("Affiliated Entities").<sup>3</sup>

Numerous developments significantly advanced the Receivership during the Reporting Period including issuance of the second contempt order, a ruling on ownership of funds once held by the Nelson Snuffer law firm ("NSDP"), denial of motions to reconsider the injunction and denying the petition for rehearing on appeal, the sale of assets, an order requiring LaGrand and Randale Johnson to turn over records and freeze accounts, and the order for Glenda Johnson to turn over monies and real properties held by her. The Johnsons have continued to show resistance to the Receiver's efforts, but recently appear to be generally complying with orders.

The Receiver's efforts during the quarter have focused on recovering assets from Glenda Johnson and Nelson Snuffer; taking control of, managing, and marketing real properties; and investigating conduct of the Johnsons and others who aided them.

## II. APPEAL RULING, MOTION TO SET ASIDE JUDGMENT, CONTEMPT

A. Appeal Denial of Petition for Rehearing. On July 13, 2020, the Receivership Defendants filed a petition for rehearing of the Court's disgorgement order, based on the Supreme Court's recent ruling in *Liu v. SEC*. Four days later, the Tenth Circuit denied the

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<sup>1</sup> [Docket No. 490](#). A *Corrected Receivership Order*, which corrected formatting errors, was entered the following day. [Docket No. 491](#), filed November 1, 2018.

<sup>2</sup> *Memorandum Decision and Order Freezing Assets and to Appoint a Receiver*, [Docket No. 444](#), filed August 22, 2018.

<sup>3</sup> [Docket No. 636](#), filed May 3, 2019. The Court overruled objections to this order. [Docket No. 718](#), filed July 8, 2019. Defendants appealed this order, which appeal was dismissed.

petition “on the ground that Petitioners had not adequately challenged the sufficiency of evidence of fraud.”<sup>4</sup>

B. Motions to Set Aside Judgment. On May 26, 2020, Nelson Snuffer, as counsel for Receivership Defendants, filed a Rule 60 motion to set aside the judgment against Receivership Defendants based on a claim of newly discovered evidence and fraud on the Court. On July 28, 2020, the Court denied the motion as moot.<sup>5</sup> The following week, Neldon Johnson filed a *pro se* Rule 60 motion to set aside the judgment.<sup>6</sup> In connection with the initial Rule 60 Motion, the United States filed a motion seeking Rule 11 sanctions against Nelson Snuffer.<sup>7</sup>

C. Second Contempt Order Against the Johnsons. On July 6, 2020, the Court issued a second civil contempt order finding Neldon Johnson, Glenda Johnson, LaGrand Johnson, and Randale Johnson in contempt.<sup>8</sup> The order followed extensive briefing, Court-supervised depositions of all four Johnsons, and an evidentiary hearing held February 25, 2020. The Court ruled the Johnsons defied their obligations under the Corrected Receivership Order, destroyed or withheld documents, failed to turn over assets, and interfered with Receivership Property. The Court imposed sanctions tailored to the Johnson’s withholding of documents and required LaGrand Johnson to pay the outstanding order to pay fees related to the first contempt order.<sup>9</sup> LaGrand Johnson paid the required fees and costs on July 23, 2020.

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<sup>4</sup> *Order*, Case No. 18-4150, July 17, 2020 (10<sup>th</sup> Cir.).

<sup>5</sup> [Docket No. 976](#), filed July 28, 2020. In the same order, the Court denied as moot Nelson Snuffer’s motion to withdraw as counsel.

<sup>6</sup> [Docket No. 986](#), filed August 3, 2020. That motion is pending.

<sup>7</sup> [Docket No. 964](#), filed July 13, 2020. That motion is pending.

<sup>8</sup> [Docket No. 947](#), filed July 6, 2020. The Court subsequently clarified that the Court’s appointment of Edwin S. Wall as counsel for Neldon Johnson was limited to the contempt proceedings. Docket Text Order No. 980, filed July 29, 2020.

<sup>9</sup> *Id.* at 35.

D. Pacific Stock Exchange Contempt Order. The Court ordered Pacific Stock Trading Company (“PSTC”) to pay the Receivership Estate \$10,000 in satisfaction of the coercive fine the Court had previously imposed for PSTC’s contempt.<sup>10</sup> PSTC paid the fine.

