

# **EXHIBIT 1**

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

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R. WAYNE KLEIN, as Receiver,  
Plaintiff,

vs.

JUSTIN D. HEIDEMAN, LLC, DBA  
HEIDEMAN & ASSOCIATE, a Utah Limited  
Liability Company,  
Defendant.

**DEFENDANT'S FED. R. CIV. P.  
26(a)(2) EXPERT REPORT  
DISCLOSURE**

(Ancillary to Case No. 2:15-cv-00828)

(General Order 19-003)

Case No. 2:19-CV-00854-DN

Judge: David Nuffer

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As required by Fed. R. Civ. P. 26(a)(2), Defendant Justin D. Heideman, dba Heideman & Associates hereby discloses the expert report of previously designated expert Derk G. Rasmussen of Sage Forensic Accounting. Mr. Rasmussen's report is attached as Exhibit A.

DATED: June 11, 2021.

**HEIDEMAN & ASSOCIATES**  
/s/ Justin D. Heideman  
JUSTIN D. HEIDEMAN  
*Attorney for Defendant Justin D.  
Heideman, LLC dba Heideman &  
Associates*

**CERTIFICATE OF SERVICE**

On June 11, 2021, I hereby certify that I caused a true and correct copy of the foregoing **DEFENDANT’S FED. R. CIV. P 26(a)(2) EXPERT REPORT DISCLOSURE** to be served on the below parties via the method indicated below:

<b>Party/Attorney</b>	<b>Method</b>
<b>MANNING CURTIS BRADSHAW &amp; BEDNAR, PLLC</b> David C. Castleberry Mitch M. Longson 136 East South Temple, Suite 1300 Salt Lake City, Utah 84111 <a href="mailto:dcastleberry@mc2b.com">dcastleberry@mc2b.com</a> <a href="mailto:mlongson@mc2b.com">mlongson@mc2b.com</a>	<input type="checkbox"/> Hand Delivery <input type="checkbox"/> U.S. Mail, postage prepaid <input type="checkbox"/> Overnight Mail <input type="checkbox"/> Fax Transmission <input checked="" type="checkbox"/> E-mail <input type="checkbox"/> Electronic Filing Notice

**HEIDEMAN & ASSOCIATES**  
/s/ Wendy Poulsen  
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# EXHIBIT A

**Expert Report of  
Derk G Rasmussen**

**R. Wayne Klein, as Receiver, Plaintiff,**

**vs.**

**Justin D. Heideman LLC DBA Heideman & Associates,  
Defendant.**

**Case No.: 2:19-cv-00854-DN**

**June 11, 2021**

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Justin R. Elswick, Esq.  
Heideman & Associates  
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Re: R. Wayne Klein v Justin D. Heideman LLC DBA Heideman & Associates.

Dear Mr. Elswick:

Sage Forensic Accounting Inc. (“Sage”) was engaged to evaluate and critique the fraudulent transfer claims in this litigation. On March 24, 2021, a report was issued by Richard S. Hoffman wherein he provides opinions as to the fraudulent transfer claims and the insolvency of RaPower-3, LLC. I was asked to evaluate and critique the opinions offered by Mr. Hoffman. This document represents my rebuttal expert report as I understand is contemplated by Rule 26 of the Federal Rules of Civil Procedure, as to the extent applicable updates my prior report. In this report I detail opinions I developed based upon my evaluation and critique of the expert report, analyses, and opinions offered by Mr. Hoffman.

Sage utilized multiple staff to perform the professional services necessary for this report; however, it is anticipated that I, Derk G Rasmussen, will be the expert testifying to the analyses and opinions provided herein as I performed the majority of the work for this matter, oversaw the work performed by others, and I am the author of this report. My expert qualifications are detailed later in this report.

I detail herein my analysis and opinions as an economic damage expert and forensic accountant. The process of identifying the basis and reasons for my opinions, and information I considered in forming my opinions, may at times require reference to case law, code, and similar sources. I am not a lawyer and do not make such references for purposes of offering a legal opinion. Rather, any reference to such is specifically for the purposes of properly disclosing what my opinions are based upon, which in my experience includes understanding relevant guidance provided in such referential materials.

I have not performed any analysis to determine legal liability and do not expect to perform such work. If additional information becomes available that may affect my analysis and conclusions, I reserve the

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right to modify this report and my opinions accordingly. This report is not to be used for any purposes other than those associated with this litigation.

## **I. Case background**

The following presents a summary of the case as determined from various legal filings and records. This information is presented to provide context for my evaluation and critique of the economic damage claims and my opinions. I understand some of the facts presented may be disputed and this section is not meant to opine on the validity of such.

During the summer of 2012, RaPower’s facilities were raided by the Department of Justice in connection with a criminal investigation into its operations.<sup>1</sup>

On November 23, 2015, a civil complaint was filed by the United States against RaPower, IAS, LTB1, Gregory Shepard, Neldon Johnson, and Roger Freeborn.

On March 31, 2017, the United States’ filed its fourth request for the production of documents to Defendant Neldon Johnson.<sup>2</sup>

On June 30, 2017, a 30(b)(6) deposition of RaPower (Neldon Johnson) was taken.<sup>3</sup>

On October 4, 2018, the Courts issued its findings of fact and conclusions of law related to the federal litigation.

On October 31, 2018, a receivership order was entered which appointed Wayne Klein as the receiver.

On May 3, 2019, the receivership order was amended to include additional entities.

Plaintiff filed this lawsuit against Heideman & Associates (“Heideman”) on October 31, 2019, seeking avoidance of fraudulent transfers and unjust enrichment damages.

Plaintiffs engaged the services of Lone Peak to evaluate the financial condition of RaPower and its alleged insolvency at the time of the transfers at issue to Heideman. Sage was retained to evaluate and critique the analyses and opinions offered by Mr. Hoffman.

### **A. Opinions regarding the sufficiency of the information considered and relied upon**

Both Mr. Hoffman and I are CPA members of the American Institute of Certified Public Accountants (“AICPA”), which issues standards to guide its professionals. Those standards include Statement on Standards for Consulting Services No. 1 (“SSCS No. 1”) and Statement on Standards for Forensic Services No. 1 (“SSFS No. 1”). Each of those sets of standards specify the professional is to “obtain

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<sup>1</sup> 30(b)(6) Deposition of RaPower (Neldon Johnson), June 30, 2017, p. 19, 198.

<sup>2</sup> Case 2:15-cv-00828-DN-EJF, Document 210-10, filed 8-17-2017.

<sup>3</sup> 30(b)(6) Deposition of RaPower (Neldon Johnson), June 30, 2017.



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sufficient relevant data to afford a reasonable basis for conclusions or recommendations in relation to any professional services performed.” In my experience, this concept is similar to what I understand are relevant evidentiary rules that govern expert testimony.

It is generally understood within the expert community that when preparing expert opinions care should be taken to ensure they meet the concepts contemplated by Rule 702. For example, the *Litigation Services Handbook* states the criteria specified in Rule 702 should govern the services provided by an expert.<sup>4</sup> The following excerpt likewise demonstrates the importance of knowledge of the concepts inherent in Rule 702 for experts:

A financial expert’s role is to provide credible opinions regarding lost profits economic damages in a legal setting. The courts must assess whether the expert’s testimony rests on a reliable foundation and is relevant to the task at hand. The courts also must determine whether the expert testimony is based on sufficient facts or data, was the product of reliable principals and methods, and whether the expert reliably applied the principals and methods to the case. Although attorneys can be advocates for their client’s positions, credible financial experts must demonstrate integrity and objectivity when presenting their professional opinions and adhere to relevant professional standards.<sup>5</sup>

With my understanding of how the foregoing guidance from professional literature relates to this case, I note that Rule 702, F.R.E. states:

A witness who is qualified as an expert by knowledge, skill, experience, training, or education may testify in the form of an opinion or otherwise if:

- (a) the expert’s scientific, technical, or other specialized knowledge will help the trier of fact to understand the evidence or to determine a fact in issue;
- (b) the testimony is based on sufficient facts or data;
- (c) the testimony is the product of reliable principles and methods; and
- (d) the expert has reliably applied the principles and methods to the facts of the case.<sup>6</sup>

As will be described herein, it is my opinion that Mr. Hoffman failed to perform a sufficient analysis to determine whether RaPower was solvent from April 2017 to May 2018. Specifically, Mr. Hoffman failed to include several assets of RaPower, failed to apply generally accepted accounting standards and incorrectly adjusted deferred liabilities, failed to trace transfers through related entities to determine how funds were actually used, failed to investigate and understand the working relationship between entities, and failed to review Heideman’s billing records to account for pass through expenses that were not received by Heideman or overlap between the work performed for Oregon lens purchasers and the ongoing federal case.

Considering Mr. Hoffman’s failures noted above, it is my opinion that his analysis is not based upon sufficient facts or data and is not the product of reliable principles and methods.

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<sup>4</sup> Weil, Roman L., Daniel G. Lentz, and Elizabeth A. Evans. *Litigation Services Handbook: The Role of the Financial Expert*, Sixth Edition, 2017. p. 2.7.

<sup>5</sup> Fannon, Nancy, and Jonathan M. Dunitz. *The Comprehensive Guide to Economic Damages*, Fifth Edition, 2018. p. 219.

<sup>6</sup> [https://www.law.cornell.edu/rules/fre/rule\\_702](https://www.law.cornell.edu/rules/fre/rule_702).

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## **II. Amounts received by Heideman**

The complaint states that between April 2016 and August 2017, RaPower and IAS paid Heideman approximately \$514,395.24 in attorney fees and expenses, however, only \$128,798.36 is claimed by the Receiver as an avoidable transfer that should be returned. The amount to be returned was allegedly calculated based on a review of Heideman's billing records for work performed on behalf of Oregon lens purchasers.<sup>7</sup>

I have reviewed Heideman's billing records related to Oregon lens purchasers which totals \$131,378.76. I am unaware of any documents detailing which charges were included/excluded by the Receiver and Mr. Hoffman, and therefore, I am unable to reconcile the \$2,580.40 difference between the source documentation and the amounts alleged to be for the benefit of Oregon lens purchasers.

Heideman's billing records were color coded to indicate whether the work performed was specific to the Oregon case, overlapped with issues within the ongoing federal case, or were merely pass-through expenses and not received by Heideman, See **Schedule 1**. Of the total amounts billed, only \$28,602.25 was specifically related to the Oregon case. Additionally, the date entries for work performed specifically related to the Oregon case range between July 2016 to May 2017, see **Schedule 2**. It is my opinion that this time period may be more appropriate for the evaluation of solvency. However, this was not acknowledged by Mr. Hoffman in his analysis.

## **III. Evaluation and critique of Mr. Hoffman's Opinion 1, RaPower was insolvent over the period April 2016 to May 2017, including at the time payments were made to Heideman.**

In this section Mr. Hoffman summarizes his analysis and opinion, stating:

It is my opinion, for the reasons described below, that at all relevant times from 2005-2017, RaPower was insolvent.

In the sections below, I provide my evaluation and critique of each section of Mr. Hoffman's solvency analysis. As will be detailed hereafter, it is my opinion that Mr. Hoffman's expert report lacks relevant expert analyses necessary to support an expert opinion; presents opinions that are based upon insufficient data, lacking needed forensic and valuation analytics; and contains critical errors that render his analysis and opinions to be unreliable.

### **A. Evaluation and critique of Mr. Hoffman's solvency analysis**

Given the importance of solvency in determining the answers to certain questions that the trier of fact will resolve, financial experts, such as myself, are often asked to address and present relevant analyses and opinions related to the solvency issue. The analyst must provide information and opinions that can be used by a trier of fact in its determination as to whether a company was solvent as of the particular date. Although solvency, going concern, and similar phrases are all terms regularly used within the forensic accounting and business valuation profession, I understand those terms likewise can have

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<sup>7</sup> Complaint

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legal connotations. In that regard, I am not a lawyer and do not offer my opinions for legal conclusion purposes.

I understand that bankruptcy courts recognize three traditional and interrelated tests of solvency: (1) the balance sheet test, (2) the capital adequacy test, and (3) the cash flow test.<sup>8</sup> The evaluation of solvency is at the same time an evaluation of insolvency, as those concepts comprise opposite states of the same concepts.

Since this matter is proceeding in federal court, I note that in the context of fraudulent transfers insolvent is defined as follows:

**25-6-103. Insolvency.**

- (1) A debtor is insolvent if, at fair valuation, the sum of the debtor's debts is greater than all of the debtor's assets.
- (2) (a) A debtor that is generally not paying the debtor's debts as they become due other than as a result of a bona fide dispute is presumed to be insolvent.  
  
(b) The presumption imposes on the party against which the presumption is directed the burden of proving that the nonexistence of insolvency is more probable than its existence.
- (3) Assets under this section do not include property that has been transferred, concealed, or removed with intent to hinder, delay, or defraud creditors or that has been transferred in a manner making the transfer voidable under this chapter.
- (4) Debts under this section do not include an obligation to the extent it is secured by a valid lien on property of the debtor not included as an asset.

It is my opinion that the above definition of insolvency is consistent with the concepts inherent in the balance sheet test and the cash flow test. Further, due to the interrelated nature of the balance sheet test and the cash flow test, the capital adequacy test would also apply.

The three solvency tests are interconnected and interrelated. In the same way, the underlying materials considered and assumptions in performing the three tests should reconcile with one another. It is my opinion that evaluation and development of opinions relative to each test is appropriate in this matter and will provide the trier-of-fact with relevant information to consider in its evaluation.

The only solvency test performed by Mr. Hoffman is the balance sheet test. Although Mr. Hoffman acknowledges that a debtor may also be considered insolvent when the debtor is generally not paying his debts as they become due<sup>9</sup>, he does not perform any analysis under the cash flow test or the capital adequacy test. In my opinion, Mr. Hoffman's failure to perform the cash flow test and the capital

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<sup>8</sup> The Litigation Services Handbook, The Role of the Financial Expert, Roman L. Weil, Daniel G. Lentz, Elizabeth A. Evans, Sixth Edition, p. 25.28.

<sup>9</sup> Hoffman Expert Report p. 6, footnote 12.

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adequacy test is evidence of his failure to perform a proper analysis. As a result Mr. Hoffman arrives at an erroneous conclusion that RaPower was insolvent during the relevant periods.

### **B. Ex-ante vs ex-post information**

As described in the following excerpt, the three solvency tests consider only information that was known at the time the alleged fraudulent transfers were made:

Analyses of estimated cash flows are subject to judgement. Practitioners perform solvency analyses as of a given point in time, usually the date of the transaction(s) under challenge (potential preference payments, fraudulent transfers, or other voidable transactions). In preparing a solvency analysis, the financial expert should consider the information available as of that time, and whether that information is reliable for the purposes of the analysis.<sup>10</sup>

As early as the summer of 2012, the Department of Justice raided RaPower's facilities and were examining their operations. Over three years later, the United States filed a civil complaint against RaPower and other Receivership Entities which was in the initial stages of discovery during April 2016 and August 2017 when the payments to Heideman that are the subject of Mr. Hoffman's analysis were made.

The deposition transcript of RaPower that was taken on June 30, 2017, provides evidence of RaPower's opinion that its technology was feasible and that its marketing, operations, and accounting were honest.

- Q. Did RaPower3 change any of its marketing practices as a result of the IRS's disallowance of deductions and credits claimed connected to the solar lenses?
- A. No. I – I just assumed that that would go through the courts, and if they decided it was wrong, then we would deal with it at that point in time.
- Q. What, if anything, did RaPower3 change about its policies or practices after the criminal raids in summer 2012?
- A. There, again, we didn't do anything because we felt like that if there was something wrong, it would be – it would be taken care of in the proper court proceedings, and then if there was a need for a change, then we would do it.
- Q. And what, if anything, has RaPower3 changed about its policies and practices as a result of the complaint having been filed in this case?
- A. Nothing. We have never – again, we look at it from a standpoint of we don't feel like we've done anything wrong. There may have been – there may have been mistakes made, but they weren't for the purpose of negotiating our sales or at the expense of someone else. We were hoping to develop a company, a viable company that would produce tax dollars and increase – increase revenue to the government. Not decrease it. We – we didn't start this based upon tax incentive to bring about this new technology. We did it before then. We will continue to do it with them gone. What we're doing is we feel like we're trying to be honest, we're trying to be honest people, and we've always done that and, because of that, I think that's why we are successful and I've not gone broke.<sup>11</sup>

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<sup>10</sup> The Litigation Services Handbook, The Role of the Financial Expert, Roman L. Weil, Daniel G. Lentz, Elizabeth A. Evans, Sixth Edition, p. 25.29.

<sup>11</sup> 30(b)(6) Deposition of RaPower, Neldon Johnson, November 17, 2017, pp. 197-199.

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As noted in the excerpt above, if anything needed to change with the way RaPower marketed its products that would be decided by the Court. During the period at issue, it is my understanding that the only state to challenge the tax benefits claimed by lens purchasers was Oregon.<sup>12</sup> Additionally, it is my understanding that the issues presented in Oregon tax court overlapped with issues that were being discussed in federal court. In fact, I noted that there were several trial exhibits used in the federal case which were related to the Oregon litigation.<sup>13</sup> If the court in Oregon concluded that the tax benefits claimed were legitimate, it would positively affect RaPower's arguments in federal court. The benefits and impacts of the Oregon litigation was discussed with the Receiver in his deposition, which is summarized in the following excerpt:

Q. Have you had the opportunity to speak with prior administrators or decision-makers for the receivership defendants about this issue?

A. No. I've had opportunity; I have not discussed it with them.

Q. So you don't know why at the time that the payments were made the motivation to make the payment took place, you don't know what that motivation was?

A. I've gotten a sense from testimony I've heard or filings that I've read or documents that I've read that the receivership defendants hoped to win – hoped to – well, I get a sense there may have been one or two motivations.

One would be in the hopes that they could continue to sell lenses to additional purchasers, that it would help to signal that RA Power believed that the deductions were legitimate and therefore was defending anybody if there was a question. A second motivation may have been that the receivership defendants felt that successfully defending the Oregon lens purchasers would bolster its defense against the lawsuit filed by the Department of Justice.<sup>14</sup>

In light of the foregoing, it is my understanding that during the relevant period RaPower believed its technology was feasible, that the tax benefits claimed by customers were appropriate, and that it would prevail in court on these issues if challenged.

With consideration of the foregoing background, in the following sections I present my analysis of and opinions regarding each test and my evaluation and critique of Mr. Hoffman's analysis.

### **C. Balance sheet test<sup>15</sup>**

The question answered under this test is, "Does the fair market value of the company's assets exceed the fair market value of its liabilities?"<sup>16</sup> The following excerpts further elaborate on this test:

This test asks whether the sum of the entities debts exceeds its assets at fair valuation. For this test, the amount of liabilities must consider contingent, unliquidated, and disputed rights. This test focuses on the

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<sup>12</sup> PLEX00279.

<sup>13</sup> See Plaintiffs Trial Exhibits 89, 279, 300, 330, 331, 332, 333, 338, 339, 342.

<sup>14</sup> Deposition of R. Wayne Klein, pp. 30-31.

<sup>15</sup> The Litigation Services Handbook, The Role of the Financial Expert, Roman L. Weil, Daniel G. Lentz, Elizabeth A. Evans, Sixth Edition, p. 25.28-29.

<sup>16</sup> The Litigation Services Handbook, The Role of the Financial Expert, Roman L. Weil, Daniel G. Lentz, Elizabeth A. Evans, Sixth Edition, p. 25.28.

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value that can be realized from assets, either through operations or through liquidation (orderly or otherwise), in comparison to the amount of its liabilities when they come due.<sup>17</sup>

In evaluating solvency under the balance sheet test, financial statements and footnotes prepared in accordance with generally accepted accounting principles (“GAAP”) provide only a starting point. GAAP-based financial statement reflect, in many respects, a historical cost perspective on a company’s assets and liabilities. In other respects, GAAP-basis financial statements do not reflect the expected cash flows or economic substance of transactions.<sup>18</sup>

Similarly, GAAP-based calculations of goodwill are rarely dispositive of the ongoing value of the business on a going-concern basis. If the business does have such value, it may be more appropriate to restate the value of net assets, including intangible, using an enterprise approach to business valuation.<sup>19</sup>

Once the asset value is determined, the analyst compares that amount to the amount of the liabilities on the books, plus any amounts necessary to reflect the amount of liabilities that are contingent or off the balance sheet. Contingent liabilities are typically discounted based on the probability that they will require payment. After having properly valued assets and determined the amount of the liabilities, if the value of the assets exceeds the amount of the liabilities, the test reflects that the business is solvent on the balance sheet basis; if the amount of the liabilities exceeds the value of the assets, the company is not solvent.<sup>20</sup>

The specific steps performed by Mr. Hoffman in his analysis of RaPower’s balance sheet include:

1. Obtaining RaPower’s year-end balance sheets and income statements for calendar years 2005-2017,
2. Adjust the historical financial statements for improper accounting entries,
3. Adjust assets on the balance sheet to fair market value,
4. Adjust liabilities on the balance sheet to include unearned revenue.

Each of the steps Mr. Hoffman performed are evaluated and critiqued in the sections below.

**i. Evaluation of the financial statements relied upon by Mr. Hoffman**

I was provided two versions of RaPower’s QuickBooks datafile. The first was a backup created on August 11, 2017, which contained data through August 2017. Comparing RaPower’s unadjusted financial statements presented in Mr. Hoffman’s analysis, to RaPower’s August 2017 QuickBooks backup, the amounts did not match.

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<sup>17</sup> The Litigation Services Handbook, The Role of the Financial Expert, Roman L. Weil, Daniel G. Lentz, Elizabeth A. Evans, Sixth Edition, p. 25.28.

<sup>18</sup> The Litigation Services Handbook, The Role of the Financial Expert, Roman L. Weil, Daniel G. Lentz, Elizabeth A. Evans, Sixth Edition, p. 25.28.

<sup>19</sup> The Litigation Services Handbook, The Role of the Financial Expert, Roman L. Weil, Daniel G. Lentz, Elizabeth A. Evans, Sixth Edition, pp. 25.28-29.

<sup>20</sup> The Litigation Services Handbook, The Role of the Financial Expert, Roman L. Weil, Daniel G. Lentz, Elizabeth A. Evans, Sixth Edition, p. 25.29.

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Through counsel for the Defendants, I requested clarification for why the amounts contained in Mr. Hoffman's reports did not match RaPower's QuickBooks file. I later received another QuickBooks file which was a backup created on August 7, 2019, which is during the time the Receiver was in control of RaPower.<sup>21</sup> The financial statements exported from the 2019 QuickBooks backup matched the amounts presented in Mr. Hoffman's analysis. However, I noted that there were several adjusting journal entries that altered the financial statements as early as 2009. It is unclear why these journal entries were necessary or whether the amounts in the 2017 backup are more accurate.

Through my review of the QuickBooks data, it appears there are several transactions that are recorded as an expense of RaPower, however, the transaction was not paid for by RaPower and was not for RaPower's benefit. Therefore, these transactions should not be included in RaPower's accounting.

For example, on January 7, 2011, a transaction for \$15,000 is included as an expense on RaPower's income statement. Tracing this transaction through to the bank statements shows that the \$15,000 was paid personally by Glenda Johnson to Lone Peak Valuation Group. Since both the Receiver and Mr. Hoffman are members of Lone Peak, I inquired through counsel, regarding the purpose of this payment. Based upon their response, it is my understanding that the amounts paid to Lone Peak were related to a valuation of Neldon Johnson's interest in the N.P. Johnson Family Limited Partnership, which was the majority owner of IAS. Since this valuation was not related to RaPower or paid for by RaPower, it should not be included as an expense. There are many other similar examples that would need to be excluded from RaPower's financials, some of which were noted by Mr. Hoffman in his analysis.

Although Mr. Hoffman makes some adjustments to correct errors in RaPower's QuickBooks file, there appears to be many additional necessary adjustments that were not addressed by Mr. Hoffman. Due to differences in the two version of QuickBooks I received, and the many errors that would need to be corrected within the QuickBooks accounting, it is my opinion that the most reliable source of information are the bank statements, which are the underlying foundation of the QuickBooks accounting system.

**ii. Evaluation and critique of Mr. Hoffman's adjustments for improper accounting**

In this section, Mr. Hoffman evaluates RaPower's accounting for the sale of solar lenses to customers. Mr. Hoffman notes that for each solar lens sold, RaPower recorded the entire purchase price as revenue which was offset by a receivable. When the initial deposit payment was received from a customer, the receivable was reduced by the amount of cash received.

Mr. Hoffman alleges that the way RaPower accounted for solar lens sales was improper and references the Financial Accounting Standards Board ("FASB") standards that revenue is recognized when the company satisfies a performance obligation by transferring a promised good or service to a customer.<sup>22</sup>

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<sup>21</sup> It is my understanding that the Receiver was appointed on October 31, 2018.

<sup>22</sup> ASC 606-10-05-4-e.

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or revenue is not recognized until earned.<sup>23</sup> According to Mr. Hoffman’s analysis, in order to fulfill the purchase contract and collect the **full** sales price, Receivership Entities were required to generate and sell electricity using the customer-owned solar lenses.<sup>24</sup> Therefore, since no electricity was sold, no revenue should have ever been recorded. Mr. Hoffman alleges that the correct entry for all deposit amounts received should have been:

[Debit]	Cash	\$1,050
	[Credit] Unearned Revenue	\$1,050

To support his conclusion that no revenue should have been recorded, Mr. Hoffman relies upon the notes to IAS’s financial statements wherein it is noted that up to the year 2010, IAS had not recorded any revenue for the sale of solar lenses. However, comparing RaPower’s contracts and accounting to IAS’s contracts and accounting is inappropriate because the contracts for each entity are significantly different.

Additionally, after 2010 it appears that IAS moved the amounts previously recorded as an unearned liability to retained earnings, essentially recognizing the amounts received as revenue. Through my review of IAS’s 10-k financial information from 2006 through 2010, I noted that progress towards developing the solar technology was made, which may have resulted in the completion of various performance obligations required to record the amounts received as revenue. See **Exhibit 1**.

FASB accounting standard 606-10-05-4 anticipates reviewing the contract between the buyer and seller to determine the performance obligations of the contract and when to recognize revenue. Although I am not a lawyer and do not offer any legal opinions on the validity of these contracts, the following differences between IAS and RaPower contracts need to be evaluated from an accounting perspective and applied to accounting standards for revenue recognition.

Description	IAS	RaPower
Performance Obligations	Furnish, deliver, install, and startup the Alternative Energy System	Furnish, deliver, install, and startup the Alternative Energy System
Time between execution of contract and installation	15 Days	N/A
Total purchase price	\$30,000.00	\$3,500.00
Initial Down Payment (Option one)	\$9,000	\$1,050
Commencement of remaining payments	After the 5th anniversary of the contract	5 years after the Alternative Energy System has been installed and producing revenue
Full refund of downpayment offered for failure to deliver, install, or startup the Alternative Energy System	Yes	No

The differences in IAS’ and RaPower’s contracts are important when determining how to account for amounts received from customers. Under the IAS contracts I reviewed, the solar lenses were to be

<sup>23</sup> ASC 605-10-25-1-b.  
<sup>24</sup> Hoffman report p. 10.



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installed shortly after the execution of the contract. Additionally, IAS would refund the full amount of the deposit amount if it failed to deliver, install, or startup the Alternative Energy System for any reason.

Comparatively, the RaPower's contracts that I reviewed did not specify an installation date and the remaining amounts owed on the contract would not begin until five years after the lenses had been installed and began producing revenue. The RaPower contract also did not contain any provisions allowing the purchaser to receive a full refund of their initial deposit.

It is my understanding that RaPower customers were purchasing a solar lens, which would be used for research and development. The performance obligations required for recognition of the initial deposits as revenue include furnishing a lens and delivering it to a place where it could be used in further research and development. The remaining amounts owed are associated with the obligation to install the lenses and startup the Alternative Energy System. This is acknowledged by Mr. Hoffman in his report wherein he states:

Customers were generally quoted a certain price to purchase the lens, but were only required to pay a fraction of that price up front. The remaining amount of the purchase price would not become due until some time after the solar energy was successfully produced and sold.<sup>25</sup>

It is my understanding that RaPower furnished and delivered a lens for each lens purchased by a customer. Below is an image showing hundreds of small towers fitted with lenses which provide evidence of RaPower's fulfilment of performance obligations to recognize the deposits received as revenue.<sup>26</sup>



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<sup>25</sup> Expert report of Rick Hoffman, p. 3.

<sup>26</sup> This image is a screenshot taken from drone video footage captured on March 25, 2018. This video footage is available upon request.



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I am also aware that the Receiver recently sold this parcel of land containing these small towers. The following excerpt is from the Receiver’s motion requesting approval to sale the property.

Relevant to this Motion is a partially improved 67.5-acre parcel of real property recently transferred into the Receivership Estate by Glenda Johnson, located in Millard County, Utah (“Property”), identified by parcel number HD-4606-2...The Property has scores of short solar towers that have been constructed on the Property, along with pipe, steel, and other construction materials used to construct the short towers.<sup>27</sup>

Due to RaPower’s fulfillment of its obligations to provide a lens to an R&D site for further research and development, revenue should have been recognized for the amount of the proposed initial deposit amount as follows:

[Debit]	Cash	\$1,050
	[Credit] Revenue	\$1,050

Although the contracts between RaPower and its customers indicate that the initial deposit is non-refundable, If the finder of fact determines that the amounts received by RaPower are refundable, an analysis is performed at the end of each year to determine an appropriate amount to withhold as a liability for potential refunds. This concept is detailed in the following FASB accounting standards:

**606-10-32-10** An entity shall recognize a refund liability if the entity receives consideration from a customer and expects to refund some or all of that consideration to the customer. A refund liability is measured at the amount of consideration received (or receivable) for which the entity does not expect to be entitled (that is, amounts not included in the transaction price). The refund liability (and corresponding change in the transaction price and, therefore, the contract liability) shall be updated at the end of each reporting period for changes in circumstances. To account for a refund liability relating to a sale with a right of return, an entity shall apply the guidance in paragraphs 606-10-55-22 through 55-29.

