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2	M NELSON SEGEL, ESQUIRE Nevada Bar No. 0530	**************************************		K: YESNONONDAR:
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5	Attorneys for Defendants Larry Hahn and Hahn's World of Surplus, Inc.	ST 44 In chapped by A	O ATTO	
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8	DISTRICT COURT OF NEVADA			
9	COUNTY OF CLARK			
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11	TED R. BURKE; MICHAEL R and LAURETTA L. KEHOE; JOHN BERTOLDO; PAUL) CASE N	VO.	A558629
12	BERNARD; EDDY KRAVETZ; JACKIE and FRED KRAVETZ; STEVE FRANKS;) DEPT.		XIII
13	PAULA MARIA BARNARD; PETE T. and LISA A. FREEMANLEON GOLDEN;))		
14	C.A. MURFF; GERDA FERN BILLBE; BOB and ROBYN TRESKA; MICHAEL RANDOLPH, and FREDERICK WILLIS,)))		
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16	Plaintiffs,			O AMENDED DERIVATIVE
17	vs.			AINT
18	LARRY L. HAHN, individually, and as President of and Treasurer of Kokoweef, Inc., and former	,))		•
19	President and Treasurer of Explorations Incorporated of Nevada; HAHN'S WORLD OF))		
20	SURPLUS, INC., a Nevada corporation; PATRICK C. CLARY, an individual;))		
21	DOES 1 through 100, inclusive;) 		
22	Defendants,) 		
23	and)) 		
24	KOKOWEEF, INC., a Nevada corporation; EXPLORATIONS INCORPORATED OF			
25	NEVADA, a dissolved Nevada corporation;			81
26	Nominal Defendants.			
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H				

Defendants LARRY HAHN ("HAHN") and HAHN'S WORLD OF SURPLUS, INC

("SURPLUS")(HAHN and SURPLUS sometimes collectively referred to herein as "ANSWERING DEFENDANTS") hereby responds to Plaintiffs' so-called Amended Verified Derivative Complaint ("COMPLAINT") filed herein and admit, deny and otherwise pleads to the allegations set forth in the COMPLAINT as follows:

- 1. ANSWERING DEFENDANTS deny the allegations contained in paragraph 1 of the Nature of the Action and Factual Allegations section of the COMPLAINT.
- 2. In response to the allegations contained in paragraph 2 of the Nature of the Action and Factual Allegations section of the COMPLAINT, ANSWERING DEFENDANTS admit Explorations Incorporated of Nevada ("EIN") was incorporated on or about October 24, 1984, but deny the remaining allegations contained in said paragraph.
- 3. In response to the allegations contained in paragraph 3 of the Nature of the Action and Factual Allegations section of the COMPLAINT, ANSWERING DEFENDANTS are without sufficient knowledge or information to form a believe as to the meaning "all times relevant herein" and; therefore, deny same, but admit the remaining allegations contained in said paragraph.
- 4. ANSWERING DEFENDANTS admit the allegations contained in paragraph 4 of the Nature of the Action and Factual Allegations section of the COMPLAINT.
- 5. ANSWERING DEFENDANTS deny the allegations contained in paragraph 5 of the Nature of the Action and Factual Allegations section of the COMPLAINT.
- 6. ANSWERING DEFENDANTS deny the allegations contained in paragraph 6 of the Nature of the Action and Factual Allegations section of the COMPLAINT.
- 7. ANSWERING DEFENDANTS deny the allegations contained in paragraph 7 of the Nature of the Action and Factual Allegations section of the COMPLAINT.
- 8. ANSWERING DEFENDANTS admit the allegations contained in paragraph 8 of the Nature of the Action and Factual Allegations section of the COMPLAINT.
- 9. ANSWERING DEFENDANTS deny the allegations contained in paragraph 9 of the Nature of the Action and Factual Allegations section of the COMPLAINT.
 - 10. ANSWERING DEFENDANTS deny the allegations contained in paragraph 10 of the

Nature of the Action and Factual Allegations section of the COMPLAINT.

- 11. ANSWERING DEFENDANTS deny the allegations contained in paragraph 11 of the Nature of the Action and Factual Allegations section of the COMPLAINT.
- 12. ANSWERING DEFENDANTS deny the allegations contained in paragraph 12 of the Nature of the Action and Factual Allegations section of the COMPLAINT.
- 13. In response to the allegations contained in paragraph 13 of the Nature of the Action and Factual Allegations section of the COMPLAINT, ANSWERING DEFENDANTS admit that on or about September 18, 2007, BURKE was invited to attend a meeting with Defendant HAHN, CLARY and others, admit that CLARY made the statements set forth in the last sentence of said paragraph regarding the Securities & Exchange Commission, but deny the remaining allegations in said paragraph.
- 14. ANSWERING DEFENDANTS deny the allegations contained in paragraph 14 of the Nature of the Action and Factual Allegations section of the COMPLAINT.
- 15. ANSWERING DEFENDANTS deny the allegations contained in paragraph 15 of the Nature of the Action and Factual Allegations section of the COMPLAINT.
- 16. In response to the allegations contained in paragraph 16 of the Nature of the Action and Factual Allegations section of the COMPLAINT, ANSWERING DEFENDANTS admit CLARY was general counsel for KOKOWEEF, INC and did not represent HAHN, that BURKE had issues with which he addressed at the meeting but deny the remaining allegations of said paragraph.
- 17. ANSWERING DEFENDANTS deny the allegations contained in paragraph 17 of the Nature of the Action and Factual Allegations section of the COMPLAINT.
- 18. ANSWERING DEFENDANTS deny the allegations contained in paragraph 18 of the Nature of the Action and Factual Allegations section of the COMPLAINT.
- 19. In response to the allegations contained in paragraph 19 of the Nature of the Action and Factual Allegations section of the COMPLAINT, ANSWERING DEFENDANTS admit BURKE is a resident of Clark County, Nevada, but deny the remaining allegations of said paragraph.
 - 20. In response to the allegations contained in paragraph 20 of the Nature of the Action

and Factual Allegations section of the COMPLAINT, ANSWERING DEFENDANTS admit Plaintiffs Michael R. Kehoe and Lauretta L. Kehoe are residents of Clark County, Nevada, but deny the remaining allegations of said paragraph.

