

Exhibit 16

Arrest warrant (first)

LEA #19NY-0598

**IN THE JUSTICE COURT OF PAHRUMP TOWNSHIP
COUNTY OF NYE, STATE OF NEVADA**

**IN THE MATTER OF THE APPLICATION
FOR A SEARCH WARRANT,**

SEARCH WARRANT

_____/

State of Nevada, to any Peace Officer in the County of Nye:

Proof by affidavit and incorporated as if fully set forth herein having been on this date before me by Detective Jose Marcos Parra of the Nye County Sheriff's Office, County of Nye, State of Nevada, said affidavit being attached hereto and incorporated herein by reference that there is probable cause to believe that certain property, specifically:

- Any and all personnel files to include but not limited to human resource files, disciplinary files, termination/severance files, current employee rosters, separation agreements and non-disclosure agreements from January 2015 to February 22nd 2019.
- Any and all payroll, accounts payable and accounts receivable files from January 2015 to February 22nd 2019, to include but not limited to account records, account payable reports, account receivable reports, records of checks, checkbooks, check register.
- Any and all digital or non-digital correspondence between VEA Board members (past or present) and/or VEA CEO's (past or present) and/or VEA Administrative staff (past or present) from January 2015 to February 22nd 2019.
- Any and all electronic or non-electronic correspondence between Cassandra Selbach and Bart Thurgood or any other human resource communication from January 2015 to February 22nd 2019.
- Any and all electronic or non-electronic correspondence between Cassandra Selbach and Thomas Husted from January 2015 to February 22nd 2019.
- Any and all electronic or non-electronic correspondence between Cassandra Selbach and Angela Evans from January 2015 to February 22nd 2019.
- Any and all electronic or non-electronic correspondence between one or more of the following people during the time period of January 2015 to February 22nd of 2019:
 - o Angela Evans
 - o Thomas Husted
 - o Bart Thurgood
 - o Kenneth Johnson
 - o Cassandra Selbach
 - o Rebecca Oscarson
 - o Michael Hengle
 - o Peter Gazsy
 - o Dave Hall
 - o Richard "Rick" Johnson
 - o John Maurer
 - o Ken Derschan

- o David Dawson
- o Steve Morrison

- Electronic messages on cellular telephones (to include text, video and voicemail) between one or more of the following people during the time period of January 2015 to February 22nd of 2019:

- o Angela Evans
- o Thomas Husted
- o Bart Thurgood
- o Kenneth Johnson
- o Cassandra Selbach
- o Rebecca Oscarson
- o Michael Hengle
- o Peter Gazsy
- o Dave Hall
- o Richard "Rick" Johnson
- o John Maurer
- o Ken Derschan
- o David Dawson
- o Steve Morrison

- Electronic and non-electronic files belonging to the following people during the time period of January 2015 to February 22nd of 2019:

- o Angela Evans
- o Thomas Husted
- o Bart Thurgood
- o Kenneth Johnson
- o Cassandra Selbach
- o Rebecca Oscarson
- o Michael Hengle
- o Peter Gazsy
- o Dave Hall
- o Richard "Rick" Johnson
- o John Maurer
- o Ken Derschan
- o David Dawson
- o Steve Morrison

- All items requested in this search warrant are believed to be kept in files during the course of business at Valley Electric. Affiant believes based on the investigation that a majority of these files exist electronically on the computers in the offices of the people listed above and also that files are saved on a network drive.

- All e-mail correspondence is conducted through a enterprise network email system that is housed on the Valley Electric Server.

- To minimize the intrusion into the business operation at Valley Electric Affiant will be bringing Nye County Information Technology Network Analysts to conduct the searches and retrieve requested evidence in the least intrusive manner. Should the Valley Electric Networking Staff be resistant and/or non-cooperative the Affiant is requesting to seize the following:

- o Any and all electronic storage and processing equipment capable of storing, sending and receiving the data requested within this affidavit to include but not limited to personal computers, laptops, network servers, hard drives, jump drives, cell phones, CD's, and any other storage medium.

This seizure will be a last resort if Nye County Information Technology staff is incapable of retrieving the requested records or if Valley Electric Staff is resistant or non-compliant with the warrant. is currently concealed within the business of:

Valley Electric, located at 800 E. Highway 372 in Pahrump Nevada.

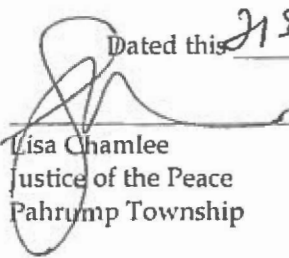
This is described as a multi building campus housing Valley Electric Administrative Offices, Valley Electric Engineering offices, Valley ELeetric Conference Center and Valley Electric Daily Operations.