### III. ASSET RECOVERY, LIVING ALLOWANCE, VEHICLE DISPOSITION

A. Turnover of Funds by Nelson Snuffer. On July 6, 2020, the Court ruled that \$735,202.22 that had been deposited into NSDP’s trust account, ostensibly by XSun Energy, was Receivership Property.<sup>11</sup> NSDP had previously delivered those funds to the Receiver.

B. Turnover of Funds by Glenda Johnson. The Court granted the Receiver’s motion seeking the turnover of \$1.4 million held by Glenda Johnson and interest earned on those funds since August 3, 2019 (“Turnover Order”).<sup>12</sup> Glenda Johnson wired \$1,406,621.39 to the Receiver on September 18, 2020.<sup>13</sup> However, Glenda Johnson has not paid over to the Receiver \$11,515.83 in interest that she earned on those funds after August 2019. The Receiver sent demands to Glenda Johnson and her counsel for payment of the interest. In response, Nelson Snuffer asserted that Glenda Johnson was not required to pay over interest earned on those funds because Glenda Johnson had expended more than that amount in paying property taxes and utilities on real properties she was turning over to the Receiver. The Receiver emphasized his belief that the Turnover Order requires turnover of all interest earned on the accounts—without deduction for any claimed expenses incurred by Glenda Johnson during her possession and enjoyment of the properties. Glenda Johnson remains in violation of the Turnover Order.

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<sup>10</sup> [Docket No. 971](#), filed July 22, 2020.

<sup>11</sup> [Docket No. 948](#), filed July 6, 2020.

<sup>12</sup> [Docket No. 1007](#), filed September 15, 2020.

<sup>13</sup> The Receiver agreed to allow Mrs. Johnson to retain the \$419.14 that had been in account #8749 before the transfer of Receivership funds into that account.

C. Turnover of Real Property. The Turnover Order also required Glenda Johnson to deliver possession of 14 real properties in Utah and California to the Receiver. Actions taken by the Receiver to take control of the real properties are described below. To a large degree, the properties were delivered to the Receiver in good condition. Glenda Johnson waited until September 29, 2020 to deliver keys to the Receiver, forcing the Receiver to have locksmiths gain entry to the buildings on those properties. Glenda Johnson has violated two conditions of the Turnover Order relating to real property: Glenda Johnson affirmatively canceled insurance on at least three of the properties on October 13, 2020 in violation of ¶ 10 of the Turnover Order and failed to provide a list of items removed from the properties turned over to the Receiver, as required by ¶ 7 of the Turnover Order.<sup>14</sup>

D. Settlements. The Court approved the Receiver's sixth motion to approve settlements on July 21, 2020 ("Sixth Motion").<sup>15</sup> Those settlements will bring in a total of \$507,878.80 when all required payments have been received. During the quarter, the Receiver received \$435,029.35 on these and previous settlement agreements. The Receiver entered into two additional settlement agreements after approval of the Sixth Motion, but one of the defendants has failed to make the required payment, so the Receiver will not recommend acceptance of the settlement. The Receiver will recommend approval of the second settlement when other settlement agreements have been reached.

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<sup>14</sup> The Receiver was informed that there were several trucks at the Sherwood Shores home in Delta on September 16 and 17, loading up items from that home. The Receiver does not know if items other than clothing, personal effects, and kitchen contents were removed.

<sup>15</sup> [Docket No. 970](#), filed July 21, 2020.

E. Living Allowance to Greg Shepard. The Court granted the Receiver's motion to discontinue paying living allowances to Greg Shepard.<sup>16</sup> The final living allowance payment to him was on July 27, 2020.

F. Vehicle Sales, Obtaining Titles. With the consent of the United States, the Receiver sold the majority of the vehicles recovered from Neldon and Glenda Johnson in a bulk sale. During the Reporting Period, the Receiver was able to obtain new titles for 28 of these vehicles, which he signed over to the buyer. For another two vehicles, the Receiver has discovered liens for which he has requested information, so the liens can be released and titles obtained. There are approximately 14 other vehicles where the Johnson's delivered no titles and the ownership of the vehicles is unknown. The Receiver is working with the buyer to determine ownership of those vehicles.