**606-10-55-22** In some contracts, an entity transfers control of a product to a customer and also grants the customer the right to return the product for various reasons (such as dissatisfaction with the product) and receive any combination of the following:

- (a) A full or partial refund of any consideration paid
- (b) A credit that can be applied against amounts owed, or that will be owed, to the entity
- (c) Another product in exchange.

**606-10-55-23** To account for the transfer of products with a right of return (and for some services that are provided subject to a refund), an entity should recognize all of the following:

- (a) Revenue for the transferred products in the amount of consideration to which the entity expects to be entitled (therefore, revenue would not be recognized for the products expected to be returned)

<sup>27</sup> Receiver’s Motion Requesting Order Approving (1) public sale of property free and clear of interests, (2) method and form of publication notice, and (3) public auction procedures, November 12, 2020, p. 3.

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(b) A refund liability

(c) An asset (and corresponding adjustment to cost of sales) for its right to recover products from customers on settling the refund liability.

**606-10-55-26** An entity should update the measurement of the refund liability at the end of each reporting period for changes in expectations about the amount of refunds. An entity should recognize corresponding adjustments as revenue (or reductions of revenue).

To determine the potential amounts that RaPower may have expected to refund to customers, I analyzed the historical cash received and the amounts refunded to customers. As noted on **Schedule 9**, cumulative refunds through 2017 was only 0.78% of the cash received.

The concept of withholding a small amount for the possibility that a customer would request a refund was discussed by the Receiver in his deposition. Therein, the Receiver stated that companies may withhold one percent to two percent of their sales in a liability account.<sup>28</sup> The journal entries that would be entered to account for the cash received and refund liability would be:

[Debit]	Cash		\$1,050
	[Credit]	Refund Liability	\$21 (2%)
	[Credit]	Revenue	\$1,029

Because Mr. Hoffman failed to evaluate each performance obligation and its impact on recognizing revenue, he has inappropriately considered that all amounts received should be accounted for as a liability. This is improper because some of the performance obligations had been fulfilled by RaPower, such as furnishing and delivering a lens to an R&D site. Additionally, if the amounts received were refundable to customers, an analysis would be performed at the end of each year to determine an appropriate level of refund reserves. Based on historical refund requests, the amount that should be withheld in reserve is not greater than one to two percent of the total cash received.

**iii. Evaluation and critique of Mr. Hoffman’s adjustments of assets to fair market value**

In this section Mr. Hoffman states,

After adjusting for improper accounting treatment, the only assets which RaPower held were cash and an insignificant amount of furniture and equipment.<sup>29</sup>

Through my review of RaPower’s financial information and interviews with RaPower owners I determined that RaPower transferred funds to related entities and individuals to purchase real estate or

<sup>28</sup> Deposition of R. Wayne Klein, pp. 54-56.

<sup>29</sup> Expert report of Rick Hoffman, p. 13.

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equipment which should be accounted for as an asset of RaPower. Specific amounts and transactions are discussed further in the sections below.

### **Cash**

In this section Mr. Hoffman describes the adjustments he made to RaPower's cash accounts were to reflect the actual balance per the company's bank statements. I verified that the amounts included in Mr. Hoffman's analysis match the ending balances for each of RaPower's bank accounts each year.

### **Accounts Receivable**

RaPower's receivables related to solar lens sales are removed as an asset since they relate to performance obligations that were not yet satisfied, or earned by RaPower. Historically, all receivables related to the sale of solar lenses.

However, as noted below, receivables for amounts that RaPower transferred to other entities for the purchase of real estate or equipment purchases should be considered as an asset.

### **Real Estate**

In this section Mr. Hoffman states,

In their QuickBooks records, I observed that RaPower recorded a Real Estate Purchase expense in each of the years 2011-2014. Using bank records, I verified that those payments were indeed made by RaPower. However, I am informed by the Receiver that none of the real estate which RaPower paid for was titled in RaPower's name. Thus, I have relied upon the Receiver's analysis and therefore I made no adjustments to include real estate on RaPower's adjusted balance sheet, since it does not own the real estate indicated by QuickBooks entries.<sup>30</sup>

I have not been provided with any real estate records that indicate which entity owns the real estate that was paid for by RaPower. However, assuming the real estate is in fact owned by entities other than RaPower, the correct journal entries to account for this transaction would be to record a receivable from the entity that did purchase the real estate.

In my analysis, I have included a receivable for the total amount used to purchase real estate as an asset of RaPower.

### **Unrecorded Assets**

In this section Mr. Hoffman describes how the solar technology was owned by IAS or other affiliated entities other than RaPower. Although RaPower may not have owned the technology, it is my understanding it owned rights to utilize the technology which may have resulted in goodwill value. To the extent goodwill does exist, it would be included as an asset of RaPower.

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<sup>30</sup> Expert report of Rick Hoffman, p. 14.

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Prior to the inclusion of any potential goodwill, the solvency analysis I performed results in RaPower being solvent at all times relevant to this litigation. Therefore, conservatively, I have not included any additional assets due to potential goodwill value.

**iv. Evaluation and critique of Mr. Hoffman's recognition of liabilities**

In this section Mr. Hoffman states,

As discussed in the adjustments for improper accounting, RaPower hadn't previously recorded any liabilities related to customer deposits. An adjustment was made to recognize such liability in an amount equal to total customer deposits.<sup>31</sup>

As noted above, the amount that should have been recognized as a liability is determined based on a statistical analysis at the end of each year to estimate anticipated refunds. Historically, only 1.64% of the amount of cash received was refunded to customers. Therefore, the liability associated with anticipated refunds would not exceed two percent of the total cash received.

**v. Evaluation and critique of Mr. Hoffman's balance sheet test**

Mr. Hoffman's solvency analysis is summarized on Schedule 3 of his report. As noted therein, the only asset of RaPower is cash, which was adjusted to reflect the balance in the bank. Since RaPower's bank account was not setup until late 2009, Mr. Hoffman does not include any cash or receivables from 2005 through 2008.

Liabilities include a negative amount of accounts payable, which is essentially an asset or pre-paid payable amounts, an insignificant amount of payroll liabilities, and Mr. Hoffman's calculation of unearned revenue equal to total cash deposits received by either RaPower or IAS. The unearned revenue liabilities begin in 2005, even though no cash was received by RaPower.

There are several flaws inherent in Mr. Hoffman's solvency analysis. First, the sale of solar lenses from 2005 through 2009 appear to be related to IAS and not RaPower. Each of the deposits received during this period were for increments of \$9,000, which I understand relate to IAS' equipment purchase agreements. Additionally, Mr. Hoffman acknowledged that the cash related to these sales was received by IAS and not RaPower. Because of this, it is improper to record these sales as a liability of RaPower.

If these sales between 2005 through 2009 should be attributable to RaPower, a receivable would need to be recorded to account for the cash that was received by IAS. Because Mr. Hoffman failed to include an asset to offset the liability, he improperly concludes that RaPower was insolvent as early as 2005.

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<sup>31</sup> Expert report of Rick Hoffman, p. 14.

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Second, the amount of the unearned revenue liability recorded by Mr. Hoffman is based upon the total amount of cash deposits received. Accounting for the full amount of the deposit as a liability is improper and does not adhere to generally accepted accounting principles for the following reasons:

- RaPower had performed its obligations related to the receipt of the initial deposit which included furnishing a lens and delivering it to an R&D site. As noted above, hundreds of small towers were constructed and fitted with lenses.
- Based on my understanding of RaPower's equipment purchase agreements, the deposits received were non-refundable. Based on generally accepted accounting principles, non-refundable deposits are accounted for as revenue.
- Historical evidence shows that very little refunds were actually requested and/or given. The maximum amount of any potential refund liability reserve would not exceed two percent of the deposit received.

As shown on **Schedule 10**, only correcting for the improper unearned revenue liability in Mr. Hoffman's solvency analysis results in a conclusion that RaPower was solvent at all times from 2005 through November 2017.

In addition to the adjustments to Mr. Hoffman's analysis noted above, I found that RaPower purchased machinery and equipment and other assets that were not accounted for on its balance sheet. The fair market value of these assets needs to be accounted for in the solvency analysis. To the extent RaPower transferred funds to a related entity to purchase machinery and equipment or real estate, the funds transferred should be accounted for as a receivable, collateralized by the asset that was purchased. **Schedule 17** provides the total assets purchased by RaPower, IAS, and Cobblestone with funds derived from RaPower. As shown on **Schedule 17**, machinery, vehicles, and furniture are assumed to have an economic life of seven years. The estimated fair market value of each asset is assumed to be the purchase price less any accumulated economic depreciation.

The fair market value of the assets purchased are added to the RaPower's balance sheet as shown on **Schedule 11**. As shown therein, RaPower was solvent at all times relevant to this analysis.

#### **D. Cash flow test<sup>32</sup>**

As noted herein, the three tests generally considered in a solvency analysis should reconcile with one another and be used collectively to determine whether a company is solvent. The question answered

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<sup>32</sup> The Litigation Services Handbook, The Role of the Financial Expert, Roman L. Weil, Daniel G. Lentz, Elizabeth A. Evans, Sixth Edition, p. 25.29

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under the cash flow test is, “Does the company have sufficient cash to pay its current debts as they come due?”<sup>33</sup> The following excerpts further elaborate on this test:

Although the test is evaluated as of a date in the past, the test itself is prospective in nature, focusing on the expected future cash needs and the expected future sources of cash through operations, asset sales, and other sources of cash as of the solvency date.<sup>34</sup>

Analyses of estimated cash flows are subject to judgement. Practitioners perform solvency analyses as of a given point in time, usually the date of the transaction(s) under challenge (potential preference payments, fraudulent transfers, or other voidable transactions). In preparing a solvency analysis, the financial expert should consider the information available as of that time . . . , and whether that information is reliable for the purposes of the analysis. As with valuation analyses for plan confirmation or feasibility purposes, analysts need to adjust contemporaneous projections to correct for factual errors or to restate financial information to eliminate the impact of fraud or misstatement. The analyst should consider and, if appropriate, adjust the company’s contemporaneous projections. These can be overly optimistic, particularly if the debtor wanted to paint a positive picture for bankers or other potential sources of capital to continue operations. Ultimately, the solvency analysis must be based on projections supported by factual information available at the time.<sup>35</sup>

I am unaware of any allegations that RaPower was ever unable to pay its debts as they became due during the period at issue in this litigation, April 2016 through August 2017. Through my review of RaPower’s financials I note that it did not have any long-term obligations such as bank debt or lines of credit. Additionally, the accounts payable account on RaPower’s balance sheet shows that it may have actually prepaid its obligations before they were due, resulting in a negative payable balance. See **Schedule 5** and **Schedule 6**. Additionally, I am aware of only two refunds during this period that were requested from customers who had acquired lenses from RaPower. The amount refunded by RaPower was \$5,223.

I also analyzed RaPower’s cash balance in relation to the payments made to Heideman. As shown on **Schedule 12**, all payments to Heideman, totaling \$514,395 accounted for only 2.65% of RaPower’s available cash on average. The payments to Heideman related to the Oregon matter of \$131,379 accounted for only 0.70% of cash on average. Payments to Heideman unique to the Oregon matter of \$28,602, noted by the blue highlighted time entries, accounted for only 0.15% of cash on average.

Based upon the cash flow test, RaPower was always solvent during the relevant period as it had sufficient cash to satisfy its obligations as they became due. The payments to Heideman represented an insignificant portion of RaPower’s available cash. It is my opinion that had Mr. Hoffman considered the cash flow test he would have concluded that RaPower was solvent.

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<sup>33</sup> The Litigation Services Handbook, The Role of the Financial Expert, Roman L. Weil, Daniel G. Lentz, Elizabeth A. Evans, Sixth Edition, p. 25.29

<sup>34</sup> The Litigation Services Handbook, The Role of the Financial Expert, Roman L. Weil, Daniel G. Lentz, Elizabeth A. Evans, Sixth Edition, p. 25.29

<sup>35</sup> The Litigation Services Handbook, The Role of the Financial Expert, Roman L. Weil, Daniel G. Lentz, Elizabeth A. Evans, Sixth Edition, p. 25.29

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### E. Capital Adequacy test<sup>36</sup>

As noted herein, the three tests generally considered in a solvency analysis should reconcile with one another and be used collectively to determine whether a company is solvent. The question answered under the capital adequacy test is, “Does the company have unreasonably small capital?”<sup>37</sup> The following excerpts further elaborate on this test:

The capital adequacy test looks to the debtor’s capitalization and available sources of capital (including the debtor’s ability to generate enough cash from operations and asset sales) in comparison to its capital needs. Capital adequacy encompasses the ability to pay its debts, but also evaluates the company’s ability to sustain business operations over time, including some ability to withstand a reasonable degree of stress or variations from the projections. The debtor has unreasonably small capital when its cash plus the reasonable estimates of potential cash flows and borrowing capacity over the near term is insufficient for the timely payment of its obligations and continuation of its business operations in the ordinary course with the normal range of business conditions.<sup>38</sup>

Experts evaluate both the cash flow test and the capital adequacy test with the view to the debtor’s cash resources and cash flows.<sup>39</sup>

Relative to this test, the assets and liabilities that were adjusted in connection with the balance sheet test are evaluated to determine RaPower’s equity capital. As noted therein, it is inappropriate to record the full amount of the deposits received as a liability. Reserving an appropriate amount of cash to satisfy potential refund requests results in positive equity balances each year.

Additionally, I noted that RaPower did not have any long-term debt or lines of credit recorded on its balance sheet. Had RaPower required additional capital it could have borrowed funds from other Receivership Entities or Neldon and Glenda Johnson personally. I performed an analysis of the cash available during the relevant period to include other Receivership Entities. As shown on **Schedule 13**, the cash balance of Cobblestone Centre, IAS, RaPower, Solco I, and Xsun Energy was \$9,316,301 at the end of 2015, \$8,807,682 at the end of 2016, and \$8,323,677 at the end of 2017. The majority of these funds were derived from RaPower and were transferred to these related entities to pay for operating expenses, purchase equipment, etc. Therefore, it is my opinion that during the relevant time period from April 2016 to August 2017, RaPower had access to capital of over eight million dollars.

Based on the foregoing, it is my opinion that RaPower had adequate capital and access to additional capital from related entities if needed. Therefore, at all times relevant to my analysis, RaPower was solvent based upon the capital adequacy test.

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<sup>36</sup> The Litigation Services Handbook, The Role of the Financial Expert, Roman L. Weil, Daniel G. Lentz, Elizabeth A. Evans, Sixth Edition, p. 25.30.

<sup>37</sup> The Litigation Services Handbook, The Role of the Financial Expert, Roman L. Weil, Daniel G. Lentz, Elizabeth A. Evans, Sixth Edition, p. 25.30.

<sup>38</sup> The Litigation Services Handbook, The Role of the Financial Expert, Roman L. Weil, Daniel G. Lentz, Elizabeth A. Evans, Sixth Edition, p. 25.30.

<sup>39</sup> The Litigation Services Handbook, The Role of the Financial Expert, Roman L. Weil, Daniel G. Lentz, Elizabeth A. Evans, Sixth Edition, p. 25.30.



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## **F. Evaluation and critique of Mr. Hoffman’s badges of fraud analysis**

In this section, Mr. Hoffman states,

From January 2010 thru August 2018, RaPower transferred out of its bank account approximately \$28.4 million. Of that, approximately \$20.5 million was transferred to insiders, including Receivership Entities, entities owned and controlled by Neldon Johnson or Gregory Shepard, or family members of Neldon Johnson and Gregory Shepard.<sup>40</sup>

As noted by Mr. Hoffman, the majority of funds transferred out of RaPower’s bank accounts were received by Cobblestone Centre (\$8,820,000) and IAS (\$6,808,148). However, Mr. Hoffman fails to perform a tracing analysis of how these funds were used by these entities. Additionally, he does not inquire into the working relationship between these entities and RaPower. As shown on **Schedule 14** through **Schedule 16**, IAS and Cobblestone used funds received by RaPower for RaPower’s business operations, such as purchasing machinery and equipment, steel, lens materials, payroll, etc.

Additionally, amounts transferred to Glenda Johnson were also used to purchase real estate, equipment, or pay some expenses of Receivership Entities. For example, the bank statement details provided by Mr. Hoffman indicate that \$541,343 of the \$1,017,826 transferred to Glenda Johnson’s personal account was used to purchase real estate.

Because Mr. Hoffman failed to trace amounts through the related parties bank statements, he has wrongfully assumed that the entire transfer was for the benefit of insiders or otherwise inappropriate. In reality, the majority of the funds received through lens deposits were used in research and development activities, such as purchasing lens materials, steel, and other materials, and machinery necessary to construct the solar towers.

## **IV. Reservation of Right to Supplement, Revise, Update and/or Amend**

If additional information becomes available that I deem relevant to the scope of this engagement, I reserve the right to modify this report or my findings and opinions accordingly. Further, as this case proceeds toward trial, the passage of time may require that my report or findings and opinions be updated. As this matter proceeds toward trial, and during trial, I may prepare various exhibits that illustrate and provide examples of issues and concepts presented in and related to my findings and opinions, including illustrative schedules. Further, I will consider all rebuttal analyses and all evidence presented at trial and will update my findings to the extent such is warranted based upon such evidence.

## **V. Documents and Information Considered**

The documents, data, and information that I considered during the preparation of this report and documents, data, and information that I am continuing to review are listed as follows.

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<sup>40</sup> Expert report of Rick Hoffman, p. 16.

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1. Legal Filings in this case available on PACER, in addition other non-filed pleadings including discovery answers and responses;
2. Expert Witness Report of Rick Hoffman dated March 24, 2021, including all schedules, exhibits, appendices, and all related documents relied upon or referred to therein;
3. Other professional literature generally known or considered includes: PPC's Guide to Litigation Support Services, 20th Edition, June 2015; Litigation Services Handbook: The Role of the Financial Expert, First through Sixth Editions; The Comprehensive Guide to Lost Profits and Other Commercial Damages, 1st through 6th Editions; AICPA Forensic & Valuation Services Practice Aid: Attaining Reasonable Certainty in Economic Damages Calculations, 2015; American Institute of Certified Public Accountant's Practice Aid 06-4, "Calculating Lost Profits"; Modern Scientific Evidence: The Law and Science of Expert Testimony, Forensics, Engineering & Economics, 2014-2015 Edition, Volume 5; Intellectual Property: Valuation, Exploitation, and Infringement Damages and related cumulative supplements; Patent Valuation: Improving Decision Making through Analysis; Economic Damages in Intellectual Property; AICPA Guide to Intangible Asset Valuation; AICPA FVS Practice Aid: Calculating Damages in Intellectual Property Disputes, Fourth Edition; AIPCA Practice Aid 06-1. In addition to the items contained in the above list I also considered literature, documents and information referenced and footnoted throughout this report including attached schedules and throughout the reports listed above. Further I will consider all evidence and testimony offered through and at the trial of this matter.

In addition to the items contained in the above list I also considered literature, documents and information referenced and footnoted throughout this report including any attached schedules, appendices, exhibits, or attachments and throughout the reports listed above. Further I will consider all evidence and testimony offered through and at the trial of this matter.

## **VI. Compensation**

Sage is being compensated for services provided on an hourly basis at billing rates between \$50 and \$425 per hour. My standard billing rate is \$415 per hour.

## **VII. Qualifications**

I am over the age of twenty-one, and I have personal knowledge of the facts and opinions stated herein and could and would competently testify thereto if called upon to do so. I am the president and a shareholder of Sage Forensic Accounting, Inc., a Utah based litigation support, forensic accounting and consulting firm. I have over thirty-four years of experience in performing assignments involving forensic accounting, business valuation, economic damage analysis, and reviewing the reports of others in my field.

I am a Certified Public Accountant (CPA), licensed in the state of Utah and am a member of the American Institute of Certified Public Accountants. I have earned the Certified in Financial Forensics

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(CFF) certification, and the Accredited in Business Valuation (ABV) accreditation, all from the American Institute of Certified Public Accountants.

I am a member of the Association of Certified Fraud Examiners and the American Society of Appraisers. I have earned the Accredited Senior Appraiser (ASA) designation from the American Society of Appraisers and the Certified Fraud Examiner (CFE) designation from the Association of Certified Fraud Examiners.

My curricula vitae, which contains detailed information on my qualifications, including a list of all publications authored in the past 10 years, and a list of all cases in which, during the past four years, I have testified as an expert at trial or by deposition is attached hereto in **Appendix 1**.

On behalf of Sage Forensic Accounting, thank you for the opportunity to assist you in this analysis.

Respectfully submitted,  
Sage Forensic Accounting, Inc.



By: Derk G Rasmussen, CPA, ABV, CFF, CFE, ASA

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**SUMMARY OF BILLING RECORDS** **Schedule 1**

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<b>Description</b>	<b>Amount</b>
Oregon Specific (Blue)	28,602.25
Direct Impact on Federal Case (Green)	2,312.50
Directed by RaPower (Pink)	34.50
Overlap with Federal Case (Yellow)	21,708.50
Pass Through Expense (Purple)	64,170.29
Specifically Benefitting Federal Case (Orange)	14,550.72
<b>Grand Total</b>	<b>131,378.76</b>
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Fraudulent transfer claimed by Receiver	128,798.36
Difference	2,580.40

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**BILLING RECORD DETAIL**

**Schedule 2**

Simply Category Description	Date	Description	Amount
Oregon Specific (Blue)	07/22/16	Review email from Bruce Reese.	28.75
Oregon Specific (Blue)	07/26/16	Review email and phone message from Bruce Reese and respond. Review emails forwarded from Bruce about case in Oregon. Emails to Bruce clarifying items. Download and save attachments from emails into client file and review attachments. Email to counsel in Oregon. Phone call to Glenda Johnson about fee for filing in Oregon. Prepare invoice for Glenda.	115.00
Oregon Specific (Blue)	08/01/16	Several emails to and from assistant in Oregon helping with case as well as counsel. Phone call with counsel assisting in Oregon case. Email finished applications to Justin Heideman for signature. Email to counsel in Oregon for final approval.	172.50
Oregon Specific (Blue)	08/02/16	Several emails to and from assistant in Oregon. Finalize applications and prepare for mailing. Request check from accounting for the application filing fees. Email Neldon, Glenda, and Greg the requests for production.	115.00
Oregon Specific (Blue)	08/04/16	Review discovery requests for Gregg and Orth. Follow up phone call to Glenda about the requests. Review emails from Bruce Reese, set up phone conference for tomorrow with Bruce, email to Justin Heideman.	69.00
Oregon Specific (Blue)	08/05/16	Review and respond to emails from Bruce Reese about case. Email to Kristen Ennis requesting extension on discovery. Discuss case with team. Emails to Justin Heideman.	69.00
Oregon Specific (Blue)	08/09/16	Review email from Bruce Reese about Oregon case.	28.75
Oregon Specific (Blue)	08/12/16	Emails to and from counsel in Oregon. Email Notice of Substitution to counsel. Review emails. Discuss with Justin Heideman.	80.50
Oregon Specific (Blue)	08/15/16	Email to counsel in Oregon. Review discovery requests. Discuss discovery requests with team. Review emails from Bruce Reese. Email Bruce Reese and email Rod King to set up phone conference and discuss the appeal. Email to counsel in Oregon about Protective Order. Email to clients. Phone call with assistant in Oregon. Discuss with Justin Heideman.	230.00
Oregon Specific (Blue)	08/16/16	Set up conference call with OR counsels, calendar, review and respond to emails. Access Orth's account on RaPower3 website, download and print and review documents, discuss discovery questions with team.	115.00
Oregon Specific (Blue)	08/24/16	Draft discovery responses for Orth and Kevin.	975.00
Oregon Specific (Blue)	08/25/16	Client Expense - Gleaves Swearingen Tax Expense	896.00
Oregon Specific (Blue)	08/25/16	Convert emails from Orth for discovery.	253.00
Oregon Specific (Blue)	08/25/16	Prepare Oregon discovery	731.25
Oregon Specific (Blue)	08/26/16	Convert emails from Orth for Discovery then start bate stamping all documents to produce for our response to Oregon Department of Revenue. Down load all documents to sharefile.	736.00
Oregon Specific (Blue)	08/26/16	Edit and prepare discovery for Gregg/Orth Deadline/teleconference with Pro Hac counsel/review case law and statutory law regarding protective orders under Oregon tax court rules of civ pro.	1,300.00
Oregon Specific (Blue)	08/26/16	Scan and review more documents for discovery requests. Discuss with team.	805.00
Oregon Specific (Blue)	09/01/16	Prepare Response for Bruce Reece to Rod King	975.00
Oregon Specific (Blue)	09/01/16	Revise and edit Response letter to Rod King. Prepare exhibits.	57.50
Oregon Specific (Blue)	09/02/16	Phone call with Rod King confirming 2 weeks extension for deadline Reece Response. Sent email to confirm.	28.75
Oregon Specific (Blue)	09/02/16	Review email from Michael Gregg with supplemental response.	34.50
Oregon Specific (Blue)	09/06/16	Bate stamp Statement of Employment of Michael Gregg and save to file.	28.75
Oregon Specific (Blue)	09/15/16	Review emails from counsel in Oregon.	28.75
Oregon Specific (Blue)	09/16/16	Edit motion	325.00
Oregon Specific (Blue)	09/19/16	Finish Bruce Reese Response	1,300.00
Oregon Specific (Blue)	09/19/16	Review rod king argument response.	406.25
Oregon Specific (Blue)	09/27/16	Call With Neldon regarding protective order	422.50
Oregon Specific (Blue)	09/28/16	Work on getting e-filing set up in Oregon. Discuss case with Justin Heideman.	86.25
Oregon Specific (Blue)	10/03/16	Complete the Complaint and Authorization for filing. Take to the post office to be mailed and stamped for today's date for filing.	57.50
Oregon Specific (Blue)	10/03/16	Review letter from Oregon Department of Justice in response to our discovery responses. Email Greggs and Orths requesting additional information to supplement our responses. Review Orth bank statements. Begin drafting Supplemental Responses for Orth and Gregg. Phone call with Kevin Gregg. Review invoice from OR counsel.	230.00
Oregon Specific (Blue)	10/05/16	Meeting with Justin Heideman and Christian Austin to discuss next steps for the OR cases and trials coming up.	28.75
Oregon Specific (Blue)	10/07/16	Bate stamp supplemental documents.	57.50
Oregon Specific (Blue)	10/07/16	Finalize supplemental disclosures to be sent over to opposing counsel. Send via email and US mail to opposing counsel.	115.00
Oregon Specific (Blue)	10/10/16	Review email from Oregon counsel. Email Justin Heideman. Review evidence and begin bate number index.	57.50
Oregon Specific (Blue)	10/11/16	Review email from Matt Orth. Email Justin Heideman to discuss. Email Matt Orth to set up phone conference with Justin Heideman tomorrow.	28.75
Oregon Specific (Blue)	10/13/16	Finalize drafting of Subpoena to Matt Orth for trial. Have reviewed and signed by Justin Heideman. Send to Matt Orth.	34.50
Oregon Specific (Blue)	10/13/16	Multiple emails to and from counsel in Oregon, discuss trial, review email from Matt Orth and discuss with Justin Heideman, discuss plan to serve subpoena to Matt Orth, get template to create subpoena in the Oregon court. Review multiple emails from counsel in Oregon.	86.25
Oregon Specific (Blue)	10/19/16	Emails with Oregon counsel's assistant. Set up phone conference for Justin Heideman with OR counsel Karianne Conway to prepare for trial.	34.50
Oregon Specific (Blue)	11/01/16	Review and respond to emails from Oregon co-counsel.	34.50
Oregon Specific (Blue)	11/03/16	Review Oregon Magistrate Rules. Phone call with court clerk Seth. Work on Response to Motion to Dismiss and Affidavit.	69.00
Oregon Specific (Blue)	11/09/16	Discuss with team. Review notices of depositions for next week.	28.75
Oregon Specific (Blue)	11/10/16	Prepare for depositions. Analyze documents.	1,462.50
Oregon Specific (Blue)	11/11/16	Correspondence, review documents, prepare for depositions.	893.75
Oregon Specific (Blue)	11/25/16	Review Order and begin Response in Bruce Reece case.	650.00
Oregon Specific (Blue)	11/29/16	Review journal entry regarding plea in abeyance in the Freeborn matter.	162.50
Oregon Specific (Blue)	11/30/16	Work on Complaint/Appeal for Bruce and Danielle Reece. Email Genevieve Traub. Email Bruce Reece.	57.50
Oregon Specific (Blue)	12/07/16	Discuss Bruce Reece Complaint with team.	34.50
Oregon Specific (Blue)	12/07/16	Review email and transcript for the Gregg case from trial.	97.50
Oregon Specific (Blue)	12/07/16	Review email regarding the Bruce Reece complaint and request for plea in abeyance.	97.50
Oregon Specific (Blue)	12/09/16	Email Complaint and Authorization to Represent to Bruce and Danielle Reece.	34.50
Oregon Specific (Blue)	12/09/16	Review and edit Complaint and Authorization to Represent in Reece case.	162.50
Oregon Specific (Blue)	12/12/16	Review Bruce Reece's email; review signed Complaint and Authorization to Represent for completeness. Review rules for filing in Oregon Tax Court Magistrate Division. Finalize all documents and attachments and mail to the OR Tax Court to be filed.	34.50
Oregon Specific (Blue)	12/13/16	Review case deadlines, discuss Orth and Gregg written closing statements with team. Phone call with Alpine Court Reporting regarding transcripts of trial.	57.50
Oregon Specific (Blue)	12/13/16	Review court filing and discuss with team.	325.00
Oregon Specific (Blue)	12/27/16	Review letter from Oregon Tax Court regarding Bruce Reece appeal. Emails to and from Bruce Reece regarding letter and requested supplemental documentation and information for Amended Complaint. Review notices and client file. Phone call to the Court.	115.00
Oregon Specific (Blue)	01/05/17	Review pleadings and expert report.	2,567.50
Oregon Specific (Blue)	01/11/17	Finalize draft; review by Oregon counsel and Justin Heideman; edit Orth and Gregg final closing arguments	2,405.00

