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Attorneys for Defendants

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

UNITED STATES OF AMERICA,

Plaintiff,

vs.

RAPOWER-3, LLC, INTERNATIONAL
AUTOMATED SYSTEMS, INC., LTB1,
LLC, R. GREGORY SHEPARD,
NELDON JOHNSON, and ROGER
FREEBORN,

Defendants.

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

**GARY PETERSON'S PROFFER OF
TESTIMONY AND DOCUMENTS UPON
WHICH HIS TESTIMONY WILL RELY**

Judge David Nuffer
Magistrate Judge Evelyn J. Furse

Defendants RaPower-3, LLC, International Automated Systems, Inc., LTB1, LLC., R. Gregory Shepard, Neldon Johnson, and Roger Freeborn, (hereinafter collectively "the Defendants") respectfully submit this memorandum in response Doc. 373.

I. Proffer of Mr. Peterson's Testimony and Exhibits Relied Upon.

Mr. Peterson will provide summary testimony concerning outgoing transfer from Bank accounts belonging to RaPower3 and testify about business expenses of each of the entity defendants. To provide this testimony, he shall rely on the same voluminous bank records that were foundation material for Plaintiff's Exhibits 334 through 441. These voluminous records are

and have been in the possession of the Plaintiff and shall be made available to the Court upon request in conformity with Federal Rules of Evidence 1006.

Mr. Peterson will also provide testimony concerning receipts realized from stock sales of International Automated Systems, Inc., ("IAS") which is unrelated to any income or receipt realized from lenses sales at issue. The total number of stock sales are in the 10K filings. Those sales need to be reduced from the gross receipts of IAS to make Plaintiff's summary exhibits less inaccurate. He does not anticipate providing any new exhibit but will rely on the 10Ks which are attached. His analysis will be given orally.

To provide this testimony, he shall rely on IAS's public SEC filings, specifically Form 10-K ("Statement of Stockholders Equity"), including Plaintiff's Exhibits 371 and 507. Form 10-K filings included audited financial reports, are public information and available on-line. Exhibit 371 covers financial activity through June 2009 and Exhibit 507 covers financial activity through June 2016. Each Form 10-K (including Plaintiff's Exhibits 371 and 507) is attached herewith.

Mr. Peterson will also testify that RaPower-3 is not a variable interest entity of IAS.

NELSON SNUFFER DAHLE & POULSEN

/s/ Denver C. Snuffer, Jr.

Denver C. Snuffer, Jr.

Steven R. Paul

Daniel B. Garriott

Attorneys for Defendants

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing **GARY PETERSON'S PROFFER OF TESTIMONY AND DOCUMENTS UPON WHICH HIS TESTIMONY WILL RELY** was sent to counsel for the United States in the manner described below.

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/s/ Denver C. Snuffer, Jr.
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