#### **IV. RELEASES OF PROPERTY LIENS, INVESTIGATION OF LIENS**

A. Receiver's Report and Recommendation. On June 30, 2020, the Receiver filed a report and recommendation<sup>17</sup> detailing Glenda Johnson's failure to comply with the Court's prior order to release liens she placed on real properties identified in the Corrected Receivership Order.<sup>18</sup>

B. Order Invalidating Liens. The Court issued an order on August 6, 2020 invalidating the liens placed by Glenda Johnson on properties in Utah and Texas ("Lien

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<sup>16</sup> [Docket No. 982](#), filed August 4, 2020.

<sup>17</sup> [Docket No. 942](#), filed June 30, 2020.

<sup>18</sup> [Docket No. 920](#), filed May 5, 2020.

Order”).<sup>19</sup> Follow-on orders for recording were issued on August 10, 2020 and were recorded by the Receiver in Utah County and Millard County, Utah.<sup>20</sup>

C. Additional Investigation. The Lien Order directed the Receiver to conduct additional investigation about the origins of the liens and the roles of affiliated persons. The Receiver obtained corporate documents regarding Anstram Energy from the Nevis Office of Registrar of Companies and took the depositions of Roger Hamblin and Preston Olsen.<sup>21</sup> The Receiver will prepare a separate report to the Court on his findings. The Receiver also filed a notice of stay in the friendly state court lawsuit that Roger Hamblin filed against Glenda Johnson, seeking to foreclose on the properties.

## V. REAL PROPERTIES

A. Home in Elk Ridge, Utah. On July 23, 2020, the Receiver filed a motion seeking approval to sell the Elk Ridge home to a buyer for \$429,000<sup>22</sup> and approval of the form of public notice to be published.<sup>23</sup> At a hearing on August 28, 2020, the Receiver informed the Court that the original buyer had failed to qualify for financing and had withdrawn his offer. However, a new buyer had offered \$446,000 for the property.<sup>24</sup> On October 2, 2020 (shortly after the end of the Reporting Period), the Court approved the sale of the property.<sup>25</sup> The sale closed on October

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<sup>19</sup> [Docket No. 984](#), filed August 6, 2020.

<sup>20</sup> [Docket No.'s 991, 992](#), filed August 10, 2020. A specific order was not requested for the Texas property since that property had already been sold pursuant to an order from this Court that the sale was free and clear of any liens or other interests. The Receiver further notes for the Court that the lawsuit that Glenda Johnson filed against Wings West, the buyer of the Tower Site in Millard County, resulted in Wings West obtaining an \$18 million judgment against Glenda Johnson, which she has appealed.

<sup>21</sup> Roger Hamblin filed a motion to quash the subpoena issued to him. [Docket No. 999](#), filed August 27, 2020. The Court denied the motion. Docket Text Order No. 1002, filed August 28, 2020.

<sup>22</sup> [Docket No. 973](#), filed July 23, 2020.

<sup>23</sup> [Docket No. 972](#), filed July 22, 2020.

<sup>24</sup> [Docket No. 1015](#), filed September 22, 2020.

<sup>25</sup> [Docket No. 1017](#), filed October 2, 2020.



7, 2020. The Receiver will file a separate notice of sale results and summarize the sale in the next status report.

B. Greenbelt Rollback Notice. In July, the Millard County Assessor determined that Glenda Johnson had improperly claimed that an 80-acre parcel of land in Delta (HD-4648) was devoted to agricultural use. The Receiver paid \$806.31 in roll back taxes for the prior five years on this property.

C. Turnover of 14 Properties. As noted above, on September 15, 2020 the Court ordered Glenda Johnson to turn over to the Receiver 13 real properties in Utah and one in California.