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**BILLING RECORD DETAIL**

**Schedule 2**

Simply Category Description	Date	Description	Amount
Oregon Specific (Blue)	01/13/17	Meeting with Justin and Printing off our closing arugments for his review with clients.	28.75
Oregon Specific (Blue)	01/13/17	Team consult. Review emails from opposing counsel.	390.00
Oregon Specific (Blue)	01/16/17	Review Orth and Gregg trial transcripts.	97.50
Oregon Specific (Blue)	01/17/17	Review Notice of Filing and letter in the mail from the Court regarding Reece appeal.	57.50
Oregon Specific (Blue)	01/22/17	Review opposing counsel's closing argument.	812.50
Oregon Specific (Blue)	02/01/17	Review email from pro hac vice counsel.	97.50
Oregon Specific (Blue)	02/16/17	Email co-counsel regarding status update of Orth and Gregg matters. Review co-counsel's response.	57.50
Oregon Specific (Blue)	02/21/17	Review mail from co-counsel in Oregon.	57.50
Oregon Specific (Blue)	03/01/17	Additional call with opposing counsel	487.50
Oregon Specific (Blue)	03/01/17	Call with opposing counsel	487.50
Oregon Specific (Blue)	03/08/17	Email pro hac counsel in Oregon regarding supplemental information for closing argument briefs. Draft supplemental closing arguments and send to Justin Heideman for review.	86.25
Oregon Specific (Blue)	03/08/17	Prep on signature pages of responses to US' 1st interrogatories.	57.50
Oregon Specific (Blue)	03/08/17	Review and respond to emails with co-counsel in Oregon regarding Motion. Telephone call.	325.00
Oregon Specific (Blue)	03/09/17	Review emails to and from pro hac counsel in Oregon. Revise Gregg supplement. Email to pro hac counsels. Review emails regarding Motion for Leave and begin draft.	57.50
Oregon Specific (Blue)	03/09/17	Review Motions for Leave to File.	162.50
Oregon Specific (Blue)	03/09/17	Review of tax finding by IRS and case	1,072.50
Oregon Specific (Blue)	03/13/17	Coordinate with T. McCosh on federal case	390.00
Oregon Specific (Blue)	03/13/17	Review multiple emails from opposing counsel.	162.50
Oregon Specific (Blue)	03/14/17	Review and edit draft of Proposed Supplemental Motion.	325.00
Oregon Specific (Blue)	03/16/17	Client Expense paid to Gleaves Swearingen for services rendered	173.00
Oregon Specific (Blue)	03/30/17	Gather documents for motion for leave to file supplemental closing arguments. Draft. Email with Oregon Counsel.	162.50
Oregon Specific (Blue)	03/30/17	Prepare Exhibits to Motions for Leave. Finalize Motion and Exhibits. Email to co-counsel in Oregon for filing.	57.50
Oregon Specific (Blue)	03/31/17	Telephone conference with local counsel regarding Motion for Leave to Supplement the Briefing with additional IRS determination.	390.00
Oregon Specific (Blue)	04/02/17	Review and respond to email from co-counsel in Oregon. Set up telephone conference.	34.50
Oregon Specific (Blue)	04/03/17	Telephone conference with co-counsel regarding Supplemental Briefs.	97.50
Oregon Specific (Blue)	04/12/17	Review multiple emails from team regarding supplemental memorandums.	34.50
Oregon Specific (Blue)	04/21/17	Review of supp. info.	1,235.00
Oregon Specific (Blue)	04/26/17	Prepare affidavit for Orth and Gregg.	617.50
Oregon Specific (Blue)	05/04/17	Discuss plan for supplemental closing arguments information with team.	57.50
Oregon Specific (Blue)	05/04/17	Orth and Gregg. Preparation of Affidavit.	97.50
<b>Total Oregon Specific (Blue)</b>			<b>28,602.25</b>
Direct Impact on Federal Case (Green)	04/18/16	Set up client electronic and hard copy file. Enter time for client work. Sort through and scan in client produced documents - Exhibits from Department of Revenue.	57.50
Direct Impact on Federal Case (Green)	08/29/16	Phone call with Kristine Miller from OR Dept of Revenue, put documents and videos and photos onto discs and mail to the OR Dept of Revenue.	69.00
Direct Impact on Federal Case (Green)	08/29/16	Save all documents to compact disc and to DVD for submitting our responses to Oregon Dept. of Revenue.	46.00
Direct Impact on Federal Case (Green)	09/22/16	Discuss court ruling with team members	325.00
Direct Impact on Federal Case (Green)	10/03/16	Analyze discovery letters from the Oregon Department of Justice. Make edits. Legal research.	975.00
Direct Impact on Federal Case (Green)	10/04/16	Compare bank statements for changes on redacting information and bate stamping.	230.00
Direct Impact on Federal Case (Green)	11/22/16	CMO with Oregon Tax Court. Discussion with opposing counsel-agree to abeyance after filing appeal. Prepare CMO	552.50
Direct Impact on Federal Case (Green)	11/22/16	I called Oregon Dept. of Revenue to ask for information regarding the clients case. I submitted information to Oregon Dept. of Revenue	-
Direct Impact on Federal Case (Green)	01/24/17	Review Answer from OR Department of Revenue in Reece Appeal. Email to team. Save into client file.	57.50
<b>Total Direct Impact on Federal Case (Green)</b>			<b>2,312.50</b>
Directed by RaPower (Pink)	05/12/16	Talk with Justin Heideman about case, work on paperwork for Pro Hac Vice and discuss and update with team.	34.50
<b>Total Directed by RaPower (Pink)</b>			<b>34.50</b>
Overlap with Federal Case (Yellow)	04/12/16	Research for Oregon Pro Hac Vice.	28.75
Overlap with Federal Case (Yellow)	04/13/16	Research for Oregon Pro Hac Vice information, research costs for application and Certificate of Good Standing, prepare invoice of costs and email to clients requesting funds.	57.50
Overlap with Federal Case (Yellow)	04/20/16	Order Certificate of Good Standing for part of Oregon Pro Hac Vice application.	28.75
Overlap with Federal Case (Yellow)	04/29/16	Follow up with team on Pro Hac Vice. Follow up email to Utah State Bar regarding request for Certificate of Good Standing.	34.50
Overlap with Federal Case (Yellow)	05/16/16	Update on Pro Hac Vice from team, discuss plan, review Pro Hac documents with assistant.	34.50
Overlap with Federal Case (Yellow)	05/27/16	Research attorneys in the State of Oregon regarding Tax issues, chat with Silver Tax Group requesting an attorney to Pro hac Vice our firm and email us. Also, left message with Tax Smith to call our firm.	86.25
Overlap with Federal Case (Yellow)	05/27/16	Search for attorneys in Oregon. Email to Justin Heideman about case. Update team on status of Pro Hac Vice.	34.50
Overlap with Federal Case (Yellow)	06/01/16	Research for local attorney to sponsor Pro Hac Vice in Orgeon	86.25
Overlap with Federal Case (Yellow)	06/02/16	Follow up with Clark Balcom office to set up T/C with Justin H. regarding a sponsorship for pro hac vice in Oregon. Phone calls from Eloise giving us two referrals.	34.50
Overlap with Federal Case (Yellow)	06/03/16	Continue to research for local attorney in Oregon for Pro Hac Vice, then phone calls with Donna Mayden to schedule T/C with Justin Heideman and larry Brandt to discuss the Pro Hac Vice.	86.25
Overlap with Federal Case (Yellow)	06/17/16	Phone call with counsel in Oregon regarding Pro Hac Vice and case.	162.50
Overlap with Federal Case (Yellow)	06/21/16	Discuss Pro Hac with Justin Heideman. Finish working on application. Email to counsel in Oregon that is sponsoring us Pro Hac Vice.	34.50
Overlap with Federal Case (Yellow)	06/22/16	Research file for info on Pro hoc.	57.50
Overlap with Federal Case (Yellow)	07/15/16	Email to counsel in Oregon assisting with Pro Hac Vice. Discuss with team.	28.75
Overlap with Federal Case (Yellow)	10/14/16	Prep on Plaintiff's Trial Exhibit List for Gregg and Orth set for Oct. 25 and 26th	379.50
Overlap with Federal Case (Yellow)	10/14/16	Work on Exhibit List and preparing exhibits for trials. Emails to and from OR Counsel. Emails to and from Opposing counsel in Oregon.	661.25
Overlap with Federal Case (Yellow)	10/17/16	Continue working on Exhibit List and preparing exhibits for trial. Email to Oregon counsel. Emails with Matt Orth. Review Notice of Filing received from Oregon on the Freeborn matter. Review several emails from counsel in Oregon. Review letter to Magistrate regarding video exhibit.	345.00
Overlap with Federal Case (Yellow)	10/17/16	Prep on Plaintiff's Trial Exhibits for Orth	276.00

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BILLING RECORD DETAIL				Schedule 2
Simply Category Description	Date	Description	Amount	
Overlap with Federal Case (Yellow)	10/20/16	Trial preparation. Work on putting together exhibit binders for the Gregg case. Email Matt Orth regarding phone call for trial preparation. Phone call with Rick Jameson to coordinate meeting with Justin Heideman to prepare for trial. Emails to Justin Heideman regarding preparation.	690.00	
Overlap with Federal Case (Yellow)	10/21/16	Work on binders, book travel for Oregon trials. Emails to and from Kevin Gregg. Set up phone conference for Monday with OR counsel. Several emails with Oregon counsel and Justin Heideman. Scan defendants' trial exhibits.	747.50	
Overlap with Federal Case (Yellow)	10/24/16	Finalize binders for trials. Emails with co-counsel in Oregon. Review exhibits.	57.50	
Overlap with Federal Case (Yellow)	10/24/16	Worked on research and backup on issues	195.50	
Overlap with Federal Case (Yellow)	10/25/16	Phone call with Justin Heideman about case.	28.75	
Overlap with Federal Case (Yellow)	11/02/16	Continue work on Response to Motion to Dismiss and Affidavit. Prepare exhibits.	28.75	
Overlap with Federal Case (Yellow)	11/14/16	Prepare for depositions, travel to Oregon.	2,112.50	
Overlap with Federal Case (Yellow)	11/15/16	Attend and prepare for depositions. Analyze documents.	2,437.50	
Overlap with Federal Case (Yellow)	11/16/16	Prepare for and attend depositions.	2,193.75	
Overlap with Federal Case (Yellow)	12/05/16	Follow up email to Alpine Court Reporting regarding transcripts of the Orth and Gregg trials.	34.50	
Overlap with Federal Case (Yellow)	12/07/16	Phone call with Alpine Court Reporting regarding transcripts of Orth and Gregg trials. Review email and invoice from Alpine Court Reporting.	34.50	
Overlap with Federal Case (Yellow)	01/03/17	Review emails from Bruce Reece. Add documents to productions. Finalize documents that need to be produced to Magistrate Court and draft a letter to them. Overnight mail the documents to the Court.	115.00	
Overlap with Federal Case (Yellow)	01/06/17	Continue review of transcripts, notes and research for drafting	2,372.50	
Overlap with Federal Case (Yellow)	01/06/17	Phone calls to Alpine Court Reporting regarding transcripts. Review and download transcripts.	46.00	
Overlap with Federal Case (Yellow)	01/09/17	Consult with team.	325.00	
Overlap with Federal Case (Yellow)	01/09/17	Continue review of transcript, review exhibits and outline legal issues	2,795.00	
Overlap with Federal Case (Yellow)	01/10/17	Begin drafting analysis and closing argument	2,990.00	
Overlap with Federal Case (Yellow)	01/10/17	Review and consult on drafts of closing arguments.	325.00	
Overlap with Federal Case (Yellow)	01/10/17	Review and respond to emails from co-counsel and team. Update team on status.	162.50	
Overlap with Federal Case (Yellow)	01/11/17	Review Orth and Gregg Closing Statement drafts. Team consult.	1,462.50	
Overlap with Federal Case (Yellow)	01/30/17	Review Order in Abeyance in Bruce Reece matter.	97.50	
<b>Total Overlap with Federal Case (Yellow)</b>			<b>21,708.50</b>	
Pass Through Expense (Purple)	07/09/16	Filing Fee - OR State Bar	500.00	
Pass Through Expense (Purple)	07/26/16	Filing Fee - OR Pro Hac Vice Filing Fee	500.00	
Pass Through Expense (Purple)	08/01/16	Travel Expenses to Illinois and North Dakota for Depositions	3,750.00	
Pass Through Expense (Purple)	08/25/16	Continue review documents and preparing responses and documents for discovery requests.	632.50	
Pass Through Expense (Purple)	08/26/16	Deposition Cost	2,391.85	
Pass Through Expense (Purple)	09/30/16	Travel Expenses to Florida for depositions	2,000.00	
Pass Through Expense (Purple)	09/30/16	Travel expenses to Oregon for Justin Heideman	1,750.00	
Pass Through Expense (Purple)	10/03/16	Filing Fee with Oregon	252.00	
Pass Through Expense (Purple)	10/05/16	Client Expense - Oregon Tax Court for Cds	21.90	
Pass Through Expense (Purple)	10/05/16	FedEx - Overnight fee	116.16	
Pass Through Expense (Purple)	10/10/16	Search for flights, hotels, and rental cars for Orth and Gregg trials at the end of this month.	57.50	
Pass Through Expense (Purple)	10/19/16	Travel Expenses	1,500.00	
Pass Through Expense (Purple)	10/25/16	Travel Expenses	850.00	
Pass Through Expense (Purple)	10/25/16	Travel Expenses - Justin Heideman flight	281.66	
Pass Through Expense (Purple)	10/27/16	Travel Expenses	700.00	
Pass Through Expense (Purple)	11/02/16	Review trial audio received from court. Pay invoice to the court for audio. Phone call with Alpine Court reporting. Mail audio CDs to Alpine Court Reporting for transcription.	86.25	
Pass Through Expense (Purple)	11/07/16	Travel Expenses	909.85	
Pass Through Expense (Purple)	11/14/16	Deposition Cost - Henderson Legal Services	407.66	
Pass Through Expense (Purple)	11/21/16	Travel Expenses for Oregon Depositions	1,272.29	
Pass Through Expense (Purple)	11/28/16	Client Expense for Gleaves Swearingen Law offices through 11/9/16	10,356.03	
Pass Through Expense (Purple)	12/02/16	Filing Fee- State of Oregon	252.00	
Pass Through Expense (Purple)	12/12/16	Deposition Cost - Alpine Court Reporting	2,031.25	
Pass Through Expense (Purple)	12/20/16	Expert Fee - North Star Tax Services, LLC	5,618.51	
Pass Through Expense (Purple)	01/13/17	Postage Appeal Docs	34.50	
Pass Through Expense (Purple)	01/26/17	Client Expense - Henderson Legal	407.66	
Pass Through Expense (Purple)	01/26/17	Client Expenses to pro hac firm in Oregon for legal assistance and counsel for Jan 2017	1,903.00	
Pass Through Expense (Purple)	01/26/17	Travel Expenses for depositions	3,000.00	
Pass Through Expense (Purple)	02/07/17	Client Expense - Northstar Tax Services	4,500.00	
Pass Through Expense (Purple)	02/24/17	Client Expense	2,500.00	
Pass Through Expense (Purple)	03/20/17	Depo transcript for Roger Halverson paid to Henderson Legal Services.	407.66	
Pass Through Expense (Purple)	03/21/17	Travel Expenses for CDA to go to Texas 3/12-3/15	2,073.91	
Pass Through Expense (Purple)	03/28/17	Revise and E-file with US Dist. Court our Response to Motion to Enter Land.	57.50	
Pass Through Expense (Purple)	04/05/17	Depo transcript of Mike Penn paid to Henderson Legal Services.	439.55	
Pass Through Expense (Purple)	04/05/17	Depo transcript of Robert Aulds paid to Henderson Legal Services.	891.10	
Pass Through Expense (Purple)	04/14/17	Depo transcript of Kenneth Birrell paid to Henderson Legal.	710.30	
Pass Through Expense (Purple)	04/14/17	Depo transcript of Peter Gregg paid to Henderson Legal Services.	948.70	
Pass Through Expense (Purple)	04/14/17	Depo transcripts of Griswold, Breemer, and Whitesmith paid to Henderson Legal Services.	762.85	
Pass Through Expense (Purple)	04/18/17	Travel Expenses for Justin Heideman-vehicle & mileage	105.00	
Pass Through Expense (Purple)	04/18/17	Travel Expenses-meals for Justin Heideman while traveling	660.00	
Pass Through Expense (Purple)	04/25/17	Client Expense for services provided by Gleaves Swearingen LLP	957.00	
Pass Through Expense (Purple)	05/03/17	Depo Transcripts Olson & Buck paid to Henderson Legal.	429.15	
Pass Through Expense (Purple)	05/08/17	Depo transcript of Matthew Shepard paid to Henderson Legal.	1,245.45	
Pass Through Expense (Purple)	05/10/17	Client Expense for winzip software	50.00	
Pass Through Expense (Purple)	05/18/17	Attempts at service of Special Agent Mike Lawson paid to ICU Investigations.	35.00	
Pass Through Expense (Purple)	05/18/17	Travel Expenses for attorneys to Oregon	1,169.42	
Pass Through Expense (Purple)	06/08/17	Rick Jameson and Lori Gailey services with producing documents paid to NorthStar Tax	4,427.00	
Pass Through Expense (Purple)	06/30/17	Interest and fees for past due Henderson Legal Services	218.13	
<b>Total Pass Through Expense (Purple)</b>			<b>64,170.29</b>	
Specifically Benefitting Federal Case (Orange)	04/05/16	Emails and calls with client and team, discuss case with team, research Pro Hac Vice in Oregon. Review email with hearing information.	115.00	
Specifically Benefitting Federal Case (Orange)	04/06/16	Call to client, legal research for Oregon laws regarding Malicious Prosecution, set appointment for clients to meet with Justin Heideman, discuss case with team.	86.25	

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**BILLING RECORD DETAIL**

**Schedule 2**

Simply Category Description	Date	Description	Amount
Specifically Benefitting Federal Case (Orange)	06/22/16	Review file and confirm documents given from hard drive. Also meeting with Suzanne to check on what information we have been given in this case v. the other cases was have.	166.75
Specifically Benefitting Federal Case (Orange)	06/23/16	Discuss case with Justin Heideman, email to Greg Shepherd and Rick Jameson requesting phone conference.	28.75
Specifically Benefitting Federal Case (Orange)	06/27/16	Call Neldon Johnson, participate in conference call, discuss case with team members, calendar dates for depositions from notices.	115.00
Specifically Benefitting Federal Case (Orange)	06/27/16	Phone conference with Justin, Greg Sheppard and Rick Jameson regarding case.	115.00
Specifically Benefitting Federal Case (Orange)	06/27/16	Telephone conference with Greg Shepard and Rick Jameson followed by phone call with Neldon Johnson. Discuss case plan with team.	406.25
Specifically Benefitting Federal Case (Orange)	06/28/16	(blank)	11.96
Specifically Benefitting Federal Case (Orange)	07/18/16	Review case documents and parties, discuss with team. Review Notice from Roger Freeborn. Set time to meet with team to discuss all parties and case plan.	46.00
Specifically Benefitting Federal Case (Orange)	07/19/16	Meeting with Justin Heideman and team to discuss case, review documents received for case.	80.50
Specifically Benefitting Federal Case (Orange)	07/20/16	Review email from Assistant Attorney General Kristen Ennis regarding discovery deadline extension for Gregg case, email Kristen Ennis regarding extension on the Orth case. Email counsel in Oregon. Phone call to clients regarding Pro Hac Vice filing fee. Complete written portion of Pro Hac Vice application. Review several emails. Phone call with counsel Jeffrey Salisbury in Oregon regarding Pro Hac Vice process and status of Orth and Gregg case. Follow up email to counsel with case documents.	184.00
Specifically Benefitting Federal Case (Orange)	07/21/16	Review email with case strategy from Jeffrey Salisbury, respond to email. Work on new Certificates of Compliance for application Pro Hac Vice. Email Bruce Reese regarding case. Emails to team regarding case and clients. Email to counsel in Oregon about Motion and Letter of Representation. Emails to Roger Freeborn, Jessie Pershin, and Bruce Reese regarding their cases. Phone call with Jessie Pershin and follow-up email.	230.00
Specifically Benefitting Federal Case (Orange)	07/27/16	Phone call from Randy Benson from Back of American Fork, email to Christian Austin.	28.75
Specifically Benefitting Federal Case (Orange)	07/28/16	Phone call with Rnady Benson from Bank of American Fork regarding Motion to Quash Subpoena sent to Bank of American Fork.	28.75
Specifically Benefitting Federal Case (Orange)	08/01/16	Motions to Quash reply and correspondence.	1,218.75
Specifically Benefitting Federal Case (Orange)	08/18/16	Review documents and emails as well as pictures and video clips from emails from Orth.	345.00
Specifically Benefitting Federal Case (Orange)	08/19/16	Discuss case with team, review emails, emails and phone call attempts to the Greggs. Phone call with Kevin Gregg regarding discovery requests.	115.00
Specifically Benefitting Federal Case (Orange)	08/22/16	Phone call and emails with Kevin Gregg, email to Rick Jameson, access Gregg's account on RaPower and download Invoice Purchase documents and other relevant documents. Phone call with Rick Jameson, review emails. Discuss case strategy with James Jackson.	143.75
Specifically Benefitting Federal Case (Orange)	08/23/16	Review email from Rick Jameson and Matt Orth. Discuss case and discovery requests with James Jackson. Make edits to Discovery Requests draft. Emails to Matt Orth and Kevin Gregg.	172.50
Specifically Benefitting Federal Case (Orange)	08/24/16	Convert several emails to PDF on Orth discovery so we can bate stamp documents when completed.	460.00
Specifically Benefitting Federal Case (Orange)	08/24/16	Meeting with James. Review our responses. Review client's responses and update our responses accordingly. Phone calls and emails to Kevin Gregg. Emails to Matt Orth. Print off discovery documents and review and sort. Save documents and emails from clients. Multiple phone calls. Discuss with James Jackson. Review documents. Prepare discovery.	805.00
Specifically Benefitting Federal Case (Orange)	09/09/16	Call with Don Reay regarding disclosures for his discovery and team members coordination of transfer	325.00
Specifically Benefitting Federal Case (Orange)	09/09/16	Meet with client	552.50
Specifically Benefitting Federal Case (Orange)	09/13/16	Call with client	325.00
Specifically Benefitting Federal Case (Orange)	09/13/16	Team consult and strategy session.	97.50
Specifically Benefitting Federal Case (Orange)	09/14/16	Review documents and notes regarding Roger Freeborn. Review notes regarding Bruce Reese.	28.75
Specifically Benefitting Federal Case (Orange)	09/19/16	Formal meeting to bifurcate to Don Reay, discussing meeting and his joinder via telephone	422.50
Specifically Benefitting Federal Case (Orange)	09/19/16	Review emails from Shepard and Don	325.00
Specifically Benefitting Federal Case (Orange)	09/20/16	Review filings, pull docs from file for James Jackson. Review emails.	57.50
Specifically Benefitting Federal Case (Orange)	09/22/16	Email court ruling on PO to Neldon, call to discuss after reviewing.	650.00
Specifically Benefitting Federal Case (Orange)	09/27/16	Research OR Tax Court filing, review email from Roger Freeborn and Notice regarding appeal. Discuss with Justin Heideman. Phone call to Oregon Tax Court Magistrate Division - talk to Seth at the court, set up e-filing, talk to Seth about getting an "Attorney Number" set up for us to file. We are told we can file even if we are in Utah.	57.50
Specifically Benefitting Federal Case (Orange)	09/28/16	Call Neldon about protective order, prep for call by reviewing the order	325.00
Specifically Benefitting Federal Case (Orange)	09/28/16	Review response from opposing counsel to our motion to bifurcate, forward to team for response	487.50
Specifically Benefitting Federal Case (Orange)	09/30/16	Discuss depo strategy with Don Reay	97.50
Specifically Benefitting Federal Case (Orange)	09/30/16	Discuss depositions & attendance with Don Reay	325.00
Specifically Benefitting Federal Case (Orange)	09/30/16	Follow up on Roger Freeborn appeal.	28.75
Specifically Benefitting Federal Case (Orange)	09/30/16	Review proposed stipulation from Chris Moran regarding protective order	455.00
Specifically Benefitting Federal Case (Orange)	10/03/16	Coordinate conference call with opposing counsel regarding PO	162.50
Specifically Benefitting Federal Case (Orange)	10/03/16	Work on Complaint and Authorization for Oregon Appeal for Freeborns. Phone calls with Roger Freeborn about appeal. Discuss with Justin Heideman. Email to Roger Freeborn.	115.00



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**BILLING RECORD DETAIL** **Schedule 2**

Simply Category Description	Date	Description	Amount
Specifically Benefitting Federal Case (Orange)	10/04/16	Review file documents, review deadlines, review discovery & evidence. Review email from Roger Freeborn. Make edits to Orth supplemental discovery responses.	57.50
Specifically Benefitting Federal Case (Orange)	10/05/16	Review Roger Freeborn case, and discuss with legal assistants.	130.00
Specifically Benefitting Federal Case (Orange)	10/28/16	Review Froyd documents, including notice. Correspondence with Rick Jameson to set telephone conference for Justin Heideman with him to discuss Froyd case strategy.	69.00
Specifically Benefitting Federal Case (Orange)	10/31/16	Draft Response to Motion to Dismiss in Freeborn case. Draft Affidavit in Support.	86.25
Specifically Benefitting Federal Case (Orange)	10/31/16	Multiple emails to and from Rick Jameson. Review notice sent by Rick Jameson.	34.50
Specifically Benefitting Federal Case (Orange)	10/31/16	Update client	97.50
Specifically Benefitting Federal Case (Orange)	11/01/16	Call with Don Reay	130.00
Specifically Benefitting Federal Case (Orange)	11/04/16	Finalize, execute, and mail Repsonse to Defendant's Motion to Dismiss.	34.50
Specifically Benefitting Federal Case (Orange)	11/04/16	Update client	97.50
Specifically Benefitting Federal Case (Orange)	11/11/16	Book and arrange travel to Oregon for depositions.	115.00
Specifically Benefitting Federal Case (Orange)	11/11/16	Call with Don regarding Freeborn Depo and motion that Don would prep and we would join	325.00
Specifically Benefitting Federal Case (Orange)	11/21/16	Call with Rick regarding IRS filing and letter, review letter. Review thoughts and possible options.	455.00
Specifically Benefitting Federal Case (Orange)	11/22/16	Case Management conference with court in Freeborn case.	325.00
Specifically Benefitting Federal Case (Orange)	11/22/16	Response to Genevieve Traub, follow up after hearing.	325.00
Specifically Benefitting Federal Case (Orange)	11/28/16	(blank)	0.01
Specifically Benefitting Federal Case (Orange)	12/02/16	Review Withdraw of Motion to Dismiss received from Genevieve Traub. Review Reece Complaint and Authorization to Represent. Send to Justin Heideman for review and signature.	34.50
Specifically Benefitting Federal Case (Orange)	12/16/16	I called our client to reschedule a telephone conference per Justin Heidemans request.	33.00
Specifically Benefitting Federal Case (Orange)	12/19/16	Looked into our clients cases for Millard county to try and figure out how to reenstate his two cases he has pending with them.	33.00
Specifically Benefitting Federal Case (Orange)	12/29/16	I called client to notify him of the extension he had requested due to the fact that he has been out of state.	33.00
Specifically Benefitting Federal Case (Orange)	12/29/16	Team consult regarding final written closing statements.	325.00
Specifically Benefitting Federal Case (Orange)	12/30/16	Follow up conference on final written closing statements.	162.50
Specifically Benefitting Federal Case (Orange)	12/30/16	Work on post-trial documentation.	650.00
Specifically Benefitting Federal Case (Orange)	01/06/17	Meet with and update clients.	243.75
Specifically Benefitting Federal Case (Orange)	03/13/17	Team consult on status of Motions for Leave in Orth and Gregg.	162.50
Specifically Benefitting Federal Case (Orange)	03/14/17	Work on drafts of Motions and related documents in Orth & Gregg.	650.00
Specifically Benefitting Federal Case (Orange)	05/19/17	Email to co-counsel in Oregon requesting Motion/Notice of Withdraw of Counsel in Orth and Gregg matters. Multiple emails with co-counsel.	86.25
Specifically Benefitting Federal Case (Orange)	05/22/17	Download files for all clients in Oregon, including Orth, Gregg, Reece, Freeborn, and others onto discs for client.	57.50
Specifically Benefitting Federal Case (Orange)	05/25/17	Review Orders in Abeyance and other Oregon client documents, print/copy and give to Dan Garriott with new Authorization to Represent forms. Finish compiling Oregon Case files for Dan Garriott.	57.50
Specifically Benefitting Federal Case (Orange)	07/21/17	No Bill	-
<b>Total Specifically Benefitting Federal Case (Orange)</b>			<b>14,550.72</b>
<b>Grand Total</b>			<b>131,378.76</b>

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RAPOWER INCOME STATEMENTS - 2017 BACKUP