The search is requested for the entire campus, to include all buildings, outbuildings, vehicles, and people

And, as I am satisfied that there is probable cause to believe that said evidence is located as set forth above, and based upon the affidavit attached hereto, there are sufficient grounds for the issuance of the Search Warrant,

YOU ARE HEREBY COMMANDED to search forthwith said property for said evidence, serving this Warrant upon the property any time of day and if the property is there, seize said evidence and prepare a written inventory of the evidence seized and return the inventory to the Court within 10 days.

Dated this 21st day of February, 2019.



Lisa Chamlee
Justice of the Peace
Pahrump Township

Application and Affidavit for Search Warrant

State of Nevada)
) SS
County of Nye)

Comes now Detective Jose Marcos Parra, first being duly sworn deposes and says that he is the Affiant herein, complains and states upon his information and belief that evidence exists to believe that a violation of NRS 205.300 Embezzlement is currently being committed, to wit:

That Affiant has been employed by the Nye County Sheriff's Office for a period of approximately 8 years, having been assigned to the Pahrump Substation since June of 2011. That Affiant's duties include, but are not limited to, detection and investigation of violations of Nevada Revised Statute Chapter NRS 205.300, Embezzlement.

That Affiant believes that there is probable cause that evidence exists of a violation of Nevada Revised Statute NRS 205.300, Embezzlement and that that evidence is currently concealed within the business of:

Valley Electric, located at 800 E. Highway 372 in Pahrump Nevada.

This is described as a multi building campus housing Valley Electric Administrative Offices, Valley Electric Engineering offices, Valley Electric Conference Center and Valley Electric Daily Operations.

The search is requested for the entire campus, to include all buildings, outbuildings, vehicles, and people

That Affiant further states that there is just, probable and reasonable cause to believe that the following evidence exists, to wit:

- Any and all personnel files to include but not limited to human resource files, disciplinary files, termination/severance files, current employee rosters, separation agreements and non-disclosure agreements from January 2015 to February 22nd 2019.
- Any and all payroll, accounts payable and accounts receivable files from January 2015 to February 22nd 2019, to include but not limited to account records, account payable reports, account receivable reports, records of checks, checkbooks, check register.
- Any and all digital or non-digital correspondence between VEA Board members (past or present) and/or VEA CEO's (past or present) and/or VEA Administrative staff (past or present) from January 2015 to February 22nd 2019.
- Any and all electronic or non-electronic correspondence between Cassandra Selbach and Bart Thurgood or any other human resource communication from January 2015 to February 22nd 2019.
- Any and all electronic or non-electronic correspondence between Cassandra Selbach and Thomas Husted from January 2015 to February 22nd 2019.

Any and all electronic or non-electronic correspondence between Cassandra Selbach and Angela Evans from January 2015 to February 22nd 2019.

- Any and all electronic or non-electronic correspondence between one or more of the following people during the time period of January 2015 to February 22nd of 2019:

- o Angela Evans
- o Thomas Husted
- o Bart Thurgood
- o Kenneth Johnson
- o Cassandra Selbach
- o Rebecca Oscarson
- o Michael Hengle
- o Peter Gazsy
- o Dave Hall
- o Richard "Rick" Johnson
- o John Maurer
- o Ken Derschan
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- o Steve Morrison

- Electronic messages on cellular telephones (to include text, video and voicemail) between one or more of the following people during the time period of January 2015 to February 22nd of 2019:

- o Angela Evans
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- o Rebecca Oscarson
- o Michael Hengle
- o Peter Gazsy
- o Dave Hall
- o Richard "Rick" Johnson
- o John Maurer
- o Ken Derschan
- o David Dawson
- o Steve Morrison

- Electronic and non-electronic files belonging to the following people during the time period of January 2015 to February 22nd of 2019:

- o Angela Evans
- o Thomas Husted
- o Bart Thurgood
- o Kenneth Johnson
- o Cassandra Selbach
- o Rebecca Oscarson
- o Michael Hengle
- o Peter Gazsy
- o Dave Hall
- o Richard "Rick" Johnson
- o John Maurer
- o Ken Derschan
- o David Dawson
- o Steve Morrison

files requested in this search. It is believed to be kept in files during the course of business at Valley Electric. Affiant believes based on the investigation that a majority of these files exist electronically on the computers in the offices of the people listed above and also that files are saved on a network drive.

- All e-mail correspondence is conducted through a enterprise network email system that is housed on the Valley Electric Server.
- To minimize the intrusion into the business operation at Valley Electric Affiant will be bringing Nye County Information Technology Network Analysts to conduct the searches and retrieve requested evidence in the least intrusive manner. Should the Valley Electric Networking Staff be resistant and/or non-cooperative the Affiant is requesting to seize the following:
 - o Any and all electronic storage and processing equipment capable of storing, sending and receiving the data requested within this affidavit to include but not limited to personal computers, laptops, network servers, hard drives, jump drives, cell phones, CD's, and any other storage medium.
 - o This seizure will be a last resort if Nye County Information Technology staff is in capable of retrieving the requested records or if Valley Electric Staff is resistant or non-compliant with the warrant.