1. Appraisers. After the Court indicated an intent to grant the Receiver's Turnover Motion,<sup>26</sup> the Receiver filed a motion requesting appointment of appraisers for the 14 properties that were the subject of the Turnover Motion.<sup>27</sup> The Court approved appointment of the recommended appraisers.<sup>28</sup>

2. California Condo. The Receiver went to Santa Clarita, California and gained access to the California condominium with the aid of a locksmith. The Receiver took pictures and an inventory of the property and installed new locks. The condominium is in disrepair. The Receiver has engaged a contractor to replace the carpet, bathroom flooring and sinks, and flooring in the entry. The interior will be repainted and an improvised access hole to the roof will be repaired. The few contents in the condominium will be discarded. The Receiver has obtained insurance on the property, has obtained

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<sup>26</sup> Docket Text Order, Docket No. 916, filed April 23, 2020.

<sup>27</sup> [Docket No. 922](#), filed May 13, 2020.

<sup>28</sup> [Docket No. 963](#), filed July 13, 2020.

utility connections, and has engaged a listing broker to sell the property. When the repairs are completed, the Receiver will have the approved appraisers prepare appraisals of the property and will list it for sale.

3. Delta Properties. Eleven of the properties listed in the Turnover Order are located in Millard County, Utah. Three of them have structures: a) a home and workshop in Abraham, b) a waterfront home in Delta, and c) the warehouse in Oasis. With the assistance of a locksmith, the Receiver gained access to all three buildings and had new locks installed. Utilities have been connected and insurance obtained.<sup>29</sup> The Receiver has directed the court-approved appraiser to prepare appraisals.

a. Abraham Home. The home in Abraham has been vacant for some time. Water to the home is supplied by a well on the property. The pump on the well had to be replaced as well as the water tank, as water in the tank had frozen last winter, rupturing the tank. Furniture was left in the home. The listing agent conducted an estate sale and sold most of the furniture in the home, some of the furniture in the detached garage, two shipping containers located on the property, and tools and equipment in the large workshop on the property. The listing agent is considering offers for metal structures on the property and pipe on the property that being used to construct solar towers. Some vehicles sold to Sahara Motors are still on the property and will be removed before the property is sold. The home

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<sup>29</sup> Information provided by Glenda Johnson indicates that she had insurance on the homes in Abraham and Delta, but no insurance on the Oasis warehouse. Glenda Johnson called the insurance agent on October 13, 2020 and canceled the insurance policies on the homes in Abraham, Delta, and Payson—in violation of the Turnover Order.

and property will be cleaned, debris will be removed, and the home will be listed for sale.

b. Delta Home. The home in the Sherwood Shores development was left in good condition. There are some exterior repairs needed but the inside of the home was left clean and full of high-quality furniture that had been purchased with funds from Receivership Entities. The Receiver will have repairs made to the exterior and will have the furniture sold separately from the home. The garage, the yard, and the detached large garage contain debris that will need to be hauled away. The property consists of three lots, all of which front the water on the reservoir. The listing agent has received many expressions of interest in the property and believes the property will command a premium price. This property will be listed for sale in the near future.

c. Oasis Warehouse. The warehouse is old and in poor condition. It is not weathertight. The warehouse is large and contains silos and other outbuildings, some of which have been combined and turned into a separate storage area. The warehouse contains six forklifts, a significant number of large manufacturing equipment, 44 pallets of Plaskolite plastic lenses, cut metal pipe and springs, welders and compressors, tools, bolts, and construction materials. The Receiver intends to consult with equipment brokers to determine the value of the machines in the warehouse before listing the warehouse for sale. The listing broker believes there is demand for warehouse space in the area.

4. Payson Properties. The Receiver took control over a condominium in Payson and a large home in West Mountain, Utah. The condominium is in fair condition but needs repairs and cleanup. The Receiver has engaged a listing agent who will get the furniture sold and oversee repairs. The home in West Mountain is in good condition, although the property is not. The well that supplies water to the home is not working and the pump that supplies irrigation water is not operational. Trenches have been dug on some of the property for installation (or repair) of the sprinkler system, but the installation is not complete. The listing agent for that property is overseeing repairs to the well, pump, home, and property. The Receiver has directed the three court-approved appraisers to appraise the West Mountain home now. The Payson condominium will be appraised when repairs there are completed.

5. Turbine Prototype. The Receiver located the turbine prototype (that Wisdom Farms Technology Group partially constructed at a cost of \$500,000) on the West Mountain property. The Receiver is consulting with counsel for the United States on disposition of the incomplete, non-working prototype.