Schedule 3

Description	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Grand Total
<b>Income</b>														
Solar Unit Sales	42,000	297,150	138,600	252,000	247,050	4,494,000	8,387,250	12,669,450	5,966,400	5,065,800	304,950	-	-	37,864,650
Commission Income	-	-	-	-	-	-	-	(10,103)	(2,594)	-	-	-	-	(12,697)
<b>Total Income</b>	<b>42,000</b>	<b>297,150</b>	<b>138,600</b>	<b>252,000</b>	<b>247,050</b>	<b>4,494,000</b>	<b>8,387,250</b>	<b>12,659,347</b>	<b>5,963,806</b>	<b>5,065,800</b>	<b>304,950</b>	<b>-</b>	<b>-</b>	<b>37,851,953</b>
<b>Expense</b>														
ACH Return	-	-	-	-	-	(300)	(600)	-	-	-	-	-	-	(900)
Advertising	-	-	-	-	-	(593)	-	(500)	(506)	(200)	-	-	(27,538)	(29,338)
Attorney	-	-	-	-	-	(2,913)	(22,708)	(220,712)	(43,730)	(169,359)	(59,145)	(613,372)	(297,095)	(1,429,033)
Automobile Expense	-	-	-	-	-	-	(188)	(3,106)	(347)	-	-	-	-	(3,641)
Bank Service Charges	-	-	-	-	-	(4,881)	(1,232)	(75,898)	(179)	(84)	(57)	(87)	(19,011)	(101,429)
Close Account	-	-	-	-	-	-	-	(1,498,151)	-	-	-	-	-	(1,498,151)
Commission Expense	-	-	-	-	-	(151,157)	(529,460)	(624,682)	(1,117,062)	(644,641)	(1,309,774)	(448,074)	(418,543)	(5,243,392)
Computer and Internet Expenses	-	-	-	-	-	-	-	-	-	(80)	-	-	-	(80)
Database	-	-	-	-	-	-	-	-	(17,000)	-	-	-	-	(17,000)
Equipment	-	-	-	-	-	-	(47,542)	(189,501)	(68,926)	(5,623)	-	-	-	(311,592)
Government Renewal Fees	-	-	-	-	-	-	(225)	(75)	(50)	-	(550)	(540)	-	(1,440)
Insurance Expense	-	-	-	-	-	-	-	(1,463)	-	-	-	-	-	(1,463)
Loan	-	-	-	-	-	-	(50)	(5,000)	-	-	-	(7,630)	-	(12,680)
Lone Peak Valuation	-	-	-	-	-	-	(15,000)	-	-	-	-	-	-	(15,000)
Maintenance	-	-	-	-	(1,693)	(5,052)	(11,547)	(125,322)	(23,900)	-	-	-	-	(167,514)
Meals and Entertainment	-	-	-	-	-	-	-	(1,154)	-	-	-	-	-	(1,154)
Medical Expense	-	-	-	-	-	-	(40)	-	(2,063)	-	-	-	-	(2,104)
Modern Payments Adjustments	-	-	-	-	-	(2,000)	-	-	-	-	-	-	-	(2,000)
Office Supplies	-	-	-	-	-	(501)	(1,109)	(3,790)	(2,353)	(170)	(190)	(690)	-	(8,803)
Open New Account	-	-	-	-	-	-	(400)	(233,000)	-	-	-	-	-	(233,400)
Payroll Expenses	-	-	-	-	-	-	-	(4,904)	(420)	-	-	-	-	(5,324)
Professional Fees	-	-	-	-	-	(4,200)	(4,518)	(6,940)	(17,711)	(53,214)	(18,429)	(25,050)	(7,174)	(137,235)
Propane	-	-	-	-	-	-	-	-	(1,022)	(509)	-	-	-	(1,531)
Publication	-	-	-	-	-	-	-	-	(63)	-	-	-	-	(63)
Purchase Stock	-	-	-	-	-	(20,000)	-	(31,000)	-	-	-	-	-	(51,000)
Real-Estate Purchase	-	-	-	-	-	-	(174,201)	(110,000)	(257,240)	(581,420)	-	-	-	(1,122,861)
Refund	-	-	-	-	-	(500)	(65,060)	(41,289)	(26,947)	(3,005)	(52,847)	(9,013)	-	(198,660)
Rent	-	-	-	-	-	(20,000)	(29,000)	(13,000)	(15,600)	(15,800)	(2,000)	-	-	(95,400)
Research and Development	-	-	-	-	-	(98,969)	(868,523)	(865,255)	(1,913,565)	(2,572,000)	(5,086,100)	(1,850,000)	(700,000)	(13,954,411)
Savings	-	-	-	-	-	-	(50,000)	(6,450)	-	-	-	-	-	(56,450)
Shipping	-	-	-	-	(1,500)	(16,055)	(32,613)	(5,200)	(19,381)	-	-	-	-	(74,749)
Taxes	-	-	-	-	-	-	-	-	(52,547)	-	-	(3,294)	-	(55,841)
Telephone Expense	-	-	-	-	-	-	(512)	(1,132)	(967)	(194)	-	-	-	(2,805)
Travel Expense	-	-	-	-	-	(1,500)	-	(15,288)	-	-	-	-	-	(16,788)
Uncategorized Expenses	-	-	-	-	-	(30,499)	-	(88,295)	-	-	-	-	-	(118,794)
Utilities	-	-	-	-	-	-	-	(2,110)	(10,257)	(1,272)	(405)	(284)	(217)	(14,546)
Water	-	-	-	-	-	-	-	(336)	(252)	(30)	-	-	-	(618)
<b>Total Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(341,205)</b>	<b>(1,831,475)</b>	<b>(4,087,189)</b>	<b>(3,679,331)</b>	<b>(4,090,882)</b>	<b>(6,529,498)</b>	<b>(2,958,033)</b>	<b>(1,469,578)</b>	<b>(24,987,190)</b>
<b>Other Expense</b>														
Ask My Accountant	-	-	-	-	-	-	-	(233,000)	-	-	-	-	-	(233,000)
<b>Total Other Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(233,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(233,000)</b>
<b>Grand Total</b>	<b>42,000</b>	<b>297,150</b>	<b>138,600</b>	<b>252,000</b>	<b>247,050</b>	<b>4,152,795</b>	<b>6,555,775</b>	<b>8,339,158</b>	<b>2,284,476</b>	<b>974,918</b>	<b>(6,224,548)</b>	<b>(2,958,033)</b>	<b>(1,469,578)</b>	<b>12,631,763</b>

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RAPOWER INCOME STATEMENTS - 2019 BACKUP

Schedule 4

Description	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Grand Total
Revenue														
Solar Unit Sales	42,000	297,150	138,600	252,000	247,050	4,493,940	8,603,775	12,669,450	5,966,400	5,065,800	304,950	-	-	38,081,115
Commission Income	-	-	-	-	-	627	-	(10,103)	(2,594)	-	-	-	-	(12,070)
<b>Total Revenue</b>	<b>42,000</b>	<b>297,150</b>	<b>138,600</b>	<b>252,000</b>	<b>247,050</b>	<b>4,494,567</b>	<b>8,603,775</b>	<b>12,659,347</b>	<b>5,963,806</b>	<b>5,065,800</b>	<b>304,950</b>	<b>-</b>	<b>-</b>	<b>38,069,045</b>
Operating Expenses														
ACH Return	-	-	-	-	-	(300)	(600)	-	-	-	-	-	-	(900)
Advertising	-	-	-	-	-	(593)	-	(500)	(506)	(200)	-	-	(50,045)	(51,844)
Attorney	-	-	-	-	-	(2,913)	(22,708)	(220,712)	(43,730)	(169,359)	(59,145)	(613,372)	(621,717)	(1,753,656)
Automobile Expense	-	-	-	-	-	-	(188)	(3,106)	(347)	-	-	-	-	(3,641)
Bank Service Charges	-	-	-	-	-	(4,881)	(1,232)	(75,898)	(179)	(84)	(57)	(87)	(19,011)	(101,429)
Close Account	-	-	-	-	-	-	-	(1,498,151)	-	-	-	-	-	(1,498,151)
Commission Expense	-	-	-	-	-	(149,580)	(550,350)	(624,682)	(1,117,062)	(644,641)	(1,309,774)	(448,074)	(540,520)	(5,384,683)
Computer and Internet Expenses	-	-	-	-	-	-	-	-	-	(80)	-	-	-	(80)
Database	-	-	-	-	-	-	-	-	(17,000)	-	-	-	-	(17,000)
Equipment	-	-	-	-	-	-	(47,542)	(189,501)	(68,926)	(5,623)	-	-	-	(311,592)
Government Renewal Fees	-	-	-	-	-	-	(225)	(75)	(50)	-	(550)	(540)	(102)	(1,542)
Insurance Expense	-	-	-	-	-	-	-	(1,463)	-	-	-	-	-	(1,463)
Loan	-	-	-	-	-	-	(50)	(5,000)	-	-	-	(7,630)	-	(12,680)
Lone Peak Valuation	-	-	-	-	-	-	(15,000)	-	-	-	-	-	-	(15,000)
Maintenance	-	-	-	-	-	(1,693)	(5,052)	(11,547)	(125,322)	(23,900)	-	-	-	(167,514)
Meals and Entertainment	-	-	-	-	-	-	-	(1,154)	-	-	-	-	-	(1,154)
Medical Expense	-	-	-	-	-	-	(40)	-	(2,063)	-	-	-	-	(2,103)
Modern Payments Adjustments	-	-	-	-	-	(2,000)	-	-	-	-	-	-	-	(2,000)
Office Supplies	-	-	-	-	-	(501)	(1,109)	(3,790)	(2,353)	(170)	(190)	(690)	(516)	(9,319)
Open New Account	-	-	-	-	-	-	(400)	(233,000)	-	-	-	-	-	(233,400)
Payroll Expenses	-	-	-	-	-	-	-	(4,904)	(420)	-	-	-	-	(5,324)
Professional Fees	-	-	-	-	-	(4,200)	(4,518)	(6,940)	(17,711)	(53,214)	(18,429)	(25,050)	(15,286)	(145,348)
Propane	-	-	-	-	-	-	-	-	(1,022)	(509)	-	-	-	(1,531)
Publication	-	-	-	-	-	-	-	-	(63)	-	-	-	-	(63)
Purchase Stock	-	-	-	-	-	(20,000)	-	(31,000)	-	-	-	-	-	(51,000)
Real-Estate Purchase	-	-	-	-	-	-	(174,201)	(110,000)	(257,240)	(581,420)	-	-	-	(1,122,861)
Solar Unit Sales Refunds	-	-	-	-	-	(500)	(65,060)	(41,289)	(26,947)	(3,005)	(52,847)	(9,013)	-	(198,661)
Rent	-	-	-	-	-	(20,000)	(29,000)	(13,000)	(15,600)	(15,800)	(2,000)	-	-	(95,400)
Research and Development	-	-	-	-	(785,000)	(574,434)	(878,523)	(865,255)	(1,913,565)	(2,572,000)	(2,086,100)	(1,850,000)	(800,000)	(12,324,877)
Savings	-	-	-	-	-	-	(50,000)	(6,450)	-	-	-	-	-	(56,450)
Shipping	-	-	-	-	-	(1,500)	(16,055)	(32,613)	(5,200)	(19,381)	-	-	-	(74,749)
Taxes	-	-	-	-	-	-	-	-	(52,547)	-	-	(3,294)	-	(55,841)
Telephone Expense	-	-	-	-	-	-	(512)	(1,132)	(967)	(194)	-	-	-	(2,805)
Travel Expense	-	-	-	-	-	(1,500)	-	(15,288)	-	-	-	-	-	(16,788)
Uncategorized Expenses	-	-	-	-	-	(29,499)	-	(88,295)	-	-	-	-	-	(117,794)
Utilities	-	-	-	-	-	-	-	(2,110)	(10,257)	(1,272)	(405)	(284)	(217)	(14,545)
Water	-	-	-	-	-	-	-	(336)	(252)	(30)	-	-	-	(618)
<b>Total Operating Expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(785,000)</b>	<b>(814,094)</b>	<b>(1,862,365)</b>	<b>(4,087,191)</b>	<b>(3,679,329)</b>	<b>(4,090,882)</b>	<b>(3,529,497)</b>	<b>(2,958,034)</b>	<b>(2,047,414)</b>	<b>(23,853,806)</b>
Other Income/(Expense)														
Ask My Accountant	-	-	-	-	-	-	-	(233,000)	-	-	-	-	-	(233,000)
<b>Total Other Income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(233,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(233,000)</b>
<b>Net Income</b>	<b>42,000</b>	<b>297,150</b>	<b>138,600</b>	<b>252,000</b>	<b>(537,950)</b>	<b>3,680,473</b>	<b>6,741,410</b>	<b>8,339,156</b>	<b>2,284,477</b>	<b>974,918</b>	<b>(3,224,547)</b>	<b>(2,958,034)</b>	<b>(2,047,414)</b>	<b>13,982,239</b>
Other accounts included in 2019 backup														
Savings income	-	-	-	-	-	4,679	1	-	-	-	-	-	-	4,680
Bank of AF - Cobblestone Centre	-	-	-	-	-	-	-	-	-	-	-	-	500	500
Bank of AF - International Auto	-	-	-	-	-	-	-	-	-	-	-	-	100	100
Total of accounts not listed in prior backup	-	-	-	-	-	4,679	1	-	-	-	-	-	600	5,280
<b>Net Income per QuickBooks 2019 Backup</b>	<b>42,000</b>	<b>297,150</b>	<b>138,600</b>	<b>252,000</b>	<b>(537,950)</b>	<b>3,685,152</b>	<b>6,741,411</b>	<b>8,339,156</b>	<b>2,284,477</b>	<b>974,918</b>	<b>(3,224,547)</b>	<b>(2,958,034)</b>	<b>(2,046,814)</b>	<b>13,987,519</b>

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INCOME STATEMENT DIFFERENCES BETWEEN 2017 AND 2019 QUICKBOOKS BACKUPS

Schedule 5

Description	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Grand Total
Revenue														
Solar Unit Sales	-	-	-	-	-	60	(216,525)	-	-	-	-	-	-	(216,465)
Commission Income	-	-	-	-	-	(627)	-	(0)	0	-	-	-	-	(627)
Total Revenue	-	-	-	-	-	(567)	(216,525)	(0)	0	-	-	-	-	(217,092)
Operating Expenses														
ACH Return	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	(0)	-	-	(0)	(0)	-	-	22,507	22,506
Attorney	-	-	-	-	-	0	1	0	0	(0)	-	(0)	324,622	324,623
Automobile Expense	-	-	-	-	-	-	(0)	(0)	(0)	-	-	-	-	(0)
Bank Service Charges	-	-	-	-	-	0	0	(0)	-	-	-	-	-	(0)
Close Account	-	-	-	-	-	-	-	0	-	-	-	-	-	0
Commission Expense	-	-	-	-	-	(1,577)	20,890	0	(0)	0	(0)	0	121,977	141,291
Computer and Internet Expenses	-	-	-	-	-	-	-	-	-	0	-	-	-	0
Database	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	0	(0)	0	-	-	-	-	1
Government Renewal Fees	-	-	-	-	-	-	-	-	-	-	-	0	102	102
Insurance Expense	-	-	-	-	-	-	-	0	-	-	-	-	-	0
Loan	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lone Peak Valuation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maintenance	-	-	-	-	-	0	(0)	(0)	(0)	-	-	-	-	(0)
Meals and Entertainment	-	-	-	-	-	-	-	(0)	-	-	-	-	-	(0)
Medical Expense	-	-	-	-	-	-	(0)	-	(0)	-	-	-	-	(1)
Modern Payments Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Supplies	-	-	-	-	-	0	0	(0)	(0)	(0)	-	0	516	516
Open New Account	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Payroll Expenses	-	-	-	-	-	-	-	0	-	-	-	-	-	0
Professional Fees	-	-	-	-	-	-	0	0	-	-	0	0	8,112	8,113
Propane	-	-	-	-	-	-	-	-	(0)	(0)	-	-	-	(0)
Publication	-	-	-	-	-	-	-	-	0	-	-	-	-	0
Purchase Stock	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Real-Estate Purchase	-	-	-	-	-	-	(0)	-	-	-	-	-	-	(0)
Solar Unit Sales Refunds	-	-	-	-	-	-	-	0	(0)	-	(0)	1	-	1
Rent	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Research and Development	-	-	-	-	785,000	475,465	10,000	(0)	0	-	(3,000,000)	-	100,000	(1,629,534)
Savings	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Shipping	-	-	-	-	-	-	(0)	0	-	-	-	-	-	0
Taxes	-	-	-	-	-	-	-	-	(0)	-	-	0	-	0
Telephone Expense	-	-	-	-	-	-	0	0	(0)	(0)	-	-	-	(0)
Travel Expense	-	-	-	-	-	-	-	(0)	-	-	-	-	-	(0)
Uncategorized Expenses	-	-	-	-	-	(1,000)	-	0	-	-	-	-	-	(1,000)
Utilities	-	-	-	-	-	-	-	(0)	(0)	0	(0)	0	(0)	(1)
Water	-	-	-	-	-	-	-	0	-	-	-	-	-	0
Total Operating Expenses	-	-	-	-	785,000	472,889	30,890	2	(2)	0	(3,000,001)	1	577,836	(1,133,384)
Other Income/(Expense)														
Ask My Accountant	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net Income</b>	-	-	-	-	<b>785,000</b>	<b>472,322</b>	<b>(185,635)</b>	<b>2</b>	<b>(1)</b>	<b>0</b>	<b>(3,000,001)</b>	<b>1</b>	<b>577,836</b>	<b>(1,350,476)</b>
<b>Other accounts included in 2019 backup</b>														
Savings income	-	-	-	-	-	(4,679)	(1)	-	-	-	-	-	-	(4,680)
Bank of AF - Cobblestone Centre	-	-	-	-	-	-	-	-	-	-	-	-	(500)	(500)
Bank of AF - International Auto	-	-	-	-	-	-	-	-	-	-	-	-	(100)	(100)
Total of accounts not listed in prior backup	-	-	-	-	-	(4,679)	(1)	-	-	-	-	-	(600)	(5,280)
<b>Net Income per QuickBooks 2019 Backup</b>	-	-	-	-	<b>785,000</b>	<b>467,643</b>	<b>(185,636)</b>	<b>2</b>	<b>(1)</b>	<b>0</b>	<b>(3,000,001)</b>	<b>1</b>	<b>577,236</b>	<b>(1,355,756)</b>

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**RAPOWER BALANCE SHEETS - 2017 BACKUP**

**Schedule 6**

Description	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Assets													
Current Assets													
Zions Bank Rapower-3	36,000	252,000	378,000	594,000	851,400	1,815,845	1,874,858	5,143	1,086,062	2,228,169	(947,493)	(1,400,898)	(1,543,015)
Wells Fargo	-	-	-	-	-	-	-	-	(2,594)	(2,594)	(2,594)	(2,594)	(2,594)
Accounts Receivable	6,000	87,150	99,750	135,750	125,400	3,294,775	9,789,264	19,992,886	21,235,069	20,958,167	17,841,869	15,143,129	13,834,642
Undeposited Funds	-	-	-	-	-	-	-	-	5,670	5,670	15,945	15,945	15,945
<b>Total Current Assets</b>	<b>42,000</b>	<b>339,150</b>	<b>477,750</b>	<b>729,750</b>	<b>976,800</b>	<b>5,110,620</b>	<b>11,664,122</b>	<b>19,998,029</b>	<b>22,324,208</b>	<b>23,189,412</b>	<b>16,907,727</b>	<b>13,755,582</b>	<b>12,304,979</b>
Fixed Assets													
Furniture and Equipment	-	-	-	-	-	-	-	6,500	7,050	7,050	7,050	7,050	7,050
<b>Total Fixed Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,500</b>	<b>7,050</b>	<b>7,050</b>	<b>7,050</b>	<b>7,050</b>	<b>7,050</b>
Other Assets Included in 2019 Backup													
Bank of American Fork - Checking	-	-	-	-	-	-	-	-	-	-	-	-	-
MCCU	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Other Assets Included in 2019 Backup</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Assets</b>	<b>42,000</b>	<b>339,150</b>	<b>477,750</b>	<b>729,750</b>	<b>976,800</b>	<b>5,110,620</b>	<b>11,664,122</b>	<b>20,004,529</b>	<b>22,331,258</b>	<b>23,196,462</b>	<b>16,914,777</b>	<b>13,762,632</b>	<b>12,312,029</b>
Liabilities & Equity													
Liabilities													
Current Liabilities													
Accounts Payable	-	-	-	-	-	(18,975)	(21,247)	(20,581)	21,672	(88,043)	(145,179)	(339,292)	(320,317)
Payroll Liabilities	-	-	-	-	-	-	-	583	583	583	583	583	583
Sales Tax Payable	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(18,975)</b>	<b>(21,247)</b>	<b>(19,999)</b>	<b>22,255</b>	<b>(87,460)</b>	<b>(144,597)</b>	<b>(338,710)</b>	<b>(319,735)</b>
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(18,975)</b>	<b>(21,247)</b>	<b>(19,999)</b>	<b>22,255</b>	<b>(87,460)</b>	<b>(144,597)</b>	<b>(338,710)</b>	<b>(319,735)</b>
Equity	42,000	339,150	477,750	729,750	976,800	5,129,595	11,685,370	20,024,528	22,309,003	23,283,922	17,059,374	14,101,342	12,631,763
<b>Total Liabilities &amp; Equity</b>	<b>42,000</b>	<b>339,150</b>	<b>477,750</b>	<b>729,750</b>	<b>976,800</b>	<b>5,110,620</b>	<b>11,664,122</b>	<b>20,004,529</b>	<b>22,331,258</b>	<b>23,196,462</b>	<b>16,914,777</b>	<b>13,762,632</b>	<b>12,312,029</b>

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**RAPOWER BALANCE SHEETS - 2019 BACKUP**

**Schedule 7**

Description	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Assets</b>													
Current Assets													
Zions Bank Rapower-3	36,000	252,000	360,000	576,000	1,690	533,364	1,119,647	(746,758)	334,161	1,475,767	1,300,106	866,150	598,095
Wells Fargo	-	-	-	-	-	-	-	-	(2,594)	(2,594)	(2,594)	(2,594)	(126,189)
Accounts Receivable	6,000	87,150	117,750	153,750	190,410	3,316,005	9,515,181	19,709,333	20,951,516	20,674,669	17,554,591	14,836,401	12,588,207
Undeposited Funds	-	-	-	-	-	-	53,908	60,068	65,738	66,183	80,238	80,238	64,293
<b>Total Current Assets</b>	<b>42,000</b>	<b>339,150</b>	<b>477,750</b>	<b>729,750</b>	<b>192,100</b>	<b>3,849,369</b>	<b>10,688,736</b>	<b>19,022,643</b>	<b>21,348,821</b>	<b>22,214,025</b>	<b>18,932,341</b>	<b>15,780,195</b>	<b>13,124,406</b>
Fixed Assets													
Furniture and Equipment	-	-	-	-	-	-	-	6,500	7,050	7,050	7,050	7,050	7,050
<b>Total Fixed Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,500</b>	<b>7,050</b>	<b>7,050</b>	<b>7,050</b>	<b>7,050</b>	<b>7,050</b>
Other Assets Included in 2019 Backup													
Bank of American Fork - Checking	-	-	-	-	-	-	-	-	-	-	-	-	595,212
MCCU	-	-	-	-	100	6,944	145	145	145	145	145	145	145
<b>Total Other Assets Included in 2019 Backup</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>6,944</b>	<b>145</b>	<b>145</b>	<b>145</b>	<b>145</b>	<b>145</b>	<b>145</b>	<b>595,357</b>
<b>Total Assets</b>	<b>42,000</b>	<b>339,150</b>	<b>477,750</b>	<b>729,750</b>	<b>192,200</b>	<b>3,856,313</b>	<b>10,688,881</b>	<b>19,029,288</b>	<b>21,356,016</b>	<b>22,221,220</b>	<b>18,939,536</b>	<b>15,787,390</b>	<b>13,726,813</b>
<b>Liabilities &amp; Equity</b>													
Liabilities													
Current Liabilities													
Accounts Payable	-	-	-	-	-	(21,039)	70,117	70,783	113,036	3,322	(53,815)	(247,928)	(261,690)
Payroll Liabilities	-	-	-	-	-	-	-	583	583	583	583	583	583
Sales Tax Payable	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(21,039)</b>	<b>70,117</b>	<b>71,366</b>	<b>113,619</b>	<b>3,905</b>	<b>(53,232)</b>	<b>(247,345)</b>	<b>(261,107)</b>
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(21,039)</b>	<b>70,117</b>	<b>71,366</b>	<b>113,619</b>	<b>3,905</b>	<b>(53,232)</b>	<b>(247,345)</b>	<b>(261,107)</b>
Equity	42,000	339,150	477,750	729,750	192,200	3,877,352	10,618,764	18,957,921	21,242,397	22,217,315	18,992,768	16,034,735	13,987,920
<b>Total Liabilities &amp; Equity</b>	<b>42,000</b>	<b>339,150</b>	<b>477,750</b>	<b>729,750</b>	<b>192,200</b>	<b>3,856,313</b>	<b>10,688,881</b>	<b>19,029,287</b>	<b>21,356,016</b>	<b>22,221,220</b>	<b>18,939,536</b>	<b>15,787,390</b>	<b>13,726,813</b>

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**BALANCE SHEET DIFFERENCES BETWEEN 2017 AND 2019 QUICKBOOKS BACKUPS**

**Schedule 8**

Description	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Assets</b>													
Current Assets													
Zions Bank Rapower-3	-	-	18,000	18,000	849,710	1,282,481	755,211	751,901	751,901	752,402	(2,247,599)	(2,267,048)	(2,141,110)
Wells Fargo	-	-	-	-	-	-	-	-	0	0	0	0	123,595
Accounts Receivable	-	-	(18,000)	(18,000)	(65,010)	(21,230)	274,083	283,553	283,553	283,498	287,278	306,728	1,246,435
Undeposited Funds	-	-	-	-	-	-	(53,908)	(60,068)	(60,068)	(60,513)	(64,293)	(64,293)	(48,348)
<b>Total Current Assets</b>	-	-	-	-	<b>784,700</b>	<b>1,261,251</b>	<b>975,386</b>	<b>975,386</b>	<b>975,387</b>	<b>975,387</b>	<b>(2,024,614)</b>	<b>(2,024,613)</b>	<b>(819,427)</b>
Fixed Assets													
Furniture and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Fixed Assets</b>	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets Added by LP Not In QB													
Bank of American Fork -	-	-	-	-	-	-	-	-	-	-	-	-	(595,212)
MCCU	-	-	-	-	(100)	(6,944)	(145)	(145)	(145)	(145)	(145)	(145)	(145)
<b>Total Other Assets Added l</b>	-	-	-	-	<b>(100)</b>	<b>(6,944)</b>	<b>(145)</b>	<b>(145)</b>	<b>(145)</b>	<b>(145)</b>	<b>(145)</b>	<b>(145)</b>	<b>(595,357)</b>
<b>Total Assets</b>	-	-	-	-	<b>784,600</b>	<b>1,254,307</b>	<b>975,241</b>	<b>975,241</b>	<b>975,242</b>	<b>975,242</b>	<b>(2,024,759)</b>	<b>(2,024,758)</b>	<b>(1,414,784)</b>
<b>Liabilities &amp; Equity</b>													
Liabilities													
Current Liabilities													
Accounts Payable	-	-	-	-	-	2,064	(91,364)	(91,364)	(91,364)	(91,365)	(91,364)	(91,364)	(58,627)
Payroll Liabilities	-	-	-	-	-	-	-	(0)	(0)	(0)	(0)	(0)	(0)
Sales Tax Payable	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Current Liabilities</b>	-	-	-	-	-	<b>2,064</b>	<b>(91,364)</b>	<b>(91,365)</b>	<b>(91,364)</b>	<b>(91,365)</b>	<b>(91,365)</b>	<b>(91,365)</b>	<b>(58,628)</b>
<b>Total Liabilities</b>	-	-	-	-	-	<b>2,064</b>	<b>(91,364)</b>	<b>(91,365)</b>	<b>(91,364)</b>	<b>(91,365)</b>	<b>(91,365)</b>	<b>(91,365)</b>	<b>(58,628)</b>
Equity	-	-	-	-	784,600	1,252,243	1,066,606	1,066,607	1,066,606	1,066,607	(1,933,394)	(1,933,393)	(1,356,157)
<b>Total Liabilities &amp; Equity</b>	-	-	-	-	<b>784,600</b>	<b>1,254,307</b>	<b>975,241</b>	<b>975,242</b>	<b>975,242</b>	<b>975,242</b>	<b>(2,024,759)</b>	<b>(2,024,758)</b>	<b>(1,414,784)</b>

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**SUMMARY OF REFUNDS REQUESTED TO DETERMINE A REFUND LIABILITY**

**Schedule 9**

*Source: August 2019 QuickBooks Backup*

<b>Description</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Updated Solar Lens Sales	42,000	339,150	477,750	729,750	976,800	5,470,740	14,074,515	26,743,965	32,710,365	37,776,165	38,081,115	38,081,115	38,081,115
Updated Less: Accounts Receivable	(6,000)	(87,150)	(117,750)	(153,750)	(190,410)	(3,316,005)	(9,515,181)	(19,709,333)	(20,951,516)	(20,674,669)	(17,554,591)	(14,836,401)	(12,588,207)
Updated Cash Received	36,000	252,000	360,000	576,000	786,390	2,154,735	4,559,334	7,034,632	11,758,849	17,101,496	20,526,524	23,244,714	25,492,908
Updated Refunds	-	-	-	-	-	500	65,560	106,849	133,796	136,801	189,648	198,660	198,660
<b>Cash Refund Percentage</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.02%</b>	<b>1.44%</b>	<b>1.52%</b>	<b>1.14%</b>	<b>0.80%</b>	<b>0.92%</b>	<b>0.85%</b>	<b>0.78%</b>