That Affiant believes that the evidence sought exists due to the following circumstances, to wit:

Valley Electric announced a rate hike effective March 1st 2019 for all it's members.

A group of members organized a recall effort of the Valley Electric Board in opposition to the rate hike.

Once this effort was publicized a resident in the community contacted a Nye County Sheriff's Office employee and requested a meeting.

During that meeting this resident advised that the reason for the rate hike at Valley Electric was because of an extensive financial coverup of sexual misconduct perpetrated by Thomas Husted, the prior CEO, on a female employee. During this interview this individual provided detailed information regarding financial payments made to Thomas Husted and numerous other administrative employees of Valley Electric who had knowledge of the misconduct as "hush money". It was reported that these individuals signed a non-disclosure agreement and received a substantial sum of money as severance pay and other unknown benefits to prevent them from discussing what they knew.

After this interview additional interviews were conducted with prior Valley Electric employees. These interviews provided information substantiating the allegations that this female employee had been sexually harassed by Thomas Husted, and that Thomas Husted had been brought in, received a severance and is no longer the CEO. These employees acknowledged that they had received payment and signed non-disclosure agreements. These interviews provided corroboration for details that had been provided by the resident. Additionally these interviews revealed that Bart Thurgood, the Director of Human Resources, had received a substantial raise during the time in question. These interviews also revealed that Angela Evans, the replacement CEO, additionally received substantial payment and was involved in the handling of payments and non-disclosure agreements to the other employees. These interviews also revealed that Angela Evans was also paramount in ensuring that the information of this misconduct was not leaked. These interviews revealed that the victim of the sexual harassment was also promoted during the encounters as a means of controlling or coercing her into acceptance of the advances by Thomas Husted. These interviews revealed that it was believed to be in excess of one million dollars of Valley Electric Members monies that were used to ensure this misconduct was not revealed to anyone. These interviews revealed that it is likely that the rate increase may be as a

result of the substantial monetary outlay caused by this misconduct and the subsequent payoffs and coverup.

One of the employees provided text messages to investigators that revealed conversations in which the "truth about Thomas Husted" and this female victim was going to be exposed. The other administrator acknowledged the misconduct and agreed to participate in interviews, validating the information provided to investigators.

Interviews were conducted with two close friends of the female victim, who provided very detailed substantiating facts, and corroboration without prompting of the stories that investigators had been told. These interviews revealed that this female victim employee had reservations about reporting the misconduct because of the perceived failure of Valley Electric to handle the problem. Additionally, these friends identified that she had written a detailed letter to Human Resources outlining the misconduct by Husted. These friends identified that they knew this victim had recorded audio that would substantiate the claims. Of these recordings these friends had already listened to at least one recording which was of Thomas Husted admitting his misconduct to this employee.

These friends were able to produce immediately a letter that the victim had written to VEA Human Resources documenting the misconduct and outlining that after standing up to Thomas Husted that she began to be subjected to unfair ridicule in the work place in front of Angela Evans. These friends are compiling additional documents and recordings from the victim to turn over to investigators for the investigation.

The names of individuals requested above were obtained during the interviews as individuals who may have information that would substantiate these claims.

Interviews revealed that it is likely upon execution of this warrant, there will be additional names identified as people who received payment or were aware of the acts in one way or another and piggyback warrants will be requested as needed.

These individuals who were interviewed are identified and documented witnesses in the investigation. Their names have been excluded from this affidavit in an effort to ensure the integrity of the investigation. Due to the nature of the allegations and how far reaching the implications are, Affiant anticipates the need to conduct hundreds of interviews after the execution of this warrant. To ensure victim and witness integrity and anonymity Affiant has excluded names but assures this Magistrate that they are not unnamed sources.

Prior Valley Electric Employees identified that the files being requested may be in physical form in offices at Valley Electric, or electronically stored on a network file server in the Information Technology Office at Valley Electric. They identified that both paper and electronic files may be maintained in various offices throughout the campus and saved electronically or non-electronically at the facility. They identified that the employees involved have Valley Electric Issued cell phones that would likely have correspondence that will aid in the investigation and prosecution of this case.

To minimize the intrusion into the business operation at Valley Electric Affiant will be bringing Nye County Information Technology Network Analysts to conduct the searches and retrieve requested evidence in the least intrusive manner. Should the Valley Electric Networking Staff be resistant and/or non-cooperative the Affiant has requested seizure of that equipment.

Based on the investigation thus far and corroborating statements received by Affiant and other Nye County Sheriff's Office personnel it is believed that Valley Electric Personnel who are entrusted with VEA Members Monies for the purposes of managing and operating the electric cooperative have used or appropriated the money for a purpose other than that which it was