6. List of Properties in the Receivership Estate. Attached as Exhibit 1 is a table showing the status of all properties in the Receivership Estate.

D. Property Taxes. Glenda Johnson paid 2019 property taxes for the West Mountain home and the California condominium, but did not pay property taxes on the other 12 properties titled in her name. These unpaid property taxes, along with penalties and interest, total \$8,666.51. The Receiver will pay these 2019 property taxes along with the 2020 property taxes which are due in November 2020.

E. Greg Shepard Home. The Receiver filed a motion in October 2019 seeking a determination that Greg Shepard has an interest in his residence and that the interest is a Receivership asset.<sup>30</sup> That motion is pending.

F. Four Remaining Millard County Properties. There are four additional properties in Millard County titled in the name of Glenda Johnson that were not the subject of the Turnover Motion. Those properties are the subject of a separate lawsuit filed by the Receiver against Glenda Johnson, which litigation is ongoing.<sup>31</sup>

## VI. INVESTIGATION

A. Bank and Retirement Account Records of LaGrand and Randale Johnson. On September 15, 2020, the Court granted the United States' motion requiring LaGrand and Randale Johnson to produce copies of account records for their bank and retirement accounts ("Records Order") and to notify those financial institutions that the funds in those accounts were to be frozen. The purpose of the Records Order was to enable the Receiver to determine the disposition of \$200,000 of Receivership funds that Glenda Johnson sent to LaGrand Johnson on October 5, 2018 and \$200,000 she sent to Randale Johnson the same day.

Both LaGrand and Randale Johnson sent copies of their account records to the Receiver. As directed by the Court, the Receiver filed a declaration indicating the extent to which LaGrand and Randale Johnson appear to have complied with the Records Order.<sup>32</sup> The Receiver's declaration indicated that LaGrand Johnson appeared to have substantially complied with the Records Order. However, the Receiver identified material deficiencies with the responses of

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<sup>30</sup> [Docket No. 780](#), filed October 4, 2019.

<sup>31</sup> 2:19-cv-00625-DN-PK.

<sup>32</sup> [Docket No. 1018](#), filed October 6, 2020.

Randale Johnson, noting that he subsequently delivered records on five new bank accounts that were not identified in his initial identification of accounts and that it appears the financial institutions holding those accounts were not instructed to freeze the accounts.<sup>33</sup> Nelson Snuffer filed a response on behalf of Randale Johnson, claiming that Randale Johnson did not identify those accounts at the time of the first response deadline because Randale Johnson avers that none of the belatedly identified accounts received any of the proceeds of the \$200,000 from Glenda Johnson.<sup>34</sup> The Receiver responded to Nelson Snuffer that the Receiver interprets the Records Order as requiring Randale Johnson to initially identify *all* accounts he controlled and that Randale Johnson was not authorized to determine for himself which accounts received a portion of the \$200,000 and to report only on those accounts. The Receiver invited Nelson Snuffer to seek clarification from the Court if Randale Johnson continued to assert that he did not have to direct the institutions holding these additional accounts to freeze the accounts.

The Receiver learned that Zions Bank had frozen a bank account in the name of Marina Johnson, the daughter of LaGrand Johnson, because LaGrand Johnson was a signatory on the account. The Receiver suggested to Marina Johnson that she ask LaGrand Johnson's counsel to file a motion to release her account from the asset freeze and that the Receiver might be willing to stipulate to the release upon receiving information about the account.

The amount of funds in the accounts that were frozen by the Records Order is relatively small. The three accounts identified by Randale Johnson on September 25, 2020 had an aggregate August 31, 2020 balance of \$5,333.32. If balances from the five additional accounts

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<sup>33</sup> *Id.* at 8.

<sup>34</sup> [Docket No. 1020](#), filed October 8, 2020.