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**CORRECTIONS TO MR. HOFFMAN'S SOLVENCY ANALYSIS**

**Schedule 10**

Description	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Millard County Credit Union	-	-	-	-	4,580	37,518	711	179,261	-	-	-	-	-
Zions Bank	-	-	-	-	-	514,847	881,583	-	-	-	-	-	-
Wells Fargo	-	-	-	-	-	-	-	553,798	2,693,925	3,574,174	1,475,881	1,231,975	-
Bank of American Fork	-	-	-	-	-	-	-	-	-	-	-	-	731,819
<b>Total Cash</b>	-	-	-	-	<b>4,580</b>	<b>552,365</b>	<b>882,294</b>	<b>733,060</b>	<b>2,693,925</b>	<b>3,574,174</b>	<b>1,475,881</b>	<b>1,231,975</b>	<b>731,819</b>
Furniture Fixtures and Equipment	-	-	-	-	-	-	-	6,500	7,050	7,050	7,050	7,050	7,050
<b>Total Assets</b>	-	-	-	-	<b>4,580</b>	<b>552,365</b>	<b>882,294</b>	<b>739,560</b>	<b>2,700,975</b>	<b>3,581,224</b>	<b>1,482,931</b>	<b>1,239,025</b>	<b>738,869</b>
<b>Liabilities</b>													
Accounts Payable	-	-	-	-	-	(21,039)	70,117	70,783	113,036	3,322	(53,815)	(247,928)	(261,690)
Payroll Liabilities	-	-	-	-	-	-	-	583	583	583	583	583	583
Refund Liability													
Hoffman's Calculation of Unearned Revenue	36,000	252,000	360,000	576,000	786,390	2,154,235	4,439,866	6,867,716	11,559,315	16,898,513	20,256,639	22,965,816	25,229,955
Remove Liabilities For IAS Sales and Deposits Received by IAS	(36,000)	(252,000)	(360,000)	(576,000)	(785,000)	-	-	-	-	-	-	-	-
Adjust Liability to a Maximum of 2.0% of the Deposits Received	-	-	-	-	(1,362)	(2,111,150)	(4,351,069)	(6,730,362)	(11,328,129)	(16,560,543)	(19,851,506)	(22,506,500)	(24,725,356)
Corrected Maximum Refund Liability	-	-	-	-	28	43,085	88,797	137,354	231,186	337,970	405,133	459,316	504,599
<b>Total Liabilities</b>	-	-	-	-	<b>28</b>	<b>22,046</b>	<b>158,915</b>	<b>208,721</b>	<b>344,806</b>	<b>341,875</b>	<b>351,901</b>	<b>211,972</b>	<b>243,492</b>
<b>Net Solvency (Insolvency)</b>	-	-	-	-	<b>4,552</b>	<b>530,319</b>	<b>723,379</b>	<b>530,839</b>	<b>2,356,170</b>	<b>3,239,349</b>	<b>1,131,030</b>	<b>1,027,054</b>	<b>495,378</b>

Klein v Heideman

**CORRECTIONS TO MR. HOFFMAN'S SOLVENCY ANALYSIS, INCLUDING PURCHASES OF MACHINERY AND REAL ESTATE**

**Schedule 11**

Description	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Millard County Credit Union	-	-	-	-	4,580	37,518	711	179,261	-	-	-	-	-
Zions Bank	-	-	-	-	-	514,847	881,583	-	-	-	-	-	-
Wells Fargo	-	-	-	-	-	-	-	553,798	2,693,925	3,574,174	1,475,881	1,231,975	-
Bank of American Fork	-	-	-	-	-	-	-	-	-	-	-	-	731,819
<b>Total Cash</b>	-	-	-	-	<b>4,580</b>	<b>552,365</b>	<b>882,294</b>	<b>733,060</b>	<b>2,693,925</b>	<b>3,574,174</b>	<b>1,475,881</b>	<b>1,231,975</b>	<b>731,819</b>
<b>Fixed Assets</b>													
Machinery, Vehicles, and Furniture, See Schedule 17	-	-	-	-	-	40,926	88,451	307,452	587,481	784,682	987,567	1,100,665	1,157,026
Accumulated Economic Depreciation, See Schedule 17	-	-	-	-	-	(5,847)	(18,482)	(62,404)	(146,330)	(258,427)	(399,508)	(556,746)	(716,189)
Receivable for Real Estate Purchases, Schedule 17	-	-	-	-	-	20,042	214,293	432,326	664,433	1,580,188	1,899,725	1,907,742	1,910,992
<b>Total Fixed Assets</b>	-	-	-	-	-	<b>55,121</b>	<b>284,261</b>	<b>677,373</b>	<b>1,105,583</b>	<b>2,106,443</b>	<b>2,487,783</b>	<b>2,451,660</b>	<b>2,351,828</b>
<b>Total Assets</b>	-	-	-	-	<b>4,580</b>	<b>607,486</b>	<b>1,166,555</b>	<b>1,410,433</b>	<b>3,799,509</b>	<b>5,680,617</b>	<b>3,963,664</b>	<b>3,683,636</b>	<b>3,083,648</b>
<b>Liabilities</b>													
Accounts Payable	-	-	-	-	-	(21,039)	70,117	70,783	113,036	3,322	(53,815)	(247,928)	(261,690)
Payroll Liabilities	-	-	-	-	-	-	-	583	583	583	583	583	583
Refund Liability	-	-	-	-	-	-	-	-	-	-	-	-	-
Hoffman's Calculation of Unearned Revenue	36,000	252,000	360,000	576,000	786,390	2,154,235	4,439,866	6,867,716	11,559,315	16,898,513	20,256,639	22,965,816	25,229,955
Remove Liabilities For IAS Sales and Deposits Received by IAS	(36,000)	(252,000)	(360,000)	(576,000)	(785,000)	-	-	-	-	-	-	-	-
Adjust Liability to a Maximum of 2.0% of the Deposits Received	-	-	-	-	(1,362)	(2,111,150)	(4,351,069)	(6,730,362)	(11,328,129)	(16,560,543)	(19,851,506)	(22,506,500)	(24,725,356)
Corrected Maximum Refund Liability	-	-	-	-	28	43,085	88,797	137,354	231,186	337,970	405,133	459,316	504,599
<b>Total Liabilities</b>	-	-	-	-	<b>28</b>	<b>22,046</b>	<b>158,915</b>	<b>208,721</b>	<b>344,806</b>	<b>341,875</b>	<b>351,901</b>	<b>211,972</b>	<b>243,492</b>
<b>Net Solvency (Insolvency)</b>	-	-	-	-	<b>4,552</b>	<b>585,440</b>	<b>1,007,640</b>	<b>1,201,712</b>	<b>3,454,703</b>	<b>5,338,741</b>	<b>3,611,763</b>	<b>3,471,664</b>	<b>2,840,156</b>

Klein v Heideman

PAYMENTS TO HEIDEMAN AS A PERCENTAGE OF RAPOWER'S CASH BALANCE

Schedule 12

Line	Bates#	Account	Bank	Account Name	Check No.	Date Posted	Name	Memo	Amount	Remaining Balance	% of Cash Balance	% of Cash Specific to Oregon Matters	% of Cash Specific to Blue Highlights	
1	WF-010387	xxx4501	Wells Fargo	RAPower-3	8943	04/13/16	Heideman & Associates Attorneys at Law	Retainer For IRS & Oregon State	(15,000.00)	1,552,267.17	0.96%	0.25%	0.05%	
2	WF-010387	xxx4501	Wells Fargo	RAPower-3	8952	04/21/16	Heideman & Associates Attorneys at Law	Oregon State Case Pro Hac Vice-Fee	(520.00)	1,548,693.50	0.03%	0.01%	0.00%	
3	WF-013371	xxx4501	Wells Fargo	RAPower-3	9132	06/06/16	Heideman & Associates Attorneys at Law	Retainer DOJ	(15,000.00)	1,757,136.47	0.85%	0.22%	0.05%	
4	WF-013371	xxx4501	Wells Fargo	RAPower-3	9211	06/20/16	Heideman & Associates Attorneys at Law	Retainer - DOLL	(15,000.00)	1,856,254.75	0.80%	0.21%	0.04%	
5	WF-013384	xxx4501	Wells Fargo	RAPower-3	9280	08/02/16	Heideman & Associates Attorneys at Law	Filling Fee For Oregon	(500.00)	1,724,910.18	0.03%	0.01%	0.00%	
6	WF-013384	xxx4501	Wells Fargo	RAPower-3	9281	08/04/16	Heideman & Associates Attorneys at Law	2 Monthe Invoice 05/172016 7/31/2016 RaPower	(41,409.46)	1,583,212.74	2.55%	0.66%	0.15%	
7	WF-013393	xxx4501	Wells Fargo	RAPower-3	9342	09/08/16	Heideman & Associates Attorneys at Law	RaPower-3	(16,913.86)	1,481,143.81	1.13%	0.29%	0.06%	
8	WF-013405	xxx4501	Wells Fargo	RAPower-3	9444	10/19/16	Heideman & Associates Attorneys at Law	2 Invoices Oregon & DOJ	(36,045.76)	1,286,035.53	2.73%	0.71%	0.16%	
9	WF-013406	xxx4501	Wells Fargo	RAPower-3	9447	11/10/16	Heideman & Associates Attorneys at Law	Matter ID#16-5413-01-01 & 16-5413-01	(48,692.62)	1,344,727.20	3.49%	0.92%	0.20%	
10	WF-013413	xxx4501	Wells Fargo	RAPower-3	9515	12/06/16	Heideman & Associates Attorneys at Law	Invoice # 64479	(7,853.55)	1,235,960.82	0.63%	0.16%	0.04%	
11	WF-013413	xxx4501	Wells Fargo	RAPower-3	9516	12/06/16	Heideman & Associates Attorneys at Law	Invoice #64479	(24,894.93)	1,211,065.89	2.01%	0.52%	0.11%	
12	WF-013424	xxx4501	Wells Fargo	RAPower-3	9582	01/19/17	Heideman & Associates Attorneys at Law	Oregon Case & DOJ Federal Case	(45,310.51)	1,373,792.64	3.19%	0.84%	0.18%	
13	WF-014121	xxx4501	Wells Fargo	RAPower-3	1439	02/22/17	Heideman & Associates Attorneys at Law	January payment	(31,719.16)	1,135,282.77	2.72%	0.71%	0.16%	
14	WF-014129	xxx4501	Wells Fargo	RAPower-3	9844	03/08/17	Heideman & Associates Attorneys at Law	#16-5413-01-RaPower & DOJ	(37,208.25)	966,560.62	3.71%	0.97%	0.21%	
15	WF-014138	xxx4501	Wells Fargo	RAPower-3	9939	04/18/17	Heideman & Associates Attorneys at Law	Matter #16-5413-01 & #16-5413-01-01	(50,306.82)	870,814.88	5.46%	1.45%	0.32%	
16	WF-014145	xxx4501	Wells Fargo	RAPower-3	9943	05/10/17	Heideman & Associates Attorneys at Law	ID#16-5413-01 - Oregon & Federal Cases - RaPower	(62,101.75)	896,363.94	6.48%	1.74%	0.38%	
17	WF-014165	xxx4501	Wells Fargo	RAPower-3	1440	08/01/17	Heideman & Associates Attorneys at Law	Attorney final payment	(65,918.57)	736,239.55	8.22%	2.24%	0.50%	
											<b>Min.</b>	<b>0.03%</b>	<b>0.01%</b>	<b>0.002%</b>
											<b>Average</b>	<b>2.65%</b>	<b>0.70%</b>	<b>0.15%</b>
											<b>Median</b>	<b>2.55%</b>	<b>0.66%</b>	<b>0.15%</b>
											<b>Max.</b>	<b>8.22%</b>	<b>2.24%</b>	<b>0.50%</b>

Klein v Heideman

ENDING YEARLY CASH BALANCES BY ENTITY PER BANK STATEMENTS

Schedule 13

Description	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>Cobblestone Centre</b>														
Bank of American Fork	-	-	-	-	-	-	-	-	-	-	-	-	2,344,642	(7)
6121206	-	-	-	-	-	-	-	-	-	-	-	-	99,761	(7)
6633739	-	-	-	-	-	-	-	-	-	-	-	-	2,244,882	(0)
Wells Fargo	-	-	-	-	-	-	-	-	5,799	160,640	83,691	47,359	(0)	(0)
2883172450	-	-	-	-	-	-	-	-	5,799	160,640	83,691	47,359	(0)	(0)
<b>Total Cash Within Cobblestone Centre</b>	-	-	-	-	-	-	-	-	<b>5,799</b>	<b>160,640</b>	<b>83,691</b>	<b>47,359</b>	<b>2,344,642</b>	<b>(7)</b>
<b>International Automated Systems</b>														
Bank of American Fork	46,000	(2,960)	431,990	657,489	113,999	8,771	39,416	219,006	72,056	5,595	755,860	641,229	3,838,779	(16,938)
104687	(8,029)	(8,098)	383,572	572,167	30,205	7,944	38,587	217,977	71,026	4,563	754,827	640,196	(16,938)	(16,938)
6121123	-	-	-	-	-	-	-	-	-	-	-	-	3,855,717	-
6618011	54,029	5,138	48,418	85,322	83,794	827	829	1,029	1,031	1,032	1,033	1,034	(0)	(0)
Wells Fargo	-	-	-	-	-	-	-	375	97,886	9,678	3,014,334	3,014,806	(0)	(0)
1279804148	-	-	-	-	-	-	-	375	97,886	9,678	3,014,334	3,014,806	(0)	(0)
Zions Bank	-	-	-	-	-	-	962	-	-	-	-	-	-	-
58013459	-	-	-	-	-	-	962	-	-	-	-	-	-	-
<b>Total Cash Within International Automated Systems</b>	<b>46,000</b>	<b>(2,960)</b>	<b>431,990</b>	<b>657,489</b>	<b>113,999</b>	<b>8,771</b>	<b>40,378</b>	<b>219,382</b>	<b>169,942</b>	<b>15,273</b>	<b>3,770,193</b>	<b>3,656,035</b>	<b>3,838,779</b>	<b>(16,938)</b>
<b>RAPower-3</b>														
Bank of American Fork	-	-	-	-	-	-	-	-	-	-	-	-	731,819	0
6121198	-	-	-	-	-	-	-	-	-	-	-	-	731,819	0
6122063	-	-	-	-	-	-	-	-	-	-	-	-	-	(0)
Millard County	-	-	-	-	4,580	37,518	711	179,261	0	0	0	0	0	0
15802-1-1	-	-	-	-	100	6,944	145	722	(0)	(0)	(0)	(0)	(0)	(0)
15802-1-95	-	-	-	-	4,480	30,574	566	178,539	0	0	0	0	0	0
Wells Fargo	-	-	-	-	-	-	-	553,798	2,693,925	3,574,174	1,475,881	1,231,975	(0)	(0)
1381950409	-	-	-	-	-	-	-	150	1,951	3,753	5,555	7,358	0	0
6685214501	-	-	-	-	-	-	-	553,648	2,691,974	3,570,422	1,470,326	1,224,617	(0)	(0)
7151322620	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Zions Bank	-	-	-	-	-	514,847	881,583	(0)	(0)	(0)	(0)	(0)	(0)	(0)
58013103	-	-	-	-	-	175	180	(0)	(0)	(0)	(0)	(0)	(0)	(0)
58013111	-	-	-	-	-	24,400	125,385	0	0	0	0	0	0	0
583094610	-	-	-	-	-	490,272	756,018	(0)	(0)	(0)	(0)	(0)	(0)	(0)
<b>Total Cash Within RAPower-3</b>	-	-	-	-	<b>4,580</b>	<b>552,365</b>	<b>882,294</b>	<b>733,060</b>	<b>2,693,925</b>	<b>3,574,174</b>	<b>1,475,881</b>	<b>1,231,975</b>	<b>731,819</b>	<b>(0)</b>
<b>Solco I</b>														
Bank of American Fork	-	-	-	-	-	-	-	-	-	-	-	-	201,216	-
6121305	-	-	-	-	-	-	-	-	-	-	-	-	201,216	-
Wells Fargo	-	-	-	-	-	-	5,010	1,142,336	1,772,005	2,671,817	2,605,032	2,590,021	(5,002)	(5,002)
1690327240	-	-	-	-	-	-	4,934	1,141,165	1,769,633	2,668,243	2,600,256	2,584,042	(5,002)	(5,002)
3471115182	-	-	-	-	-	-	76	1,171	2,372	3,574	4,776	5,979	0	0
7151310898	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Within Solco I</b>	-	-	-	-	-	-	<b>5,010</b>	<b>1,142,336</b>	<b>1,772,005</b>	<b>2,671,817</b>	<b>2,605,032</b>	<b>2,590,021</b>	<b>196,214</b>	<b>(5,002)</b>
<b>Xsun Energy</b>														
Bank of American Fork	-	-	-	-	-	-	-	-	-	-	-	-	1,212,222	-
6121289	-	-	-	-	-	-	-	-	-	-	-	-	1,212,222	-
Wells Fargo	-	-	-	-	-	-	200	1,385,834	1,385,568	1,380,706	1,381,503	1,282,291	0	0
3344563691	-	-	-	-	-	-	200	219,649	216,729	209,497	208,307	107,189	0	0
3344566629	-	-	-	-	-	-	-	1,166,185	1,168,839	1,171,209	1,173,196	1,175,102	0	0
Zions Bank	-	-	-	-	-	-	398,398	-	-	-	-	-	-	-
58013293	-	-	-	-	-	-	8,207	(0)	(0)	(0)	(0)	(0)	(0)	(0)
583096920	-	-	-	-	-	-	390,191	-	-	-	-	-	-	-
<b>Total Cash Within Xsun Energy</b>	-	-	-	-	-	-	<b>398,598</b>	<b>1,385,834</b>	<b>1,385,568</b>	<b>1,380,706</b>	<b>1,381,503</b>	<b>1,282,291</b>	<b>1,212,222</b>	<b>0</b>
<b>Grand Total</b>	<b>46,000</b>	<b>(2,960)</b>	<b>431,990</b>	<b>657,489</b>	<b>118,579</b>	<b>561,137</b>	<b>1,326,279</b>	<b>3,480,611</b>	<b>6,027,240</b>	<b>7,802,610</b>	<b>9,316,301</b>	<b>8,807,682</b>	<b>8,323,677</b>	<b>(21,947)</b>

Klein v Heideman

**SOURCES AND USES OF CASH - RAPOWER**

Schedule 14

Source: RaPower Bank Statements, RAPOWER-3 Master File.xlsx

Description	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Grand Total
Source											
Other Deposits	0	43,148	(11,576)	51,480	12,577	7,800	2	3,679	27	-	107,137
Potential Lens Purchase											
Potential Lens Deposits	4,580	850,605	1,971,282	3,680,385	5,609,786	5,016,155	4,493,972	2,682,665	2,157,669	1,442,471	27,909,570
Commissions	-	(107,692)	(355,878)	(619,485)	(893,384)	(648,265)	(1,042,037)	(609,675)	(454,266)	(337,883)	(5,068,564)
Total Potential Lens Purchase	4,580	742,913	1,615,404	3,060,900	4,716,402	4,367,891	3,451,935	2,072,990	1,703,404	1,104,588	22,841,005
Total Source	4,580	786,061	1,603,828	3,112,380	4,728,978	4,375,690	3,451,937	2,076,669	1,703,431	1,104,588	22,948,142
Research and Development, Construction											
Cobblestone Centre	-	-	-	-	(65,000)	(2,295,000)	(2,000,000)	(1,850,000)	(1,269,215)	(1,140,000)	(8,619,215)
IAS	-	(116,000)	(851,545)	(805,574)	(1,626,251)	(277,000)	(3,086,100)	-	100	-	(6,762,370)
Xsun Energy	-	-	16,400	(1,478,151)	-	-	-	-	-	-	(1,461,751)
Steel	-	(19,008)	(97,851)	(71,225)	(7,182)	-	-	-	-	-	(195,265)
Trucking	-	-	(15,657)	(29,529)	(4,750)	(19,380)	-	-	-	-	(69,316)
Manufacturing	-	(1,000)	(11,000)	(53,906)	(450)	-	(12)	-	-	-	(66,367)
Materials	-	(293)	(6)	(1,237)	(16,884)	(1,318)	(382)	(12)	(41)	-	(20,173)
Total Research and Development, Construction	-	(136,301)	(959,660)	(2,439,621)	(1,720,518)	(2,592,698)	(5,086,494)	(1,850,012)	(1,269,156)	(1,140,000)	(17,194,458)
Asset Purchases, Receivables											
Real Estate Purchase	-	-	(70,000)	(197,976)	(288,034)	(581,420)	(300,000)	-	-	-	(1,437,430)
Machinery	-	(1,500)	(10,000)	(185,790)	(182,484)	-	-	-	-	-	(379,774)
Vehicles	-	-	(20,325)	(2,731)	(712)	(18,623)	-	-	-	-	(42,392)
Furniture	-	-	-	-	(10,112)	(8,400)	-	-	-	-	(18,512)
Total Asset Purchases, Receivables	-	(1,500)	(100,325)	(386,498)	(481,342)	(608,443)	(300,000)	-	-	-	(1,878,108)
Operating Expenses											
Legal Fees	-	(2,357)	(12,988)	(80,149)	(91,062)	(174,211)	(86,230)	(391,385)	(762,421)	(501,950)	(2,102,751)
Bank Fees	-	(3,460)	(88,065)	(112,919)	(12,979)	(1,469)	(3,558)	(15,606)	(5,246)	(109,198)	(352,498)
Credit Card Payments	-	-	-	(7,615)	(217,396)	-	(12,056)	-	(52)	-	(237,119)
Cash Withdrawal	-	(893)	(600)	(18,859)	(6,648)	-	-	(288)	(139,540)	(50)	(166,878)
Marketing	-	(593)	-	(208)	(569)	(200)	(218)	-	(66,633)	(52,230)	(120,651)
Taxes	-	-	(1,228)	(1,211)	(1,960)	(48,344)	(4,689)	(3,110)	(50)	(591)	(61,183)
Unknown - Image not available	-	(26,250)	(6,562)	(9,791)	-	-	(1,695)	-	(2,042)	-	(46,339)
Repairs and Maintenance	-	-	(227)	(231)	(44,693)	-	-	-	-	-	(45,151)
Office Expense	-	(335)	(776)	(2,072)	(2,767)	(198)	(195)	(25)	-	(16,210)	(22,578)
Utilities	-	-	-	(1,005)	(9,388)	(1,841)	(405)	(284)	(768)	-	(13,691)
Computer	-	-	(588)	(1,004)	(2,763)	(138)	-	(690)	(516)	-	(5,700)
Total Operating Expenses	-	(33,888)	(111,035)	(235,064)	(390,224)	(226,401)	(109,045)	(411,387)	(977,267)	(680,228)	(3,174,539)
Related											
Glenda/Neldon Johnson	-	(61,152)	(99,475)	(138,814)	(195,837)	(42,341)	(54,090)	(59,082)	103,466	14,734	(532,590)
LaGrand	-	(5,435)	(3,405)	(61,617)	(55,606)	(25,559)	(602)	(95)	(60,630)	(30,914)	(243,861)
Total Related	-	(66,587)	(102,879)	(200,431)	(251,443)	(67,900)	(54,691)	(59,176)	42,836	(16,179)	(776,451)
<b>Grand Total</b>	<b>4,580</b>	<b>547,785</b>	<b>329,929</b>	<b>(149,234)</b>	<b>1,885,452</b>	<b>880,249</b>	<b>(2,098,293)</b>	<b>(243,906)</b>	<b>(500,156)</b>	<b>(731,819)</b>	<b>(75,414)</b>

**Notes:**

\$75,414 was noted as a withdrawal from a Certificate of Deposit account for RaPower. I was unable to locate bank statements for this account to verify where the original funds came from, because of this, the ending balance shows negative \$75,414

Klein v Heideman

**SOURCES AND USES OF CASH - COBBLESTONE CENTRE**

**Schedule 15**

Source: Cobblestone Centre Bank Statements, RAPower-3 Master File.xlsx

Description	2013	2014	2015	2016	2017	2018	Grand Total
<b>Source</b>							
Other Sources	0	16,510	3,839	949	4,991	5,164	31,453
Xsun Energy	-	-	-	100,000	-	-	100,000
Solco I	-	-	-	-	2,544,307	-	2,544,307
RaPower	65,000	2,295,000	2,000,000	1,850,000	1,268,964	1,140,000	8,618,964
<b>Total Source</b>	<b>65,000</b>	<b>2,311,510</b>	<b>2,003,839</b>	<b>1,950,949</b>	<b>3,818,261</b>	<b>1,145,164</b>	<b>11,294,724</b>
<b>Research and Development, Construction</b>							
Lens Materials	-	(291,749)	-	-	-	(512,594)	(804,343)
Steel	-	(26,796)	(28,924)	(148,168)	(186,707)	(143,721)	(534,316)
Materials	-	(63,499)	(41,611)	(60,034)	(25,176)	(28,793)	(219,113)
Manufacturing	-	(20,850)	(48,003)	(89,660)	(7,161)	(15,900)	(181,574)
Trucking	-	(32,182)	(28,257)	(27,734)	(20,664)	(17,095)	(125,931)
<b>Total Research and Development, Construction</b>	<b>-</b>	<b>(435,076)</b>	<b>(146,795)</b>	<b>(325,596)</b>	<b>(239,708)</b>	<b>(718,103)</b>	<b>(1,865,278)</b>
<b>Asset Purchases, Receivables</b>							
Machinery	(53,882)	(137,769)	(168,370)	(34,389)	(20,797)	(33,714)	(448,921)
Real Estate Purchase	-	(314,893)	-	-	-	-	(314,893)
Furniture	-	(30,677)	(27,835)	(19,338)	(26,563)	(15,680)	(120,093)
Vehicles	-	(1,732)	(6,679)	(59,372)	(9,001)	(4,843)	(81,627)
Frozen Funds / Receiver	-	-	-	-	-	(73,548)	(73,548)
<b>Total Asset Purchases, Receivables</b>	<b>(53,882)</b>	<b>(485,072)</b>	<b>(202,885)</b>	<b>(113,098)</b>	<b>(56,361)</b>	<b>(127,784)</b>	<b>(1,039,082)</b>
<b>Use</b>							
Payroll	-	(265,148)	(468,694)	(604,096)	(594,004)	-	(1,931,941)
Credit Card Payments	-	(199,976)	(334,383)	(200,127)	(136,740)	(82,386)	(953,611)
Other Individuals	-	(285,541)	(201,301)	(99,615)	(24,369)	(14,142)	(624,968)
Office Expenses	(38)	(2,558)	(42,627)	(35,155)	(173,756)	(361,607)	(615,740)
Bank Fees	(30)	(115,320)	(129,086)	(173,633)	(110,470)	(39)	(528,578)
Legal Fees	-	(39,520)	(159,956)	(141,926)	(95,002)	(53,245)	(489,649)
Taxes	(5,250)	(12,784)	(9,479)	(3,408)	(60,897)	(113,127)	(204,945)
Repairs and Maintenance	-	(24,566)	(87,389)	(28,513)	(20,488)	(18,126)	(179,081)
Utilities	-	(17,692)	(33,441)	(43,720)	(40,282)	(35,981)	(171,115)
Insurance	-	(5,747)	(25,286)	(71,121)	(22,110)	(11,619)	(135,882)
Cash Withdrawal	-	(300)	-	-	(34,426)	-	(34,726)
Marketing	-	-	(3,831)	(38)	(7,470)	-	(11,339)
Unknown - Image not available	-	-	-	-	(75)	-	(75)
<b>Total Use</b>	<b>(5,318)</b>	<b>(969,150)</b>	<b>(1,495,473)</b>	<b>(1,401,351)</b>	<b>(1,320,087)</b>	<b>(690,271)</b>	<b>(5,881,650)</b>
<b>Related</b>							
Glenda/Neldon Johnson	-	(15,700)	(79,879)	(8,459)	133,792	(1,931,677)	(1,901,923)
LaGrand	-	(251,672)	(155,756)	(138,778)	(38,614)	(21,978)	(606,798)
<b>Total Related</b>	<b>-</b>	<b>(267,372)</b>	<b>(235,635)</b>	<b>(147,237)</b>	<b>95,178</b>	<b>(1,953,655)</b>	<b>(2,508,721)</b>
<b>Grand Total</b>	<b>5,799</b>	<b>154,840</b>	<b>(76,949)</b>	<b>(36,332)</b>	<b>2,297,284</b>	<b>(2,344,649)</b>	<b>(7)</b>



Klein v Heideman

**SUMMARY OF ASSETS PURCHASED USING RAPOWER FUNDS BY IAS, COBBLESTONE, RAPOWER**

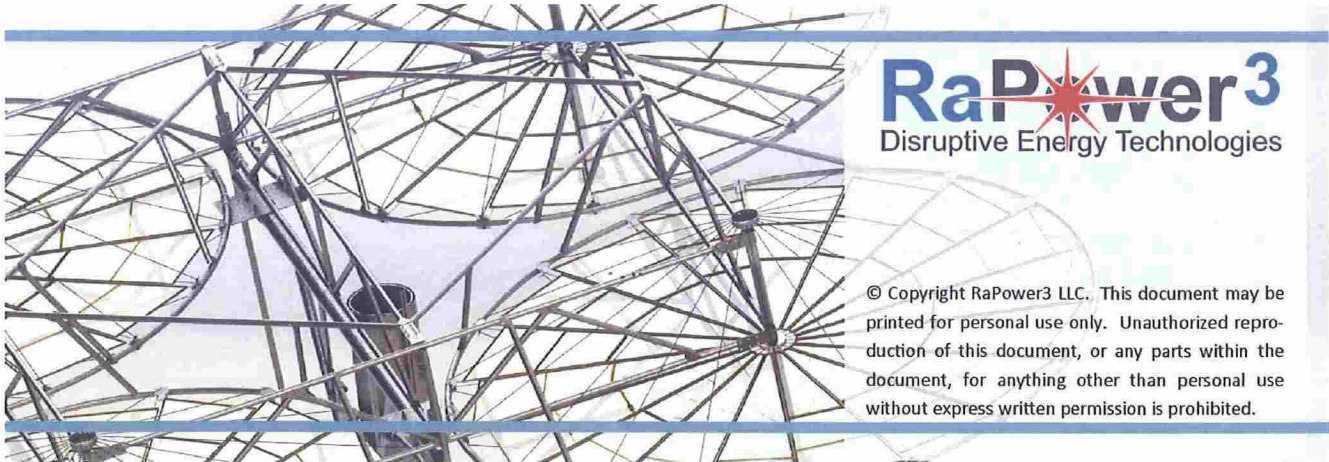
**Schedule 17**

Source: Bank Statements, RAPower-3 Master File.xlsx

Description	2010	2011	2012	2013	2014	2015	2016	2017	Grand Total
Asset Purchases, Receivables									
Real Estate Purchase	(20,042)	(194,251)	(218,033)	(232,107)	(915,755)	(319,537)	(8,017)	(3,250)	(1,910,992)
Machinery	(4,926)	(26,617)	(216,269)	(248,100)	(137,769)	(168,370)	(34,389)	(20,797)	(857,237)
Vehicles	(36,000)	(20,908)	(2,731)	(21,818)	(20,355)	(6,679)	(59,372)	(9,001)	(176,864)
Furniture	-	-	-	(10,112)	(39,077)	(27,835)	(19,338)	(26,563)	(122,925)
Total Asset Purchases, Receivables	(60,967)	(241,776)	(437,034)	(512,136)	(1,112,956)	(522,422)	(121,115)	(59,611)	(3,068,017)
<b>Grand Total</b>	<b>(60,967)</b>	<b>(241,776)</b>	<b>(437,034)</b>	<b>(512,136)</b>	<b>(1,112,956)</b>	<b>(522,422)</b>	<b>(121,115)</b>	<b>(59,611)</b>	<b>(3,068,017)</b>
Depreciable Assets Purchased	40,926	47,525	219,001	280,029	197,201	202,885	113,098	56,361	1,157,026
Accumulated Depreciable Assets	40,926	88,451	307,452	587,481	784,682	987,567	1,100,665	1,157,026	1,157,026
Estimated Economic Depreciation, 7 Years									
2010	(5,847)	(11,693)	(17,540)	(23,386)	(29,233)	(35,079)	(40,926)	(40,926)	(40,926)
2011		(6,789)	(13,579)	(20,368)	(27,157)	(33,947)	(40,736)	(47,525)	(47,525)
2012			(31,286)	(62,572)	(93,857)	(125,143)	(156,429)	(187,715)	(187,715)
2013				(40,004)	(80,008)	(120,012)	(160,017)	(200,021)	(200,021)
2014					(28,172)	(56,343)	(84,515)	(112,686)	(112,686)
2015						(28,984)	(57,967)	(86,951)	(86,951)
2016							(16,157)	(32,314)	(32,314)
2017								(8,052)	(8,052)
Total Accumulated Economic Depreciation	(5,847)	(18,482)	(62,404)	(146,330)	(258,427)	(399,508)	(556,746)	(716,189)	(716,189)
<b>Estimated Fair Market Value of Depreciable Assets</b>	<b>35,079</b>	<b>69,969</b>	<b>245,048</b>	<b>441,151</b>	<b>526,255</b>	<b>588,058</b>	<b>543,919</b>	<b>440,837</b>	<b>440,837</b>



# Exhibit 1



**RaPower3**  
Disruptive Energy Technologies

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# HISTORY of RAPOWER3

By Greg Shepard

This treatise is not meant to be a complete history. It is based on my memory, as feeble as it may be. The opinions and reflections are mine and mine alone. It will cover a time span from 2003 through 2014 and then give a glimpse into the future.

## 1. EARLY YEARS

Proof of Concept: The Early Years Through 2007

*Parameters: RaPower3 uses the technology developed by IAS (International Automated Systems). Thus, any historical writings of RaPower3 must include IAS. Founded in 1987, International Automated Systems, Inc. (IAUS:OB) develops and markets high-technology products. The company, which has been publicly traded since 1988, has patented and patent-pending technology for diverse markets such as renewable energy production, wireless communications, self-service consumer purchasing and secured financial transactions. The company, founded by a former AT&T communications engineer, is based in Utah. Its stock symbol is IAUS and its website is iaus.com.*

*RaPower3 was started in 2010. Therefore, in this historical section dealing with the early years through 2007, I will focus on two breakthrough technologies developed during this proof of concept time period that involve RaPower3.*

### THE IAS BLADELESS TURBINE

International Automated Systems, Inc. developed a new breakthrough bladeless turbine technology. It is a patented propulsion turbine, which some believe may revolutionize

electrical power generation and low-cost hydrogen fuel production. (From iaus.com)

*Most of the following is from the IAS website*

#### Propulsion Turbine

IAUS's unique turbine has many advantages over traditional turbine designs. Rather than relying on turbine blades to spin the turbine cylinder, IAUS's Propulsion Turbine is designed to turn the cylinder without blades. IAUS's turbine efficiencies are very similar to expensive, high-end, multi-stage turbines; however, IAUS's turbine is low-cost and operates minus most of the expensive surrounding components and maintenance issues.



IAUS Jet-Propulsion Turbine

Traditional turbine performance relies upon the environment within its blade chambers. Superheated, high-velocity steam particles are continuously striking the titanium turbine blades to turn the shaft. If steam condenses on the blades, a sharp drop in efficiency and damage to the turbine can result. Traditional multi-stage turbines require dry, high-quality steam.

IAUS's new turbine is structurally unaffected by low quality steam. It blows the energy away from its components instead of on them to turn the shaft. It is smaller than traditional turbines, less expensive, and requires very little maintenance. Unlike traditional turbines, IAUS's turbine can operate without corrosion or system failure on both high quality and low quality steam. It has bi-phase flow capability.



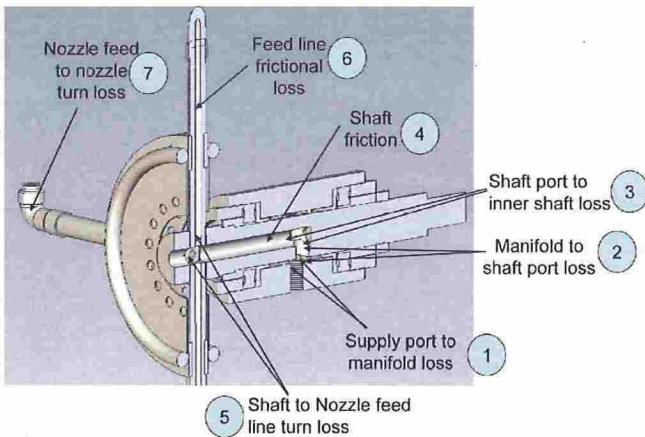
**IAUS Turbine Eliminates Need for Boiler**

IAUS's proprietary turbine steam cycle does not need an expensive, sophisticated, high-maintenance boiler. Instead IAUS's turbine operates on high-pressure, super-heated water (supercritical fluid) from a series of smaller, high-pressure tubing, which is much safer, less expensive and easier to manage. The expansion or phase change (flashing) from water to steam happens right in the working chamber of IAUS's turbine. It makes the Balance of Plant (BOP) steam production and monitoring equipment less complicated. These are significant advantages over traditional boiler systems required by conventional turbines.

**Modular**

IAUS's turbine can be custom designed for smaller to medium size applications. This allows for staging power in and out and inexpensively segmenting a power plant into smaller sectors which improves issues of downtime while offering low-cost redundancy. (2003 News Release) Jack Dean, who has spent more than 35 years in the energy industry, is well known in connection with renewable energy production and an author and co-author of several publications covering subjects ranging from steam turbine principles and water induction, to power plant principles for plant operators and engineers.

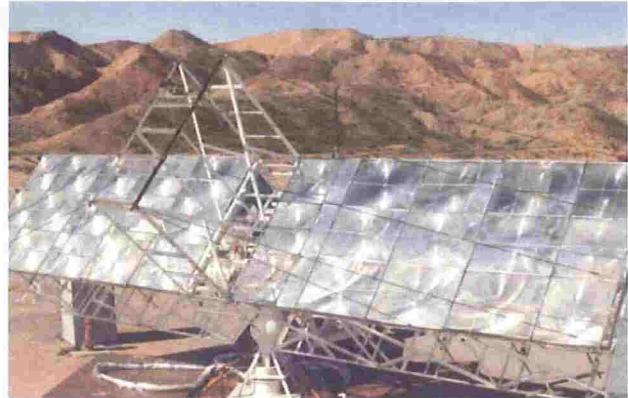
"There are two unique features that give this turbine an unmatched versatility: its physical construction and its use of multiple-phase fluid," said Dean. "Use of this new Propulsion Turbine technology will offer many cost and energy saving opportunities for the people of Hawaii, and thus, move Hawaii closer to a goal of energy self-sufficiency based upon renewable energy and hydrogen."



**SOLAR LENS DEVELOPMENT**

Neldon Johnson, inventor of the IAS technologies, developed his patented bladeless turbine over a decade ago. He thought his turbine would match up well with concentrated solar power energy, but found that conventional polished

glass mirror technology that reflected the sun's rays to a tiny focal point was expensive, inefficient and used too much water. He turned to a Fresnel lens where the sun's rays would refract while bending the sun's rays to a much larger focal point. He hooked up Fresnel lenses to his turbine and produced electricity. Thus, he had proof of concept. The problem was that the Fresnel lenses were extremely expensive.



The photo above shows the Fresnel Lenses used in 2004 in Mesquite, Nevada. The Fresnel Lenses captured the heat from the sun which, in turn, created steam as water was heated past its boiling point. The steam then propelled the IAS patented Bladeless Turbine. A special heat exchanger was designed by IAS along with a generator which was "bought off the shelf."

The Result: Electricity was produced! The proof was that a series of truck headlights were brightly illuminated. Twenty-four in all. Many people witnessed this historic event, including myself. (Greg Shepard)

The generous tax benefits that we have today did not exist when Mr. Johnson discovered his proof of concept. Therefore, he set out to produce solar power that would be as affordable as coal. How could this be done? The inspiration to solve this challenge came with an idea of replacing the polished glass mirrors with a plastic/acrylic material using the Fresnel lens.

He went to Canada to enlist the help of the scientists who developed the Hubble Space Telescope. After a year of delays and little progress, Neldon and his team took over and finished a roller/mold. They approached Lucite who agreed to let them try the roller on one of their lines. After several months of trial an error, the first plastic/acrylic lenses were successfully produced.



**8-foot Copper Roller Mold**

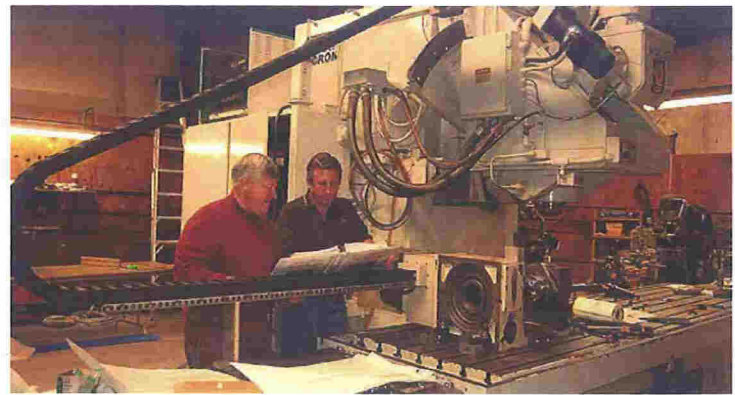
It all starts with the eight-foot copper cylinder and the 89,000 pound mold-making machine. Concrete, four feet in depth, had to be poured to support the heavy mold making



## THIN-FILM SOLAR LENS

IAUS's unique thin-film solar panels have a solar insolation transmittance efficiency of nearly 92%- virtually the highest transmittance physically possible of any material. These breakthrough solar panels have shown a conversion of solar energy from the sun into temperatures of over 1,300 degrees F.

machine and to keep it absolutely stationary. The copper cylinder, 22-inches in diameter, is secured by tightly fitted mandrels to make sure it too, is absolutely stationary.



This machine etches grooves around the copper cylinder to make a highly complex roller-mold used to make our thin-film solar lenses.

Highly complex patented software programs the mold-making machine to etch grooves around the cylinder. Many hundreds of grooves are etched into the mold and each groove has six different measurements. The intricacy of making our solar lenses is done here. The intricacy of our competition is done out in the solar field.

It takes three months to etch all of the grooves around the cylinder which is then shipped to Lucite. Each mold/roller/cylinder produces about 700,000 lenses which equates to about 400 Megawatts. We have the capability of making many molds per year and Lucite has no limitations on the number of molds that can go on their production lines. Specifically, the Lucite panels are made up of a very durable, engineering grade-monomer material that has been known to last more than 60 years. These panels are also 100% recyclable.

With the success of the first Lucite run, it became apparent that we could mass produce solar lenses at a tiny fraction of the cost of our competition. Later, we would also prove that it was also far more efficient than the polished glass mirrors, would use very little water, would not disturb the land and considerably decrease the cost of operation.

### 2007: IAUS Believes New Breakthrough Solar Panel Can Change the World

Following a successful high-volume run of its new breakthrough solar panels, IAUS has been conducting tests to identify the parameters of its new product. The new panels have delivered an exciting performance that is in line with preliminary expectations.

IAUS's unique thin-film solar lenses have a solar insolation transmittance efficiency of nearly 92% - virtually the highest transmittance physically possible of any material. These breakthrough solar panels have shown a conversion of solar energy from the sun into temperatures of over 1,300 degrees F.

Initial IAUS data has demonstrated that IAUS's new solar panels focus as high as 30% more solar energy onto its receiver than traditional solar power trough systems typically achieve. Recent advancements will likely increase this number again to more than 50%. IAUS's solar panels

have an estimated life-span of greater than fifty years when properly maintained, and are inexpensive to replace.

IAUS's unique thin-film solar panel can be produced at a fraction of the cost of today's traditional photovoltaic solar panels. IAUS believes its new product is the first solar power technology with legitimate potential to compete with gas and other fossil fuels. Low-cost energy produced by IAUS's new patented and patent-pending solar technology can be used to generate electricity or produce clean fuels such as hydrogen and green methanol (gasoline replacements) at a competitive price. Many experts had predicted that no solar power technology would likely accomplish this milestone before the year 2025.



Shown is a shipment of solar lenses from Lucite.

During its first high-volume run, nearly 1,000 Kilowatts of IAUS's solar panels were manufactured in a short 24-hour period. On a 24/7 operating schedule, an estimated 350 Megawatts of IAUS panels can be produced annually at a cost of less than \$500,000. In comparison, a traditional photovoltaic (PV) solar module manufacturing plant with a yearly capacity equal to IAUS would cost an estimated \$840 Million to construct. The world's energy market is a staggering \$3 trillion per year. This is two times larger than the world's agricultural market. Less than 1% of this energy comes from solar power. Yet, every hour the sun radiates more free energy than the entire human population uses in a whole year.

**IAUS Signs Supply Agreement with Lucite International for Production of IAUS's New Breakthrough Solar Power Panels SALEM, UTAH- (2007)**

International Automated Systems, Inc. [IAUS.OB] has announced today that it has signed a supply agreement with Lucite International, a global leader in the design, development and manufacture of acrylic-based products. Lucite International generates over \$1 billion in annual revenue. It is the world's leading supplier of Methyl Methacrylate (MMA), and the only organization with production, R&D, sales and marketing facilities in all three major geo-economic regions – the Americas, Europe and Asia.

"Solar energy runs consistent with Lucite's commitment to develop and advance "Green" products which promote environmental sustainability," said Wyndham Draper, Vice President – Sales and Marketing for Lucite International, Inc. "We

are looking forward to working with IAUS in the production of this exciting new product."

Lucite is a solid company with a global presence and will facilitate high-volume production of IAUS's new solar panels. The personnel and management at Lucite have been exceptional and forward-thinking at every level," said Neldon Johnson, President and CEO of International Automated Systems, Inc. "We are very pleased with IAUS's new relationship with Lucite International.

**About Lucite International**

Lucite International, the world's largest producer of Methacrylates, is successor to the acrylic business of



DuPont and ICI. It is the only vertically integrated acrylics producer with manufacturing facilities in every region of the globe, and employs 2,000 people in sales, marketing, R&D, manufacturing, engineering, technology and business support at 16 manufacturing sites and 35 sales offices worldwide. Lucite serves and supports customers in more than 100 different countries.

**Solar Power Breakthrough: IAUS Hits Milestone Previously Thought to be Impossible SALEM, UTAH-**

International Automated Systems, Inc. [IAUS.OB] [IAUS: OTCBB] announced today that it has successfully finished its first high-volume run of its new breakthrough solar panels. IAUS plans to quickly expand its annual solar panel production capacity this year to one Gigawatt which is enough to supply an estimated \$2 Billion in sales per year.

"The discovery of economical solar energy is more valuable than oil," said Neldon Johnson, President and CEO of International Automated Systems, Inc. "The sun's energy is free, clean and virtually unlimited. IAUS's new solar technology is a discovery of historic proportions that we hope will revolutionize energy production throughout the world."

**Witnesses**

"I have witnessed the bladeless turbine running on geothermal water at Sulferdale a number of years ago. At that time I had an engineer with Utah Power and Light with me. At various times I have seen the turbine running with natural gas being used. This has been at Salem and in the Delta area. I have had engineers with me on some of these occasions. I have no doubt of the turbine working as I have personally witnessed it many times and with many others being present." Monty Hamilton

"I and the following friends have seen Neldon's turbine engine working at different times: Joseph Anderson (ex Sr. VP Bechtel), Jack Edwards (engineer. ex Saudi ARAMCO), Ron Hadley, Leon Davies (ex engineer Lockheed) and Gordon Larsen (ex United 747 pilot), etc." Sterling Rigby

**A Significant 2004 Financial Occurrence**

IAUS, through Neldon Johnson, invented the self-checkout system used today by grocery stores. This technology was stolen by

Optimal Robotics from Canada. Mr. Johnson sued but later decided to settle out of court for \$1.7 million. He rationalized that more money could be made with solar energy and the settlement money could finance its development.

A press release by Optimal Robotics on January 24, 2004 states: "Optimal Robotics Corp. (NASDAQ: OPMR), today announced that it has entered into a settlement agreement with International Automated Systems, Inc. (IAS), which brings to a close the patent lawsuit between the parties. In accordance with the agreement, IAS will receive a sum that is not considered to be material to Optimal."

This experience would later prove to be valuable. Mr. Johnson became much more wary and steps were taken to always thoroughly protect his technologies. This wariness has now produced over 60 patents and patents-pending in the complex arena of renewable energy.

## 2. R & D

Research and Development: 2008-2010

### TURBINE CHALLENGES

Salem, Utah was the scene for the R & D work on the bladeless turbine. Natural gas was used to heat the water to create steam which, in turn, propelled the bladeless turbine. Visiting engineers were always impressed at how little time it took to start the turbine. This was vastly different from conventional turbines.

#### A Major Problem

The Johnson Bladeless Turbine reached an incredible 17,000 revolutions Per Minute (RPM). This kind of velocity created intense vibrations within the turbine. It was theorized this extreme wobbling effect could be extremely dangerous. If a steel part were to come loose, nothing could stop it at that rate of speed. The R & D work centered on creating a smooth running turbine.

#### The Breakthrough Solution

Simple. Inexpensive. Totally effective. Neldon Johnson quickly started the process of getting a patent for his ingenious discovery. See the photo:



Can you see what it was? Look at the circular ring attached to the turbine. Inside the ring are small ceramic beads simi-

lar to ball bearings. They roll around inside the ring and will never wear out. This simple solution completely stabilized the turbine and totally eliminated the vibrations.

#### The Result

This discovery completed the turbine's research and development stage. So now we had the solar lenses and the turbine ready to go.

### SOLAR CHALLENGES

Lucite and IAUS did make one tweak on the 2nd run. That was successful and it did increase the efficiency some. Therefore, this technology was completed. All we have to do now is place an order in quantities of at least 100,000 solar lenses. Inquiries were successfully made on where and how to acquire more mold-making machines. Each machine can increase our annual output by about 1,600 megawatts. However, the manufacturing of the solar lenses was just the beginning.

#### Tracking the Sun

Photovoltaic (PV) systems didn't track the sun because the parasitic load was too great. Some Concentrated Solar Power (CSP) systems used single-axis tracking. Mr. Johnson surmised that if a dual-axis tracking system could be designed with low parasitic loads that a 30% advantage could be attained over PV systems. Meaning that 2,000 annual PV production hours could be boosted to 2,600 annual production hours with a dual-axis tracking system.

#### Massive Use of Clean Water

Some CSP systems used massive amounts of water through the act of cleaning plus the cooling towers/heat exchanger systems. We also observed if a water-saving closed-loop system was used, costs would escalate. In addition, that clean water had to be used as opposed to brackish water for example.

#### Wind Damage to Solar Lenses

We observed replacement of expensive mirror lenses were a constant problem. Breakage would occur even a 35 MPH. Also, if a rock chipped a lens with even a small mark, the entire lens needed to be replaced. Could this big cost of operation expense be significantly reduced?

#### Expensive Batteries

We observed the great need to have power on cloudy days and at night. Photovoltaic projects would sometimes charge batteries by installing extra PV panels in order to achieve this objective.

The problem was in the huge expense. We also noticed lithium batteries being used in automobiles. The rarity of lithium and its volatility were noted. Could a complete paradigm shift in approach overcome the above issues? What about a zinc battery or combining biomass or natural gas with solar technologies?

### The Lengthy Battery Recharge Time

Whether one is dealing with electric cars or energy storage, lengthy battery recharge time has severely limited the practical feasibility of wide-spread use. Could this recharge time be significantly reduced along with its high costs?

### Heat Exchangers and Cooling Towers

The installation costs of lengthy pipes connected to heat exchangers and their cooling towers were a significant expense. This expense was not just with Concentrated Solar Power projects but with coal and nuclear projects as well. In addition, a major part of the cost of operation was connected to the cleaning and maintenance of pipes, cooling towers and heat exchangers. Could these costs be dramatically reduced?



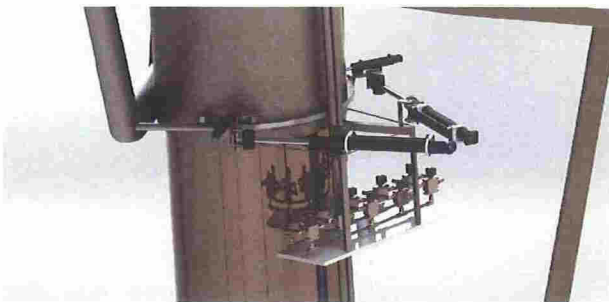
### Costly Inverters:

A major expense of photovoltaic systems and wind energy is the inverters, which are electronic devices or circuitry that changes direct current (DC) to alternating current (AC). To bring the cost down to compete with coal power, costs associated with inverters had to be overcome.

## SOLUTIONS

Identification of existing challenges and problems is the first step towards innovation. Neldon Johnson's creative mind worked non-stop on all these issues. Inspiration came frequently and in abundance. Patent after patent was applied for as the ideas multiplied.

### The Dual-Axis Tracking System



The principle behind the dual-axis tracking system is that the solar lenses can follow the sun in two ways. Basically, up

& down and side-to-side. The payoff is 30% more efficiency in production hours. There were about five different designs that were tested in this research and development phase. Each design improvement increased the probability of success.

### Reducing Water Consumption

Sometimes discoveries happen by accident. Such was the case with our solar lenses and the amount of heat produced without any cleaning. Since we were still in the R&D phase, there was no need to clean the lenses. To our delight, very little loss in heat was experienced, even after months of being installed on a tower. Our competition, like the big CSP plant in Ivanpah, California must clean their 350,000 mirrored lenses every day. We don't. This is a staggering difference in water consumption. We also found that we could easily implement a closed loop system. This means that we can keep reusing our water for steam. Our cost turned out to be negligible, while our competition's cost is significant.

Finally, we found out that we could heat any kind of water and run it through our turbine. Our competition must use clean water. We can smoothly and efficiently use brackish water, contaminated water with arsenic or even salt water to create steam for our turbine. A truly breakthrough discovery was that after these kinds of water were flashed into steam at the jet nozzle, any contaminants, particulates or salt fell to the bottom. We were left with pure distilled water. This meant we could either reuse the water in a closed system or release this pure water into the environment for other uses.

### Reducing Wind Damage

Another delightful unplanned discovery was that as rocks and debris chipped away at our solar lenses, they still kept producing extreme temperatures. There was no need for replacement. Further study showed the rock chip only affected the small area of the chip and not the entire lens like our competition.



Solar Lenses with Wind-Resistant Bracing

The R&D phase for increasing our wind tolerance was frustrating. A number of designs were tried. Improvements came at a slow and steady pace. At the end of 2010, our wind tolerance was better than our competition, but still

needed further R&D and refinement.

### Our Concentrators and Batteries

Mr. Johnson came up with the idea of funneling the sun's rays down to a heat collector using parabolic reflection. This increased focal point temperatures to over 2,500 degrees F. It was aptly called a Concentrator. This inexpensive method of producing these extreme temperatures can make it possible to produce a zinc-air battery and/or zinc fuel cells. Zinc is 100 times more plentiful than lithium. It is well known that possible future applications of a zinc battery include its deployment as an electric vehicle battery and as a utility-scale energy storage system. This idea was so tantalizing to contemplate that Mr. Johnson decided to keep this innovation going for further refinement.

### Reducing the Cost of Heat Exchangers and Cooling Towers



The following is absolutely true. Mr. Johnson was at a supermarket looking at copper mesh for cleaning. All of a sudden it hit him. Could copper mesh be used as a three-dimensional avenue for conducting heat through a heat exchanger? He was so excited that he raced home and made a makeshift heat exchanger

with copper mesh out of things around the house. He was breathless as it appeared this would actually work.

R&D on this remarkable development immediately took place. Several patents were applied for with this technology. The results were ever so startling. The ramifications of the increased three-dimensional surface area were gigantic. Johnson's new heat exchanger eliminated the need for cooling towers. If that wasn't enough, it also reduced the size, weight and cost of conventional heat exchangers by a thousand times. This had breakthrough written all over it. Stunning even.

### Eliminating Inverters with CSP

Concentrated Solar Power, such as the solar technology we use, does not use inverters. However, other renewable energy technologies such as photovoltaic solar panels and wind require inverters. There was this feeling that current inverter technology that had been around for years could be replaced by something better. Several years later this feeling would evolve into another truly breakthrough technology.

## MARKETING AND SALES

There was a small pilot program launched in 2006 that sold solar lenses to a few individuals. It was a precursor to the RaPower3 program that began in 2010. Testing the market

in those early years proved to be a successful marketing approach. Neldon Johnson created the program with some extremely bright attorneys. Neldon wanted to combine his low-cost technology and expected low-cost of operation with his modular capabilities so that everyday people could take advantage of all the generous tax benefits. This meant just not receiving solar tax credits, but also getting the depreciation benefit. He combined the tax benefits with a generous bonus and rental income.

The number three in RaPower3 would stand for the three different ways income could be generated. An optional network marketing component was also added as RaPower3 was launched in 2010. Commissions were generous and RaPower3 grew by leaps and bounds.

## CONCLUSION

The research and development of these products and technologies from A to Z has been no small task. In fact, it has been nothing short of monumental. There have been inventions within inventions. The development of these devices, components and processes had never been done before. The results were revolutionary! Now it was time for the refinement of the R&D work which would also include manufacturing, marketability and putting all these remarkable components into one workable package.

## 3. REFINEMENT

Refinement: 2011-2012

## MAKING IT A REALITY

The successful research and development period gave us confidence that we could take over the renewable energy business in a big way. Some of the breakthrough technologies needed refinement to make this bold assertion a reality. All research and development with its refinement centered around three driving forces.

First, manufacturing and installation costs had to be significantly lower than any energy provider including coal plants. Second, the cost of operation had to be significantly lower than any other energy provider. Third, we had to be able to mass produce every component; enough to produce over a thousand megawatts of energy per year.

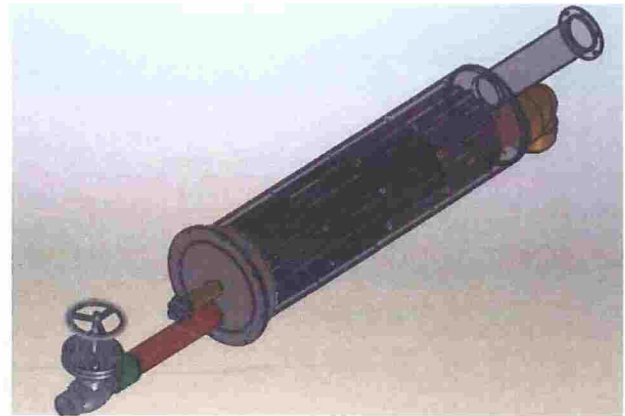


## COMPLETED TECHNOLOGIES

Both the solar lenses and turbine were completed. Also, the batteries were just a matter of producing intense heat and we could do that.

### The Heat Exchanger and the Molten Salt Container

Continued to be refined along with manufacturing and installation development.

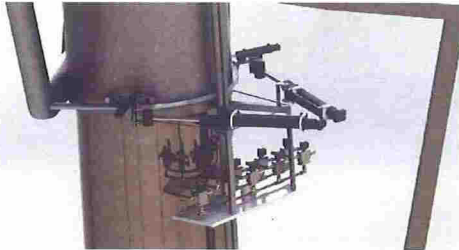


Rendering of the Heat Exchanger

## TECHNOLOGIES NEEDING REFINEMENT

### The Dual-Axis Tracking System

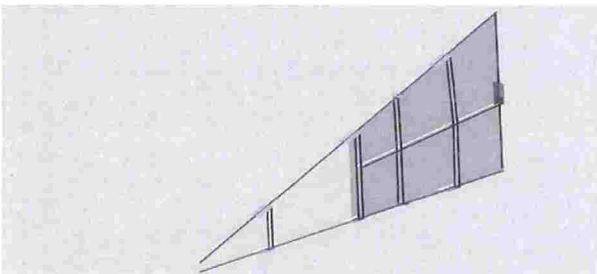
Several methods were tested. Some tests led to a better idea. Some methods failed while some were successful. The challenge was to get the parasitic load significantly under the energy cost that tracked the sun. The four solar discs with the steel pipes and trusses weigh hundreds of pounds. This factor coupled with wind loads exacerbated the challenge. Slowly headway was achieved. Our dual-axis hydraulic system operation became smoother running. As the year 2012 ran down, we were convinced that with even more refinement we could eventually create a tracking system with a remarkably low parasitic load.



Hydraulic dual-axis solar tracking system mounted to tower to add 30% more operating sun-hours.

### The Solar Frames for Wind Resistance

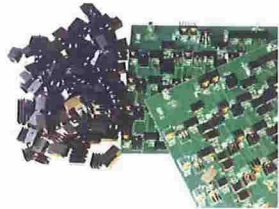
Balancing the need for mass production of the framing process and increasing the wind resistance of the solar lenses became the biggest refinement challenge. We tried screwing the frames and braces to the frames and sometimes the lenses would crack. We were told by a glue manufacturer that their glue would work perfectly under our conditional parameters. It didn't. We tried a variety of methods. By the end of 2012, our research was full of workable data, but we weren't fully satisfied. More refinement seemed to be necessary.



Harmonic bracing added to the solar lenses to reduce vibrations and wind-resistance.

### The Circuit

This potentially disruptive technology showed so much promise that it was given a high R&D priority. At the completion of the prototype and white papers in 2014 it would be named the Dynamic Voltage Controller.