Randale Johnson identified later are included, the total amount in accounts where Randale Johnson is a signatory is a little more than \$19,200.<sup>35</sup> The aggregate amount in LaGrand Johnson's accounts (as of September 30, 2020) is approximately \$23,000.<sup>36</sup> The account records provided by LaGrand Johnson indicate that some of the funds he received from Glenda Johnson were transferred into a retirement account at Fidelity Investments in the name of LaGrand Johnson's wife. The Receiver anticipates filing a motion seeking turnover of the funds in the accounts of LaGrand Johnson and Randale Johnson. While it appears that almost 90% of the \$400,000 that Glenda Johnson transferred to LaGrand and Randale Johnson have been expended since October 2018, the amounts remaining in those accounts are sufficient for the Receiver to expend time seeking their recovery. The information provided by LaGrand and Randale Johnson regarding the sources of deposits in their accounts will be helpful in other recoveries the Receiver is pursuing.

B. NSDP Breaches of Fiduciary Duty. In responding to discovery requests in the Receiver's lawsuit against Nelson Snuffer,<sup>37</sup> the Receiver analyzed breaches of fiduciary duty by Nelson Snuffer. These breaches of fiduciary duty were in the course of Nelson Snuffer's legal work for Receivership Defendants and individual members of the Johnson family, and its receipt and sale of stock in IAS. The Receiver identified significant conflicts of interest that Nelson Snuffer has ignored while acting as counsel for IAS, RaPower, Cobblestone, Affiliated Entities,

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<sup>35</sup> However, as noted in the Receiver's declaration on compliance with the Records Order ([Docket No. 1018](#)), the approximately \$14,000 in these other accounts do not appear to be frozen because Randale Johnson did not indicate that he delivered the asset freeze requirement to the financial institutions holding these accounts.

<sup>36</sup> This excludes amounts that are in the bank account of Marina Johnson, on which LaGrand Johnson is a signatory.

<sup>37</sup> The amount being sought excludes fees paid to Nelson Snuffer for representing Receivership Defendants in the instant action.

Neldon Johnson, Glenda Johnson, LaGrand Johnson, and Randale Johnson—and acting as the sole trustee of the trusts of LaGrand and Randale Johnson.

In his discovery responses, the Receiver also laid out how Nelson Snuffer engaged in significant violations of state and federal securities laws by selling stock in IAS (which sales funded much of the legal work performed by Nelson Snuffer) while not disclosing to the stock purchasers or the public markets material non-public information that Nelson Snuffer possessed. In other words, Nelson Snuffer engaged in insider trading by selling IAS stock when Nelson Snuffer was aware of material, adverse information about IAS and Neldon Johnson and when Nelson Snuffer was assisting in the diversion of funds from IAS to members of the Johnson family. Moreover, the sales of IAS stock issued to members of the Johnson family likely constituted insider trading in light of the knowledge they had of operations of IAS that were not publicly known or disclosed to persons buying the shares from them.

The Receiver believes these discoveries may increase the amounts the Receivership Estate will recover from NSDP.

C. Prior Marketing Efforts. A draft agreement found in one of the boxes of Nelson Snuffer documents indicates that IAS and Neldon Johnson were trying to create the impression that some unnamed “financiers” planned to invest \$200 billion in IAS. Under the draft agreement, neither IAS nor Neldon Johnson would have any obligation to repay any of the \$200 billion. The financiers supposedly were represented by Greg Shepard. The Receiver does not know if lens purchasers were told of this supposed agreement for financiers to invest in IAS. If lens purchasers were told of the supposed investment, the Receiver believes it was part of an effort to create the appearance of third party contracts and funding. It may have been part of an



effort to lead lens purchasers to believe sufficient monies were coming in to the solar scheme to trigger payments under the bonus program established by Neldon Johnson.

## **VII. FINANCIAL OPERATIONS OF THE RECEIVERSHIP ESTATE**

A. Receipts and Disbursements. The tables below show the amount and source of funds brought into the Receivership Estate during the quarter and the categories of expenditures:

<b>Revenue into the Receivership Estate</b>	
<b>Source of Revenue</b>	<b>Amount In</b>
Turnover order: Glenda Johnson	\$1,406,621.39
Contempt payments	\$41,563.52
Settlement payments	\$435,029.35
Asset sales (vehicles)	\$27,500.00
Rebates and refunds	\$82.91
Bank interest	\$10,060.80
<b>Total</b>	<b>\$1,920,857.97</b>

<b>Expenditures</b>	
<b>Type of Expenditure</b>	<b>Amount</b>
Property mgmt., repairs, sale exp.	\$5,418.00
Property takeover expenses	\$669.41
Depositions, investigations	\$3,128.30
Living allowance (Shepard) <sup>38</sup>	\$830.00
Taxes, tax prep. fees, prop. tax	\$7,303.25
Operating exp. (titles, postage)	\$133.00
Bank fees	\$30.00
<b>Total</b>	<b>\$17,511.96</b>

With Court approval,<sup>39</sup> professional fees in the amount of \$157,173.69, covering the three-month period from April through June 2020, were paid during the quarter to the Receiver, his counsel, conflict counsel, and the forensic accountants.