### The Manufacturing Process

Manufacturing companies attempted to make various needed components. After delays and lack of real success, it was decided to get completely into the manufacturing business. This gave us two distinct advantages. First, we would have complete control over every component. Second, needed refinement could more easily be accomplished.

A large building in the Delta area was purchased in early 2012. Extra land was also purchased in order to meet future expansion manufacturing needs.



### The 2012 Installation/Construction Process

It was also decided to form our own construction company for control and R&D purposes at the project site. Compo-

nents were delivered from the manufacturing plant: some completed components were stacked in the field ready for construction, while other components needed to be tested over and over many times.

### Marketing & Sales

The program provided by RaPower3 proved to quite effective in the years of 2011 & 2012. Hundreds of people across the nation purchased solar lenses. Many came to see the



One of the many tours of the solar site and manufacturing plant in 2012.

manufacturing and construction sites. Word spread through the RaPower3 network marketing component.

People were attracted by the generous bonus program contracted through International Automated

Systems and the long-term rental program offered by LTB, LLC, an Operations and Maintenance Company. In addition, the tax benefits offered to solar companies producing heat were also attractive.

The RaPower3 sales gave Neldon Johnson and his staff much needed revenue to achieve our three-fold objective: (1) To have the lowest manufacturing and installation cost of any energy company; (2) To have the lowest cost of operation of any energy company; (3) To have mass production capability.

## 4. PREPARATION

Preparation & Production: 2013

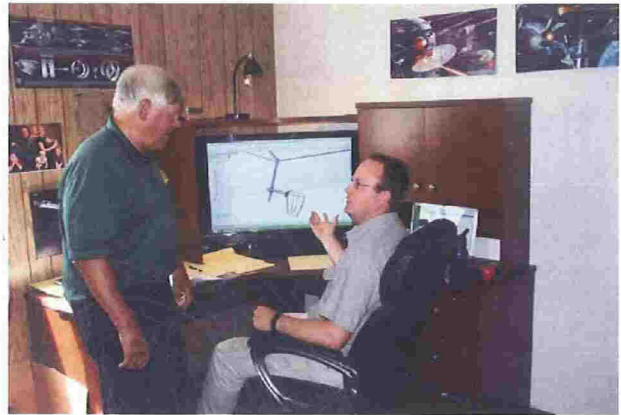
### GETTING IT DONE

The year of 2013 mostly centered on the manufacturing plant with testing of the various components at the project site. A full-time engineer was hired to hasten the work. His office is conveniently located at the manufacturing plant.

The three-fold objective of having the lowest manufacturing and installation costs combined with the lowest cost of operation while creating mass production was always uppermost in everyone's mind.

Our engineer wore several hats. He was in charge of lining

up vendors to supply all parts and components. Prices were negotiated while attaining volume discounts. At least three suppliers were found for each part and component. All parts and components were diligently put into our computer system complete with computer drawings and 3-D cad renderings. An extensive flow chart was also created.



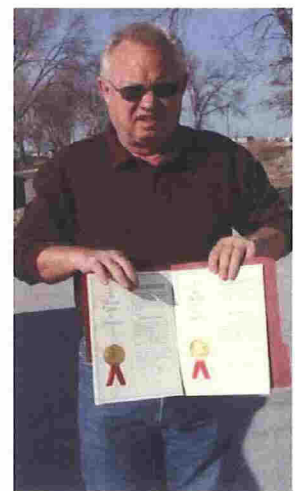
Greg Shepard (L) talking with head engineer Jeremy.

Jeremy, our engineer, calls his job with us his "dream job." Neldon Johnson would come to Jeremy with an idea and then Jeremy was able to put the idea into motion. First, on the computer and then Jeremy would actually build the component. Jeremy thrived on this kind of arrangement. He also supervised the work both at the manufacturing plant and project site.

### HIGHLIGHTS

There were a number of highlights that made 2013 a special year. Here are some of the more important achievements:

- More patents and patents pending were filed.
- The elevated turbine/heat exchanger system on the tower was moved to two ground-level containers: One for solar and the other for biomass.
- An insulation supplier from California was found that lowered our insulation costs by over 80 percent.
- The wind resistant solar frames were improved to withstand 100 mile per hour winds.



New patents issued.

- The dual-axis tracking system improved substantially through extensive testing at the manufacturing plant.
- Our two CNC lathes were programmed successfully and certified ready by an outside engineering expert.
- The 89,000 pound mold-making machine was moved into its proper place at the manufacturing plant
- Fully-insulated pipes were installed at the project site connecting all eleven towers.
- Great progress was made on the circuit board, which would later be called a Dynamic Voltage Controller on the patents and marketing in 2014.
- Many more RaPower3 team members added.
- The addition of the "Grid Home" and surrounding property connecting to the project site.
- Transformers purchased connecting the project site and the grid home through about 400 yards of electric cable.
- Many millions of dollars in inventory acquired and completed.
- Additional employees hired

## 5. IMPLEMENTATION

Implementation: From January 1, 2014 through June 21, 2014

### COMING TOGETHER

Everything began to come together during the first half of 2014. We called it the period of implementation. All cylinders of our three-fold objective began accelerating in 2014.

The manufacturing plant kept adding and improving in ways to increase production while decreasing costs. Millard County granted a conditional use permit for the manufacturing plant. Automation procedures and even more equipment were put into place. Every manufacturing station was thoroughly analyzed to meet production levels of at least two megawatts per shift per day. Plans for robotic machines are also in the works to further increase future production levels as work will commence 24-hours per day.

Installation of components continued. The dual-axis tracking system was installed on two towers. The initial tests passed with flying colors. Crane operators were certified. Huge portable construction tents were erected with the purpose of protecting the workers from searing heat in the summer, frigid cold in the winter and frequent high velocity winds. Procedures were calculated to also meet demands of at least two megawatts per day per shift.



Installing the dual-axis tracking system.

Elaborate testing was completed by Jeremy, our engineer, and Neldon Johnson. The turbine, heat exchanger and molten salt container worked perfectly. This helped confirm our cost of operation calculations of a half a cent per kilowatt hour. Coal plants normally have a cost of operation nine times more than our half-a-cent mark. This more than met our goal to be disruptive in the energy business.

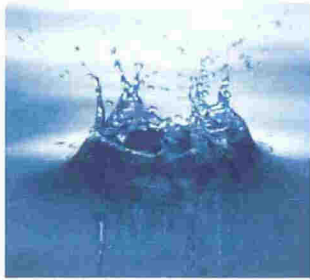
Extensive plans were formulated to mass produce all of our components coupled with the construction of projects worldwide that were, frankly, on an unprecedented scale. The basic game plan to shatter the competition was to combine the dual-axis solar tracking system with our biomass system. Both systems would use the same turbine.

The solar energy system would give us 30% more annual production hours than non-tracking systems and 15% more annual production hours than single-tracking systems. In addition, the biomass system would give 8,600 annual production hours. The combination of these two systems gives us operation capabilities of running 24-hours a day with over five times the annual production hours over other solar companies.

Furthermore, our installation costs are far less as is our cost of operation and we can complete installation of any size project far quicker than our competition. Also, we are modular, meaning we can produce revenue as we are in the construction process.

Finally, our turbine can use any kind of water including salt water. This means we can produce prodigious amounts of pure distilled water from salt water, brackish water or most

kinds of contaminated water as we are producing massive amounts of clean affordable renewable energy.



In conclusion, International Automated Systems (IAS), the owners of a number of our technologies, began issuing press releases and

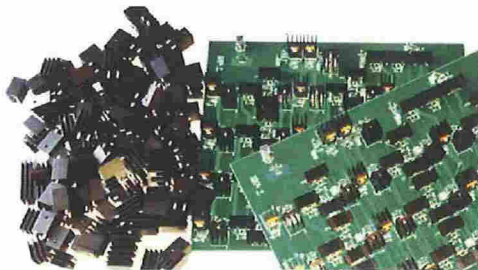
completely revamped their iaus.com website. The implications of the technologies presented for the first time were jaw dropping. The future of RaPower3 and IAS will be fantastic as they seem destined to emerge as the world energy leader with their disruptive technologies.

### IAS TECHNOLOGIES

#### PRESS RELEASE IN JUNE OF 2014

**Dynamic Voltage Controller-** What if electric cars, cell phones, laptops, and power tools could recharge within seconds, or renewable energy suddenly became less expensive than coal? IAUS believes that with its new voltage controller, these possibilities will quickly become a reality.

The patented, Dynamic Voltage Controller (DVC) is the first technology capable of handling and converting a full range of variable input voltage on the fly to a constant DC or AC voltage and frequency output. It can also convert a constant input voltage to a variable output. This new device operates without transformers or coils, making it much lighter and significantly more compact than today's transformers and inverters. For many uses, it can be reduced to the size of a silicon chip.



Dynamic Voltage Controller

## PHOTOS

### Photography History

2004



**Proof of Concept:** To prove the jet-propulsion turbine could be driven by steam created from Fresnel lenses to produce electricity a prototype was built and installed in Mesquite, Nevada. This prototype continuously powered 24 truck lights. The following two years were spent on developing a new type of Fresnel lens that could be easily and inexpensively mass produced.

2005



**Turbine Field Testing:** Hundreds saw the jet-propulsion turbine working with natural-gas at the old Salem, Utah building. The turbine was also tested on geothermal and solar. Independent Engineering White Papers from industry experts were completed. These engineers rated the turbine at 43.5% efficient and good for an unprecedented 1,000,000 hours of continuous use.

2006



**First Solar Tower Concept:** R&D on IAUS Acrylic Fresnel Lenses. This was our first solar tower concept design.



**First Solar Tower Concept:** Independent Engineering White Papers done by NASA engineers show the lenses at 90% efficient in the field.



**First Solar Tower Concept:** Construction on the original single-disc tower design.



**Solar Disc Design:** Top view of the original solar disc design.



**Solar Disc Design:** Bottom view of the original solar disc design.



**Solar Lens Field Testing:** Original R&D solar field.



**Biomass Testing:** This R&D Biomass Burner was built to work in tandem with our solar towers for 24-hour operation with power generation and water distillation.



**Biomass Testing:** The Burner includes a cyclone in the upper chamber that burns off all toxins. The only emission is CO2. It doesn't need a boiler and works with our pipe-less heat exchanger.



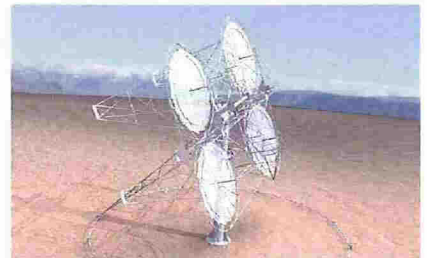
2007



**Second Tower Design:** A two-disc solar tower concept was constructed with idea of lowering construction costs over the single-disc concept.

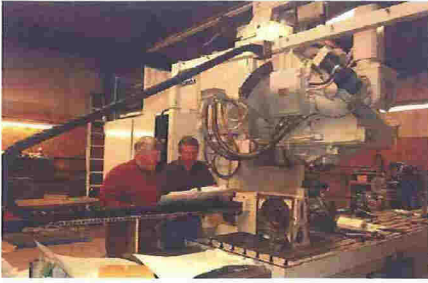


**Second Tower Design:** The two-disc tower concept required a gantry crane. Today, the disc-assembly and hydraulic tracking systems are installed at ground level and raised as a complete unit saving time and money.

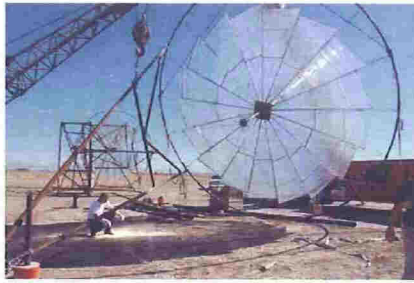


**Four-Disc Concept:** After successfully proving the tower concept many configuration designs were considered. The four-disc designed was adopted because it gave the greatest cost and assembly advantage.

2008—2010



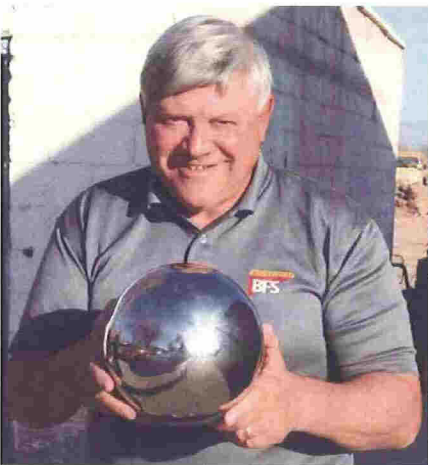
**Solar Lens Manufacturing:** Our mold-making machine was delivered in 2008. This machine takes 3 months to etch the thousands of intricate grooves into our lens molds.



**Field Testing:** On a visit to our site in 2008, Murray City Mayor, Dan Snarr, tests the heat coming off this unfocused lens. Even unfocused the lenses produce a substantial amount heat.



**R&D Fabrication:** Inventor Neldon Johnson at the first small fabrication shop in Delta, Utah.



**R&D Fabrication:** Greg Shepard holding the first solar heat collector nicknamed the "Magic Ball". Each solar disc focuses heat to a 2" focal point on this rotating ball. Heat-transfer fluid collects the heat and carries it to a central heat-storage system.



**R&D Fabrication:** Here are workers assembling the first solar-lens frame. Currently, we are on our 5th solar-frame design. The current design can withstand winds up to 100 mph.



**R&D Fabrication:** Here is a picture of our first solar heat concentrator. The parabolic design in this heat concentrator allows us to reach temperatures nearing 3,000 degrees F.



**R&D Fabrication:** Original cores for the solar lens disc assembly ready to be delivered to the R&D site.



**Field Testing:** Neldon at the computer at the project site in Delta, Utah.



**R&D Fabrication:** Worker at the first small fabrication shop in Delta, Utah.

### 2011—2012



**Field Testing:** The original design had multiple solar towers in series connected driving a single turbine on the ground. In an effort to drive down construction costs a turbine was mounted directly to a single tower for use by only that tower.



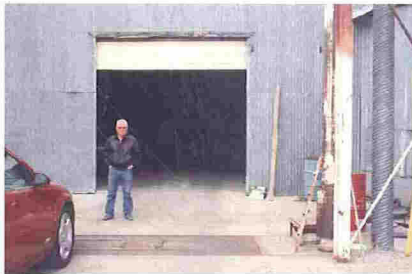
**Field Testing:** The tower-mounted concept worked but did not end up saving any time or money on construction so we went back to the original in-series model.



**Field Testing:** By adding the parabolic heat concentrator, we were able to achieve focal point temperatures nearing 3,000 degrees F.



**Early Manufacturing:** In early 2012 an old warehouse was purchase in Delta, Utah near the solar site.



**Early Manufacturing:** The warehouse's electrical system was upgraded to accommodate all of the machinery that would be added to convert it into a manufacturing plant. Shown is Neldon Johnson at one of the truck doors.



**Early Manufacturing:** The outside 3-walled building would later be converted into a pipe-cutting and pipe-bending operation.



**Early Manufacturing:** Light fabrication completed on one of several R&D phases on solar lens framing.

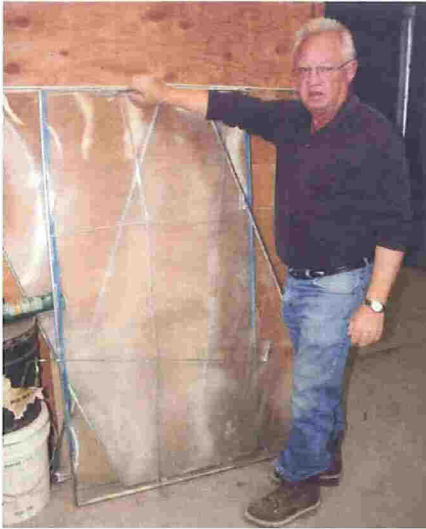


**Early Manufacturing:** The walls had to be outfitted with welding stations along with electrical and compressed air outlets.



**Early Manufacturing:** A worker cutting metal in the new manufacturing plant.

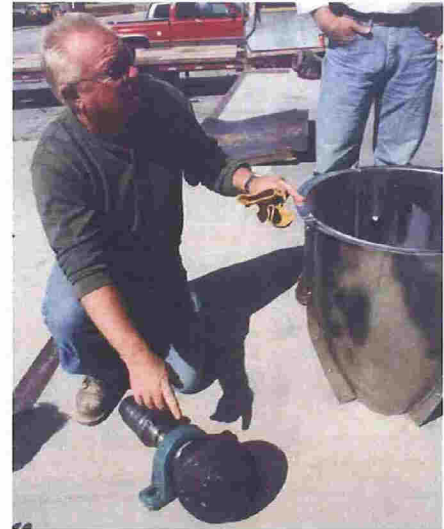
2011-2012



**Early Manufacturing:** Neldon with one of the earlier versions of a framed solar lens.



**Early Manufacturing:** Neldon demonstrating how the heat concentrator focuses the sun's heat.



**Early Manufacturing:** Neldon Johnson with the parabolic heat concentrator and heat collector.



**Early Manufacturing:** Neldon with a workman on designing a framing procedure.



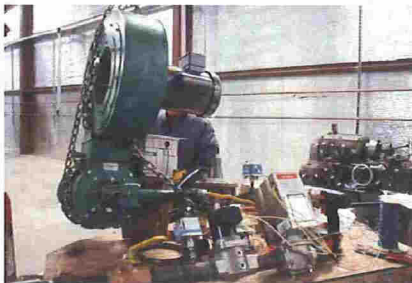
**Early Manufacturing:** Many pieces of automated heavy machinery was purchased and delivered to the manufacturing plant. Shown is a CNC Lathe for manufacturing heat exchangers.



**Early Manufacturing:** Neldon Johnson with the newly acquired CNC Lathe for manufacturing the jet-propulsion turbine.



**Early Manufacturing:** This is the November 2012 model of framed lenses during the R&D phase.



**Early Manufacturing:** The turbines are designed to run off of solar heat and any other heat source. Shown is a biomass burner.



**Early Manufacturing:** Pallets of solar lenses shipped by Lucite International to the Delta manufacturing plant.



2011-2012



Construction Equipment was purchased.



**Tours:** Neldon Johnson showing a 2011 tour group the R&D development stage of the solar towers.



**Field Testing:** Neldon Johnson demonstrating the intense heat at the heat concentrator.



**Field Construction:** Manufactured components being delivered and stacked.



*Constructing an IAUS Solar Field*

2013



**Installation:** This the "grid home". It came with some the property that was purchased for our solar projects.



**Installation:** This shows the electrical cable that runs from the solar site to the grid home.



**Manufacturing:** This automated machine is specialized to bend pipes to make large rings that house our solar lenses.



**Installation:** The drill head used for making holes in the ground for the towers to be set.



**Installation:** Pointing out the 400-yard cable running out to the towers.



**Manufacturing:** Greg Shepard with Jeremy, our engineer. Jeremy is working on commercializing all of the components so that they can be mass produced.



**Installation:** Close up of the newly installed gear-driven heat collectors or "magic ball".



**Installation:** Starting to add the heat concentrators.



**Installation:** Tower with the new heat collectors, heat concentrators and new insulated white pipes.



**Manufacturing:** Neldon Johnson testing the new dual-axis swivel.



**Manufacturing:** A truckload of insulation material was delivered.



**Installation:** More steel delivered to the solar site.



**Installation:** New ground-level system with turbine, heat exchanger, molten salt container and transformer.

2013



**Manufacturing:** Insulated heat concentrator.



**Installation:** Mounted insulated heat concentrator with protected heat collector.



**Manufacturing:** Outside engineer certifying one of our CNC lathes .



**Prototyping:** Early prototype of the hydraulic dual-axis tracking system.



**Installation:** Delivering insulated pipes from the manufacturing plant.



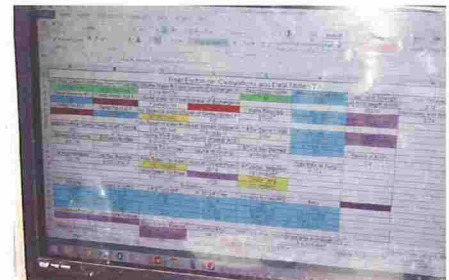
**Installation:** The biomass container is on the left and the solar energy container on the right.



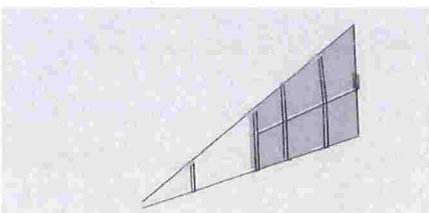
**Prototyping:** Prototype of our break-through heat exchanger.



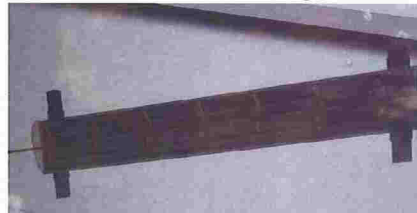
**Manufacturing:** Installed pipe-bender with insulated housing.



**Manufacturing:** Detailed engineering data of the heat-exchanger.



**Manufacturing:** 3D CAD design for our harmonics bracing for solar lenses.



**Manufacturing:** 3D CAD design for pipe-less heat exchanger.



**Manufacturing:** Mass producing the heat concentrators.

2014



**Manufacturing:** New robust pipe cutter delivered and installed can cut through 5 pipes at a time.



**Manufacturing:** Truckloads of pipe were bought at auction and shipped to the manufacturing plant.



**Manufacturing:** The dual axis R&D station at the manufacturing plant.



**Manufacturing:** Many tours were conducted by Greg Shepard in 2014. Here Greg Shepard is explaining the insulation material imported from Turkey.



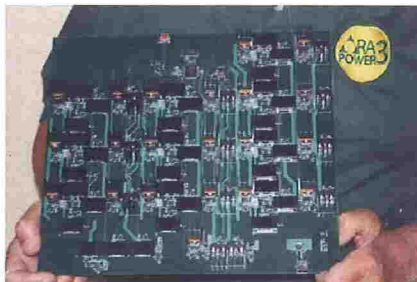
**Manufacturing:** Jeremy installing the new and final ram for the dual-axis solar tracking system.



**Manufacturing:** The automated system for feeding pipe to the cutting machine.



**Manufacturing:** The automated system for feeding cut pipe to the pipe bender. They red rams underneath lift the pipes up to the feed system.



**Supporting Technology:** Our dynamic voltage controller was designed to eliminate the need for expensive coils and inverters. A chipset and circuits can receive a fluctuating voltage and output one, or multiple, designated set voltages.



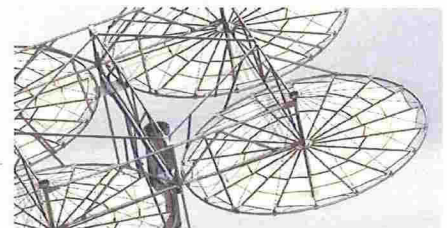
**Prototyping:** Prototyping began on concentrated photovoltaic (CSP) designs using our solar lenses in conjunction with our dynamic voltage controller and gallium photovoltaic chips.



**Manufacturing:** Completed 3D CAD design for our heat collection assembly.

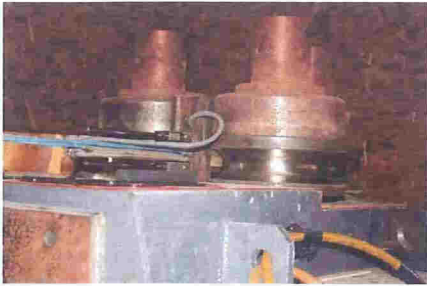


**Manufacturing:** Completed 3D CAD design for our hydraulic dual-axis solar tracking system.



**Manufacturing:** Completed 3D CAD designs for our solar towers.

2014



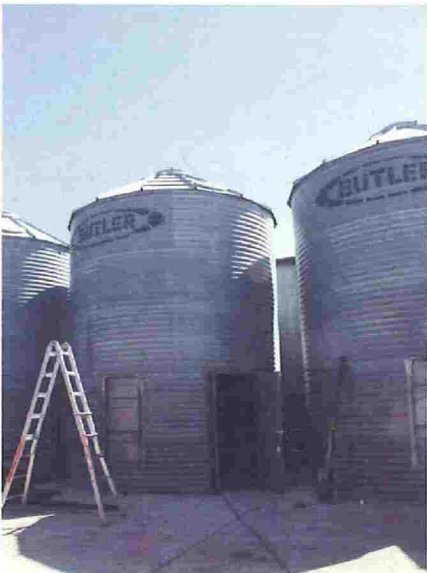
**Manufacturing:** Our pipe bender has been programmed and an automatic feeding system has been added to increase productivity.



**Manufacturing:** Bent pipe hoisted by a crane to be put into a container for delivery.



**Manufacturing:** Jet-Propulsion Turbines are now in inventory. Shown are the outer casings of the turbine.



**Manufacturing:** Three silos at the manufacturing plant are now connected to become clean rooms that will produce the world's first commercially-viable concentrated photovoltaic (CPV) technology.



**Manufacturing:** The pipe cutter has been programmed and an automatic feeding system has been added to increase productivity.



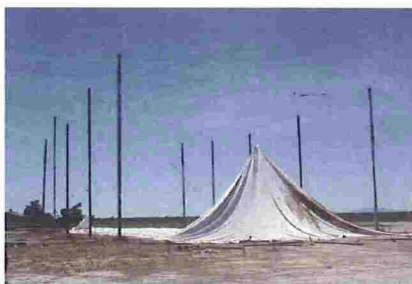
**Manufacturing:** Shown are inner casings of our Jet-Propulsion Turbines. There are now 25 turbines in inventory.



**Installation:** Our R&D towers being converted to commercial spec units.



**Installation:** These two canvas buildings will add 20,000 square feet of construction space at the Delta, Utah project site. Twenty-five construction workers will be employed to install twenty towers a day or close to two megawatts a day. To install that many towers/megawatts per day with only 25 workers is unprecedented in the history of energy construction. Target date to begin is before summer's end in 2014.



DYNAMIC VOLTAGE  
CONTROLLER

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Other applications include:

- Instant Charge Batteries
- Wind Turbines
- Ocean Wave Energy Generation
- Electric Car Energy Capture
- Electric Motors and Generators
- Lithium Batteries

# Appendix 1



## **Derk G. Rasmussen**



Mr. Rasmussen has been involved in consulting services since 1983. He has spent a considerable portion of his consulting career in the areas of business valuation, investigative accounting, damage analysis, projection and feasibility analysis and bankruptcy/liquidation consulting.

Mr. Rasmussen has performed over two hundred business valuations on firms doing business in a wide variety of industries. He has also been involved with several large business projection/feasibility studies. These studies usually involve assessing the value and viability of new business ventures. Among the most noteworthy of these studies would be an engagement for Salt Lake County analyzing the viability of a new arena for the Utah Jazz. Additional studies would include analysis of new ski resort, golf course, transportation system, and resort hotel. Mr. Rasmussen has also been involved with the Utah Venture Capital conference and has assisted a wide variety of high-tech start-up companies with business plan presentations to venture capitalists. The presentations included projections of future revenue streams to allow venture capitalists to assess the potential return on investment, that could result by investing in the presenting company.

Mr. Rasmussen has also been involved in several international engagements. He has testified in a Portuguese criminal trial where there were allegations of stock fraud relating to two telecommunication companies. Mr. Rasmussen provided expert testimony to the Portuguese court on business valuation and forensic accounting issues. He also performed business valuation services on two companies that the Portuguese prosecutors claimed had little or no value.

Mr. Rasmussen has testified on many occasions on diverse matters including testimony before State Court, Federal Court, Bankruptcy Court and State, County and City Regulatory commissions and committees.

The following is a summary of Mr. Rasmussen's business valuation, projection/feasibility study, investigative accounting, damage analysis, and bankruptcy/liquidation experience.

UTAH OFFICE  
136 E South Temple, Suite 1000  
Salt Lake City, Utah 84111

Telephone 801.531.0400  
Facsimile 801.328.0400

NEVADA OFFICE  
3753 Howard Hughes Pkwy, Suite 200  
Las Vegas, Nevada 89169

Telephone 702.433.2092  
Facsimile 702.433.2792

IDAHO OFFICE  
801 West Main Street, Suite 100  
Boise, Idaho 83702

Telephone 208.639.5226  
Facsimile 208.639.5227

Derk G. Rasmussen  
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## **Business Valuations**

- Calculated the value of closely held companies in a wide variety of industries for buy-sell purposes, ESOP plans, divorce settlements, stockholder disputes, bankruptcy adversarial proceedings, governmental regulatory agencies, gift and estate tax plans, and other litigation situations.
- Performed business valuations in fraud cases to help establish intent to defraud or in defending allegations of intent to defraud.
- Informed as to the rules and processes that guide an appraisal, and has extensive experience in performing appraisals in both cooperative and contentious appraisal environments.
- Business valuations expertise and experience extends to a wide variety of industries; resort facilities, hospitality, professional services, food service, manufacturing, banking, technology, communications, to name a few.
- Performed an appraisal of major resort facilities in Utah and Idaho
- Performed an appraisal of hotels and golf courses in Utah and Kentucky.
- Performed various valuations of companies holding contracts with the U.S. Forest Service to run river tours on the Colorado River.
- Performed an appraisal of a heavy-duty truck brake company in a California Anti-Trust case that involved both lost profits and destruction of business.
- Performed a valuation of a satellite communications provider involved in a shareholder dispute. As a U.S. government subcontractor, the company provides satellite communication services for the U.S. government at locations around the globe.
- Performed over 30 different valuations on alternative energy projects of an independent energy company.
- Performed five separate appraisals for three different companies involved in the paper mill industry in a Washington legal malpractice case.
- Valued a vertically integrated California conglomerate of family-owned businesses for gift and estate tax purposes. The conglomerate's chicken and turkey farm operations consist of more than 50 entities, including ranches, hatcheries, and processing plants.
- Performed a valuation for a company involved in a shareholder dispute that provides credit unions with computer systems, products, and services. Although the company's primary focus is providing data processing systems to credit unions, its track record reflected the company's evolution from its mini-computer roots in 1975 through a number of subsequent software and focus-driven adaptations.
- Performed an appraisal of a company that provides secure financial transaction processing and billing services via the Internet, including credit card transactions, electronic checks, invoicing, monthly billing statements, recurring billing automation, private label credit cards, and micro payment transactions. This valuation was conducted in litigation over a dissenting shareholder action.
- Performed valuations on a vertically integrated grouping of three New York family-owned businesses that were involved in catching and brokering seafood, both domestically, in the United States, as well as internationally in countries such as the UK, Russia and China. Performed this valuation as a U.S. government subcontractor for the National Pollution Fund Center.
- Determined reasonable royalties in a case involving patent infringement. Retained by the alleged infringer in a claim whereby the holder claimed royalties on the use of a patented brine shrimp harvesting attachment. Demonstrated through economic analysis that the royalties claimed by the holder were not reasonable.



Derk G. Rasmussen  
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### **Projections and Feasibility Studies**

- Managed the preparation of detailed cash flow projections for a new downtown sports and entertainment arena and an expanded convention facility.
- Managed the preparation of detailed financial statements and cash flow projections for a new golf course, funicular transportation system, ski resort and hotel.
- Performed market demand analysis for the potential expansion of a hotel chain.
- Performed projections of future cash flows for proposed office developments.

### **Forensic/Investigative Accounting**

- Supervised and performed reconstruction of accounting records as a result of theft, floods, fire and other natural disasters.
- Supervised and performed investigative accounting work for criminal fraud trials and claims.
- Supervised and performed investigative accounting services on the assets of marital estates in divorce cases.
- Supervised and performed investigative accounting services on officers and directors litigation and partnership disputes.
- Supervised and performed investigative accounting services on large damage cases such as Anti-trust, Breach of Contract, Product Liability and Intellectual Property.

### **Bankruptcy/Liquidations**

- Involved extensively in administrating and accounting for Chapter 7 and 11 cases.
- Assisted legal counsel in many adversarial proceedings in bankruptcy court including substantive consolidation motions, fraudulent conveyance and preference actions.
- Performed projections for Chapter 11 companies' plans of reorganization.
- Performed numerous Insolvency/Solvency analyses.

### **Financial Institutions**

Mr. Rasmussen has provided consulting services regarding litigation and related settlements for financial institutions, including:

- Professional liability with the legal, accounting and appraiser professions.
- Breach of fiduciary duty for officers and directors.
- Bond Claims - Key employees.
- Valuations of financial Institutions.
- Contract disputes.
- Lender Liability claims.
- Bank fraud.
- Asset searches.
- Projections and feasibility analysis on debtor plans of reorganization.

Derk G. Rasmussen  
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### **Economic Loss Calculation**

- Calculated the lost profit calculations due to business interruptions for retail, wholesale, manufacturing and service companies. Prepared reports for insurance companies and expert testimony detailing lost business profit calculations. Assisted plaintiff and defendant attorneys with analysis of numerous lost profit claims.

### **Personal Injury, Wrongful Death and Wrongful Termination**

- Analyzed the economic loss resulting from personal injury, wrongful death and wrongful termination cases. Prepared reports for settlement purposes and supplied expert witness testimony.

### **General Litigation Services**

- Analyzed and performed damage calculations on Anti-Trust cases.
- Computed damages relating to contract disputes.
- Computed damages on intellectual property cases.
- Analyzed and Computed damages on product liability cases.
- Computed damages involving losses associated with construction contracts.
- Computed damages on a wide variety of cases involving lost business profits and destruction/diminution of business value.

### **Industry Experience**

- |                                     |                    |                    |                    |
|-------------------------------------|--------------------|--------------------|--------------------|
| *Agricultural                       | *Automotive        | *Banking           | *Nursing Homes     |
| *Construction                       | *Computer Software | *Computer Hardware | *Cement            |
| *Electronics                        | *Glass             | *Dairy             | *Energy            |
| *Pharmaceuticals/<br>Nutraceuticals | *Insurance         | *Government        | *Hotel             |
| *Manufacturing                      | *Mining            | *Lumber            | *Oil & Gas         |
| *Printing                           | *Real Estate       | *Metals            | *Retail            |
| *Restaurants                        | *Sales             | *Refineries        | *Transportation    |
| *Utilities                          | *Wholesale         | *Services          | *Sports Franchises |
| *Sports Arena                       | *Communications    | *Meat Packing      | *Ski Resorts       |
| *Software                           | *Aquaculture       | *Medical Products  | *Health Care       |

### **Educational Qualifications**

Mr. Rasmussen earned a Bachelor of Science degree in Accounting and a Bachelor of Science degree in Finance from the University of Utah and a Master of Business Administration degree from Utah State University.

Derk G. Rasmussen  
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### **Professional Affiliations/Activities**

- Certified Public Accountant, licensed in Idaho and Utah (CPA)
- Member of the American Institute of Certified Public Accountants
- Member of the Utah Association of Certified Public Accountants
- Member of the Association of Certified Fraud Examiners (CFE)
- Accredited Senior Appraiser of the American Society of Appraisers (ASA)
- Accredited in Business Valuation (ABV) from the American Institute of Certified Public Accountants
- Certified in Financial Forensics (CFF) by the American Institute of Certified Public Accountants

### **Publications and Courses Taught**

- Author of a continuing legal education course on Understanding Business Valuations
- Author of a continuing legal education course on Damage Claims Analysis
- Author of a continuing legal education course on Discovering Hidden Assets
- Author of a continuing legal education course on Forensic Accountant Expert Witness Qualifications and Selection
- Author of a continuing legal education course on Business Valuation as a component of Economic Loss
- Author of The Science and Art of Business Valuation, THE JOURNAL ENTRY (November 2001)
- Author of Enron Demonstrates Weaknesses in the Attestation Process, THE CPA JOURNAL (September 2002)
- Author of Truth or Dare: Assessing the Reliability of Financial Statements in a Post-Enron World, UTAH BAR JOURNAL (October 2002)
- Author of Fair Value in Utah, THE JOURNAL ENTRY (August 2003)
- Author of Expert Witness Qualifications and Selection, THE JOURNAL OF FINANCIAL CRIME (December 2004)
- A Unified Approach to Calculating Economic Damages, TEXAS PARALEGAL JOURNAL (Summer 2005)

**Derk G. Rasmussen**

CPA, ABV, CFE, ASA, CFF

*Summary of Expert Witness Testimony*

<u>Case Name</u>	<u>Law Firm</u>	<u>Client/Attorney</u>	<u>Plnt</u>	<u>Def</u>	<u>Court</u>
Ace Investors, LLC v. Margery Rubin as Trustee , et al.	Parsons Behle & Latimer	Gary E. Doctorman, Esq.	*		United States District Court, District of Utah, Central Division
Adams v. Dell	Durham Jones & Pinegar	J. Mark Gibb	*		United States Distric Court, District of Utah, Central Division
Advanced Comfort Technology, Inc. v. Edizone LC	Berman & Savage, P.C.	E. Scott Savage	*		3rd Judicial District Court, Salt Lake County
Advanced Brain Technologies v. Integrated Listening	Kirton & McConkie	Benson Hathaway, Jr.	*		Arbitration
AGTC v. Headwaters, Inc.	Berman Tomsic & Savage, P.C.	E. Scott Savage	*		Arbitration
Security Alarm Financing v. Alarm Protection Tech.	Stole Rives LLP, Marshall Olson & Hull, P.C.	Kevin Cuddy, Esq.	*		District of Alaska at Anchorage
Allen Hospitality v. Babilis et al.	Kruse Landa & Maycock	Steven Loosle	*		Bankruptcy Court, Central Utah
Andalex Resources v. D.A. Stuart Company	Richards, Brandt, Miller & Nelson	Gary L. Johnson	*		Deposition
Anderson v. Anderson	Greg S. Erickson Attorney at Law	Greg S. Erickson	*		2nd Judicial District Court, Davis County
ASCU v. Wolf Mountain Resorts	Kirton & McConkie	Dale Wahlquist	*		Deposition
Astle v. Astle	Attorney at Law	Robert A. Echard	*		2nd Judicial District Court, Davis County
Athay v. Rich County	Stirba & Associates	Peter Stirba, Esq.	*		Bannock County Court, Idaho
Athletic Performance Institute, LLC, et al. v. Key Bank	Durham Jones & Pinegar	Stephen R. Marshall, Esq.	*		Third Judicial District Court, Salt Lake County
Bangerter v. Bangerter	Law Office of Frederick N. Green	Frederick N. Green	*		3rd Judicial District Court, Salt Lake County
Bank of Iron County v. Tebbs Smith	Giauque Crockett & Bendiger	Roger Sandack	*		3rd Judicial District Court, Salt Lake County
Bliss v. Bliss	Combs Law Office	William L. Combs	*		Uintah District County Court
Bodell v. Bodell	Law Office of Frederick N. Green	Frederick N. Green	*		Deposition
Bowen v. Bowen	Barton Law Office, LLC	Kara L. Barton	*		3rd Judicial District Court, Salt Lake County
Bowlen Business Systems v. Continental Ins.	Burg & Eldredge	Peter Burg	*		Arbitration
Bradley Goldstein v. Armstrong & Sigel et al.	Luce, Forward, Hamilton & Scripps LLP	Peter Berlin	*		Los Angeles County Court
Brigham Young University vs. Colgate-Palmolive Co.	Parr, Brown, Gee & Loveless	Rob Clarke	*		Deposition
Brown v. Brown	Campbell Maack & Seesions	Clark Sessions	*		3rd Judicial District Court, Salt Lake County
Buchanan v. Buchanan	Green & Berry	Frederick N. Green	*		3rd Judicial District Court, Salt Lake County
Burdette v. Burdette	Parker McKeon & McConkie	McKeon	*		3rd Judicial District Court, Salt Lake County
Buxton v. Buxton	Hoskins Legal Solutions	Catherine Hoskins	*		2nd District Court, Ogden Utah
Castleton's v. Zions Bank	Ray Quinney & Nebeker	Steven Gunn	*		Bankruptcy Court, Central Utah

**Derk G. Rasmussen**

CPA, ABV, CFE, ASA, CFF

*Summary of Expert Witness Testimony*

<u>Case Name</u>	<u>Law Firm</u>	<u>Client/Attorney</u>	<u>Plnt</u>	<u>Def</u>	<u>Court</u>
Cenral Pallet of Utah, et al. v. Union Pacific Road, et al.	Savage, Yeates & Waldron, P.C.	E. Scott Savage, Esq.	*		Third Judicial District Court, Salt Lake County
CFC v. ICO Management, LLC	KIRTON McCONKIE	Benson L. Hathaway, Jr.	*		Fourth Judicial District Court, Provo District
Chaney v. Chaney	James H. Faust Attorney at Law	James H. Faust	*		3rd Judicial District Court, Salt Lake County
Claassen v. Claassen	Green & Berry	Frederick N. Green	*		Fourth Judicial District Court, Wasatch County
ClearOne Communication, Inc. v. Chiang, et al.	Christensen & Jensen, P.C.	Karra J. Porter	*		Deposition
Cook v. Colonial General Insurance Agency, Inc.	Dunn & Dunn, PC	Tim Dalton Dunn	*		Deposition
Colony Insurance Company v. The Human Ensemble	Christensen & Jensen	Dale Lambert, Esq.	*		Deposition
Commercial Newspaper Service, Inc. v. American Family Insurance	Cummings Law Office	Craig Meadows, Esq.	*		4th Judicial District, State of Idaho, Ada County
Copper State Thrift v. Coopers & Lybrand	Allen Nelson Hardy & Evans	Jeff Jones	*		3rd Judicial District Court, Salt Lake County
Coverstar v. Cooley	Richards, Brandt, Miller & Nelson	Gary L. Johnson	*		Deposition
Curtis G. Taylor v. Grand Valley Bank	Parr, Brown, Gee & Loveless	Bruce Maak	*		Deposition
Daniels v. Daniels	Littlefield & Peterson	Ann L. Wassermann	*		3rd Judicial District Court, Salt Lake County
Darhoff v. Dahle	Law Office of Thomas A. Bernaner	Tom Bernaner	*		Superior Court - State of CA - County of Orange
David M. Lyman v. Lyman Bros. & Mathew J. Lyman	Parr, Waddoups, Brown, Gee & Loveless	Robert S. Clark	*		Binding Arbitration
Decker v. IHC	David K. Isom & Associates	David Isom	*		U.S. District Court
Derive Power LLC, et al., v. EZ Lynk, SEZC, et al.	Schultz & Associates	Russ Schultz	*		Deposition
Derive Power LLC, et al., v. EZ Lynk, SEZC, et al.	Schultz & Associates	Russ Schultz	*		U.S. District Court
Diamond Benefits	Dominguez & Associates, P.C.	Antonio Dominguez	*		Federal Court District of Arizona
DigEcor, Inc. v. e.Digital Corporation	Durham Jones & Pinegar	David W. Tufts, Esq.	*		Federal Court District of Utah
Diversified Striping, Inc. v. Joe Kraus	Crook & Taylor Law PLLC	Jeremiah R. Taylor	*		3rd Judicial District Court, Salt Lake County
Donald E. Wallace v. South Farm, LLC et al.	Holland & Hart LLP	Darren Reid	*		Fourth Judicial District Court, Wasatch County
DV Development v. Bodell	Peterson & Reed	Jack Reed	*		3rd Judicial District Court, Salt Lake County
Easter E. Jenkins v. Workers Compensation Fund of UT	Workers Compensation Fund	Barbara Sharp	*		Workers Compensation Fund Hearing
ELM, Inc.	In-house Legal Counsel	Quinn Kofford	*		4th Judicial District Court, Utah County
Estate of Wallace Woodbury v. Callister Nebeker & Nebeker	Christensen & Jensen	Rebecca L. Hill	*		Deposition
Everett Associates	Newton, Kastner & Rimmel	Chip Cox	*		Federal Court District of California

**Derk G. Rasmussen**

CPA, ABV, CFE, ASA, CFF

*Summary of Expert Witness Testimony*

<u>Case Name</u>	<u>Law Firm</u>	<u>Client/Attorney</u>	<u>Plnt</u>	<u>Def</u>	<u>Court</u>
Fan v. Lozada	Law Offices of Asa Kelley	Asa E. Kelley	*		3rd Judicial District Court, Salt Lake County
Fanelli v. Reams	Fabian & Clendenin	John Ray	*		3rd Judicial District Court, Salt Lake County
Ferderber v. Delao and West Valley City	Day, Shell & Liljenquist, PC	Mark T. Ethington	*		Deposition
First Security Bank N.A. v. Met Johnson	Ray Quinney & Nebeker	Craig Carlile	*		Bankruptcy Court, Central Utah
Five F. L.L.C. v. Heritage Savings Bank	Stirba & Hathaway	Benson L. Hathaway, Jr.	*		5th Judicial District Court, Washington County
Fowers Fruit Ranch, LLC v. Bio Tech Nutrients, LLC	Richards, Brandt, Miller & Nelson	Zachery E. Peterson		*	Federal Court District of Utah
Frank Yu v. Pacific Diamond Plaza, LP	Hale Lane Peek Dennison and Howard	Patrick J. Reilly	*		Deposition
Frias A Cab	Snell & Wilmer LLP	Neal Tomlinson	*		Rate Hearing Nevada Taxi Board
Frias Rate Analysis	Snell & Wilmer LLP	Neal Tomlinson	*		Application before the Nevada Taxi Board
G.L. Dragon, LLC v. Area Wide Electric et al.	Reade & Associates	R. Christopher Reade	*		Deposition
Garth O. Green Enterprises, Inc., et al., v. Randall Harward, et al.	Kirton McConkie	Richard Reese/James Burton, Esq.	*		Deposition
Gary G. Heninger	Day, Shell & Liljenquist, PC	Phillip B. Shell	*		Deposition
Garrick v. Garrick	Green & Berry	Frederick N. Green	*		4th Judicial District Court, Utah County
Gerwe v. Gerwe	Hoskins Legal	Catherine Hoskins	*		2nd Judicial District Court, Davis County
Geysler v. Summit	Ray, Quinney & Nebeker	Mark M. Bettilyon		*	U.S. District Court
Gillmor Livestock Corp. v. Luke & Bonnie Gillmor	Anderson & Karrenberg	John P. Mullen	*		3rd Judicial District Court, Salt Lake County
Gimme Shelter vs. Incline Terrace	Christensen & Jensen	Nate Alder	*		Deposition
Gold Cross Rate Hearings	-	None	*		State Emergency Medical Board
Goodwyn v. Wallop FLP and Canyon Ranch	Darraha, Darraha & Brown, P.C.	Joey Darraha, Esq.		*	4th Judicial District Court, Sheridan, Wyoming
Gravel Company v. SL County	Salt Lake County Attorney	Paul Maughn			3rd Judicial District Court, Salt Lake County
Great American Insurance v. Huber, Erickson & Bowman	Plant Christensen & Kanell	Theodore E. Kanell		*	Deposition
Greenburg v. Greenburg	Norman Dolan & Associates	Norman Dolan	*		Los Angeles County Divorce Court
Hagen v. Schmidt Trucking	Dunn & Dunn, PC	Clifford C. Ross		*	Federal Court District of Utah
Halliday v. Halliday	Littlefield & Peterson	Ann L. Wassermann	*		3rd Judicial District Court, Salt Lake County
Heart and Lung Institute v. Dr. Gary P. Symkoviak	Kirton & McConkie	Benson Hathaway, Jr.		*	Arbitration
Heath v. Heath	Law Office of Frederick N. Green	Frederick N. Green		*	Deposition
Heaton V. Heaton	Kirton McConkie	Benson L. Hathaway, Jr.		*	Deposition
Heber Power and Light		Joseph T. Dunbeck, Jr.		*	

**Derk G. Rasmussen**

CPA, ABV, CFE, ASA, CFF

*Summary of Expert Witness Testimony*

<u>Case Name</u>	<u>Law Firm</u>	<u>Client/Attorney</u>	<u>Plnt</u>	<u>Def</u>	<u>Court</u>
Howcroft v. Mountain Bell	In-house Legal Counsel	Floyd Jensen	*		3rd Judicial District Court, Salt Lake County
Howerton v. Ford Motor	Fabian & Clendenin	John Ray	*		3rd Judicial District Court, Salt Lake County
In the matter of the Discipline of Abraham C. Bates	Kipp and Christian	Michael F. Skolnick Esq.	*		Third Judicial District Court, Salt Lake County
Ivory v. Ivory	Green & Berry	Frederick N. Green	*		3rd Judicial District Court, Salt Lake County
James Hefferon v. Robert S. Sylvester	Attorney At Law	Robert Stansfield	*		3rd Judicial District Court, Salt Lake County
Johnson v. Johnson	Attorney At Law	Frederick N. Green	*		Deposition
Kenneth Klaas et. al. v. Vestin Mortgage Inc., et. al.	Woodbury & Kesler, PC	Reid W. Lambert	*		Deposition
Keiter v. Keiter	Law Office of Frederick N. Green	Frederick N. Green	*		3rd Judicial District Court, Summit County
Kim Coleman v. Marlies Burns, et. al.	Richards, Brandt, Miller & Nelson	Gary L. Johnson	*		Federal Court District of Utah
Knowles v. Knowles	Hoskins Legal Solutions	Catherine J. Hoskins	*		2nd Judicial District Court, Davis County
Knowlton v. Knowlton	Littlefield & Peterson	Ann L. Wassermann	*		3rd Judicial District Court, Salt Lake County
Kutschera, et. al v. USANA	Shugart Thomson & Kilroy, PC		*		Arbitration
Larsen v. Larsen	Kruse, Landa & Maycock	Ellen Maycock	*		3rd Judicial District Court, Salt Lake County
Lisa Emily Bond v. Mark Edwards Bond	Hoskins Legal Solutions	Catherine J. Hoskins			2nd Judicial District Court, Salt Lake County
Lonnie Crockett v. J. Daniel Stevens	*Appointed to Special Master	2nd Judicial District Court			2nd Judicial District Court, Davis County
Louis Ortiz v. Geneva Rock	Attorney at Law	Matt Biljanic	*		3rd Judicial District Court, Salt Lake County
Marical Inc. v. Cooke Aquaculture	Hamilton Brook Smith & Reynolds, P.C.	Marical, Inc.	*		United States Distric Court, District of Maine
Marroquin v. Marroquin	James Woodall, Carr Woodall PLCC	Robert P. Faust	*		3rd Judicial District Court, Salt Lake County
Martin v. Penrod	Suitter Axland & Hanson	Chales P. Sampson	*		3rd Judicial District Court, Salt Lake County
McGillis Investment Co. v. First Interstate Financial UT	Berman & Savage, P.C.	Scott Savage	*		3rd Judicial District Court, Salt Lake County
McGuire v. McGuire	Law Office of Frederick N. Green	Frederick N. Green	*		3rd Judicial District Court, Salt Lake County
McKelvey v. Hamilton	Stirba & Hathaway	Benson L. Hathaway, Jr.	*		2nd Judicial District Court, Salt Lake County
MFE Inc. et al. v. Property Mangement Business Solutions	Cohen Kennedy Dowd & Quigley, P.C.	John Shamblin, Esq.	*		American Arbitration Association, Salt Lake City, Utah
Midvale City v. Haltom	Stirba & Hathaway	Benson L. Hathaway, Jr.	*		3rd Judicial District Court, Salt Lake County
Mintz v. Mintz	Laser Law	Gail E. Laser, Esq.	*		3rd Judicial District Court, Summit County
Mortensen v. Mortensen	Attorney At Law	Herschel Bullen	*		3rd Judicial District Court, Salt Lake County
My Peak Wireless v. Cellco Partnership (Verizon)	Parr Brown and Associates	Jonathan O. Hafen	*		Arbitration

**Derk G. Rasmussen**

CPA, ABV, CFE, ASA, CFF

*Summary of Expert Witness Testimony*

<u>Case Name</u>	<u>Law Firm</u>	<u>Client/Attorney</u>	<u>Plnt</u>	<u>Def</u>	<u>Court</u>
Naimie v. Cytozyme Lab, Inc.	Neilson & Senior	Gary Weston	*		U.S. District Court
Nancy's Product, Inc. v. Fred Meyer	Hoffman Hart & Wagner	Gordon L. Wellborn		*	Superior Court State of Washington, County of Yakima
Nelson v. Nelson	Kirton & McConkie	David M. Wahlquist		*	Deposition
North v. Bridgestone	Snell & Wilmer	Kamie Brown		*	Deposition
Patterson-UTI Drilling Company, LLC, et al. v. Tri-State Trucking, LLC	Christensen & Jensen, PC	Stephen D. Kelson, Esq.		*	United States District Court, District of Utah, Central Division
Patrick Huntoon and Delores Huntoon v. Jeffrey Sweet	ESPLIN-WEIGHT	Eric S Lind		*	Sixth Judicial District Court, State of Utah
Portuguese Government v. Lowry	-	Dr. Matose		*	Portuguese Court
Project Engineering Consultants v. Delcan Corporation & Parsons Corporation	Fetzer Simonsen Booth and Jenkins, P.C.	Clark B. Fetzer & John W. Mann		*	District of Utah, Central Division
Quinn's Junction Partnership v. Summit County	Greg S. Ericksen Law Offices	Greg S. Ericksen		*	Deposition
Ralph Franklin & Sons Logging v. The United States	United States Department of Justice	Marla Conneely		*	Federal Claims Court
Richard White v. Nucor Corporation	Alaniz Schraeder Linker Farris Mayes	John P. Phillips, Esq		*	Deposition
Roger Segal Trustee v. Brian McGavin	Ray, Quinney & Nebeker	Steven Waterman		*	Bankruptcy Court, Central Utah
Romney v. Romney	Green & Berry	Frederick N. Green		*	3rd Judicial District Court, Salt Lake County
Ronald J. Gardner v. USA; Delta Air Lines	Kirton McConkie	James T. Burton		*	Federal Court District of Utah
Russell A. Nelson v. Hills Construction, Inc.	Marshall Olson & Hull	Steve Marshall		*	3rd Judicial District Court, Salt Lake County
S. Maltese v. Fila Sports, Inc.	Smith McCullough, P.C.	Hal Bruno		*	Arbitration
Salt Lake County v. Safeco	Richards Brandt Miller & Nelson	Gary Johnson		*	3rd Judicial District Court, Salt Lake County
Sanders v. San Francisco Bay Brand	Stirba & Hathaway	Peter Stirba		*	U.S. District Court
Sanderson v. Sanderson	Kirton McConkie	Camille Waldron Buhman		*	3rd Judicial District Court, Salt Lake County
Scotts Timber V. USA	Department of Justice	Joan Stentiford Swyers, Esq.		*	Federal Court of Claims, Washington DC
Segal v. Pratt	Burbidge & Mitchell	Stephen Mitchell		*	U.S. District Court
Sheet Metal Works, Inc. v Katharina Fay Amalie Montrone	Stole Rives LLP	D. Matthew Moscon		*	3rd Judicial District Court, West Jordan
Shemin v. UGM	Connor, Blake & Griffin	Craig Griffin		*	Deposition
Simmons v. Simmons	Kruse, Landa & Maycock	Ellen Maycock		*	3rd Judicial District Court, Salt Lake County
Sinclair Oil v. Quick Stop	Richards Bird & Kump	David J. Bird		*	3rd Judicial District Court, Salt Lake County
Smile Inc. Asia Pte. Ltd. v. BriteSmile, Inc. et al.	Durham Jones & Pinegar	David E. Tufts		*	Deposition



**Derk G. Rasmussen**

CPA, ABV, CFE, ASA, CFF

*Summary of Expert Witness Testimony*

<u>Case Name</u>	<u>Law Firm</u>	<u>Client/Attorney</u>	<u>Plnt</u>	<u>Def</u>	<u>Court</u>
Smith v. Grand Canyon	Stirba & Hathaway	Benson L. Hathaway, Jr.	*		7th Judicial District Court, Grand County
Sorensen v. Help-U-Sell	Workman Nydegger & Jensen	Brent Lorimer	*		Arbitration
Spillman Technologies v. Ralph Wadsworth Const.	Durham Jones & Pinegar	Eric Olson	*		3rd Judicial District Court, Salt Lake County
State of Utah v. Georgia Hendrickson	Snow, Christensen & Martineau	Richard A. VanWagoner	*		3rd Judicial District Court, Salt Lake County
Stevens v. Martinsen	Day & Barney	Jay V. Barney	*		3rd Judicial District Court, Salt Lake County
Suma v. Anderson	Snow, Christensen & Martineau	Richard VanWagoner	*		3rd Judicial District Court, Utah County
Swains, Inc. v Ong	Snow, Christensen & Martineau	Richard VanWagoner	*		3rd Judicial District Court, Salt Lake County
Swartz v. Swartz	Crippen & Cline	David C. Blum	*		2nd Judicial District Court, Salt Lake County
T. Dorfman, Inc., et al. v. Melaleuca, Inc., et al.	Wood Jenkins, LLC	Chad F. Clement, Esq.	*		United States District court, District of Utah, Northern Division
The Breckenridge Fund, LLC v. Fonix Corporation	Durham Jones & Pinegar	David Tufts			Federal Court District of Utah
The City of Ione v. Portlock International Ltd.	Parr Waddoups Brown Gee & Loveless	Robert S. Clark			Binding Arbitration
The Personnel Department v. Professional Staff Leasing	Attorney At Law	Stanley Goldschmidt	*		Federal Court District of Colorado
Thomas v. Thomas	Green & Berry	Frederick N. Green	*		3rd Judicial District Court, Salt Lake County
Thomas v. Thomas	Green & Berry	Frederick N. Green	*		4th Judicial District Court, Utah County
Thomas Rowe v. DPI Special Foods, Inc.	Parsons Behle & Latimer	John Zarian	*		Federal Court District of Utah
Thorne v. Manion	Law Offices of Michael Hagemeyer	Michael Hagemeyer	*		Las Vegas Distric Court
Tom Connelly v. Diamond T.	Ray Quinney & Nebeker	Tony Schofield	*		Bankruptcy Court, Central Utah
Topol v. Topol	Avansino Melarkey Knobel & McMullen	John McMulligan	*		Reno District Court
Trask v. Trask	Green & Berry	Frederick N. Green	*		3rd Judicial District Court, Salt Lake County
Triad Energy v. Allied Signal	Snell & Wilmer	Barbara Dawson	*		Bankruptcy Court, Central Utah
Trugreen Companies, L.L.C. v. Scotts Lawn Service	Durham Jones & Pinegar	J. Mark Gibb	*		Federal Court District of Utah
United Medical Services Co. v. United States	United States Department of Justice	Kyle Chadwick	*		Deposition
USA v. K-Sea Transportation Corp., and EW Holding Company	US Department of Justice	Lloyd Randolph	*		Deposition
UPIC, Inc.	Tyre, Kamins, Katz & Granof	Williams Holcomb	*		Binding Arbitration
Utah Telecommunication Open Infrastructure Agency v. USA	Kirton and McConkie	Eric Olson, Esq.	*		United States Court of Federal Claims
Vetas v. Bult	Tesch Law Offices	Gail E. Laser, Esq.	*		3rd Judicial District Court, Salt Lake County

**Derk G. Rasmussen**

CPA, ABV, CFE, ASA, CFF

*Summary of Expert Witness Testimony*

<u>Case Name</u>	<u>Law Firm</u>	<u>Client/Attorney</u>	<u>Plnt</u>	<u>Def</u>	<u>Court</u>
Wasatch Transportation Inc. v. Forester River, Inc.	Christensen & Jensen, P.C.	Sarah E. Spencer, Esq.	*		Federal Courth District of Utah
Weissman v. Weissman	Laser Law	Gail E. Laser, Esq.	*		Third Judicial District Court, Salt Lake County
Lodge at Westgate Park City Resort and Spa Condominium Association, Inc., v. Westgate Resorts and CFI Resorts Management	Christensen & Jensen, P.C.	Phillip S. Ferguson	*		3rd Judicial District Court, Salt Lake County
White Star Timber v. United States of America	US Department of Justice	Kyle Chadwick	*		Court of Federal Claims, Portland Oregon
Wissbord v. Wissbrod	Gustin, Christian, Skordas & Caston	Harry Caston	*		3rd Judicial District Court, Salt Lake County