<sup>38</sup> This July 27, 2020 payment was the final living allowance payment to Shepard.

<sup>39</sup> [Docket No. 1016](#), filed September 23, 2020.

B. Bank Account Balances. The following table shows the balance of funds in the Receivership bank accounts at Wells Fargo Bank as of September 30, 2020:

<b>Bank Account Balances</b>	
<b>Account</b>	<b>Amount</b>
Checking account	\$53,232.85
High yield savings <sup>40</sup>	\$6,000,214.48
<b>Total</b>	<b>\$6,053,447.33</b>

### **VIII. NEXT STEPS**

The significant next steps in the Receivership will be:

A. Repair, Sell Properties Obtained as a Result of the Turnover Order. As a result of the Turnover Order, the Receiver has acquired possession and title to an additional 14 properties in Utah and California. The Receiver will make repairs to the properties, obtain appraisals, and market the properties. As offers are received, the Receiver will file motions seeking Court approval to sell the properties.

B. Seek Turnover of Funds Held by LaGrand and Randale Johnson. The Receiver expects to seek turnover of funds in the bank and retirement accounts of LaGrand and Randale Johnson that are proceeds of funds Glenda Johnson transferred to them after entry of the Court's asset freeze.

C. Report and Recommendations on Liens Filed by Anstram Energy. The Receiver has taken the depositions of Roger Hamblin and Preston Olsen and will prepare a report of his findings and his recommendations to the Court.

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<sup>40</sup> This amount includes \$100,000 that the Turnover Order directed be preserved pending resolution of the Receiver's separate lawsuit against Glenda Johnson.

D. Ongoing Recovery Litigation. Scores of lawsuits filed by the Receiver are still in litigation. The Receiver anticipates filing summary judgment motions that may resolve some of these lawsuits. The Receiver may reopen litigation against defendants who breached settlement agreements reached with the Receiver and expects to seek default judgments where defendants have failed to defend the Receiver's lawsuits.

E. Assist Other Government Agencies. With the consent of the United States, the Receiver expects to provide assistance to other government agencies who have requested information from the Receiver.

F. Shepard Home. If the Court grants the Receiver's pending motion for turnover of Greg Shepard's interest in his home, the Receiver will pursue partition and sale of the property.

G. Distributions to the United States Treasury, Dispositions of Assets. The Receiver will consult with the United States on the timing of distribution of Receivership funds to the United States Treasury. The Receiver also will consult with the United States on the best public policy for disposition of certain assets in the Receivership Estate.

## **IX. CONCLUSION**

Significant progress was made during the Reporting Period. Substantial funds were recovered from settlements of litigation and as a result of the Turnover Order. Fourteen properties were recovered as a result of the Turnover Order, which will be repaired and sold. Additional information was obtained that will aid recovery efforts already initiated by the Receiver. However, the prosecution of pending recovery actions will continue to require substantial effort by the Receiver and his counsel; the remaining cases are those where significant opposition exists.

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

  
Wayne Klein  
Receiver

DATED this 29<sup>th</sup> day of October, 2020.

**PARR BROWN GEE & LOVELESS**

/s/ Jonathan O. Hafen  
Jonathan O. Hafen  
Michael S. Lehr  
*Attorneys for Receiver*

**CERTIFICATE OF SERVICE**

IT IS HEREBY CERTIFIED that service of the above **RECEIVER'S EIGHTH QUARTERLY STATUS REPORT** was electronically filed with the Clerk of the Court through the CM/ECF system on October 29th, 2020, which sent notice of the electronic filing to all counsel of record.

/s/ Michael S. Lehr