- 21. In response to the allegations contained in paragraph 19 of the Nature of the Action and Factual Allegations section of the COMPLAINT, ANSWERING DEFENDANTS admit BERTOLDO is a resident of Clark County, Nevada, but deny the remaining allegations of said paragraph.
- 22. In response to the allegations contained in paragraph 19 of the Nature of the Action and Factual Allegations section of the COMPLAINT, ANSWERING DEFENDANTS admit BERNARD is a resident of Clark County, Nevada, but deny the remaining allegations of said paragraph.
- 23. In response to the allegations contained in paragraph 19 of the Nature of the Action and Factual Allegations section of the COMPLAINT, ANSWERING DEFENDANTS admit KRAVETZ is a resident of Clark County, Nevada, but deny the remaining allegations of said paragraph.
- 24. In response to the allegations contained in paragraph 19 of the Nature of the Action and Factual Allegations section of the COMPLAINT, ANSWERING DEFENDANTS admit KRAVETZ is a resident of Clark County, Nevada, but deny the remaining allegations of said paragraph.
- 25. In response to the allegations contained in paragraph 19 of the Nature of the Action and Factual Allegations section of the COMPLAINT, ANSWERING DEFENDANTS admit FRANKS is a resident of Clark County, Nevada, but deny the remaining allegations of said paragraph.
- 26. In response to the allegations contained in paragraph 19 of the Nature of the Action and Factual Allegations section of the COMPLAINT, ANSWERING DEFENDANTS admit BARNARD is a resident of Clark County, Nevada, but deny the remaining allegations of said paragraph.

- 27. In response to the allegations contained in paragraph 27 of the Nature of the Action and Factual Allegations section of the COMPLAINT, ANSWERING DEFENDANTS are without sufficient knowledge or information to form a belief as to the truth or falsity of the allegations contained therein and; therefore, deny same.
- 28. In response to the allegations contained in paragraph 19 of the Nature of the Action and Factual Allegations section of the COMPLAINT, ANSWERING DEFENDANTS admit MURFF is a resident of Clark County, Nevada, but deny the remaining allegations of said paragraph.
- 29. In response to the allegations contained in paragraph 19 of the Nature of the Action and Factual Allegations section of the COMPLAINT, ANSWERING DEFENDANTS admit BILLBE is a resident of Clark County, Nevada, but deny the remaining allegations of said paragraph.
- 30. In response to the allegations contained in paragraph 19 of the Nature of the Action and Factual Allegations section of the COMPLAINT, ANSWERING DEFENDANTS admit TRESKAS is a resident of Clark County, Nevada, but deny the remaining allegations of said paragraph.
- 31. In response to the allegations contained in paragraph 19 of the Nature of the Action and Factual Allegations section of the COMPLAINT, ANSWERING DEFENDANTS admit RANDOLPH is a resident of Clark County, Nevada, but deny the remaining allegations of said paragraph.
- 32. In response to the allegations contained in paragraph 19 of the Nature of the Action and Factual Allegations section of the COMPLAINT, ANSWERING DEFENDANTS admit WILLIS is a resident of Clark County, Nevada, but deny the remaining allegations of said paragraph.
- 33. ANSWERING DEFENDANTS admit the allegations contained in paragraph 33 of the Nature of the Action and Factual Allegations section of the COMPLAINT.
- 34. In response to the allegations contained in paragraph 34 of the Nature of the Action and Factual Allegations section of the COMPLAINT, ANSWERING DEFENDANTS deny EIN was incorporated in 2984, but admit the remaining allegations contained therein.

- 35. ANSWERING DEFENDANTS admit the allegations contained in paragraph 35 of the Nature of the Action and Factual Allegations section of the COMPLAINT.
- 36. In response to the allegations contained in paragraph 36 of the Nature of the Action and Factual Allegations section of the COMPLAINT, ANSWERING DEFENDANTS admit SURPLUS is a corporation organized and existing under the laws of the state of Nevada, that it conducts business in North Las Vegas, Nevada, and that HAHN has previously been the President of said corporation; but deny the remaining allegations contained in said paragraph.
- 37. ANSWERING DEFENDANTS deny the allegations contained in paragraph 37 of the Nature of the Action and Factual Allegations section of the COMPLAINT.
- 38. ANSWERING DEFENDANTS deny the allegations contained in paragraph 38 of the Nature of the Action and Factual Allegations section of the COMPLAINT.
- 39. ANSWERING DEFENDANTS deny the allegations contained in paragraph 39 of the Derivative and Demand Excused Allegations section of the COMPLAINT.
- 40. ANSWERING DEFENDANTS deny the allegations contained in paragraph 40 of the Derivative and Demand Excused Allegations section of the COMPLAINT.
- 41. ANSWERING DEFENDANTS deny the allegations contained in paragraph 41 of the Derivative and Demand Excused Allegations section of the COMPLAINT.
- 42. In response to the allegations contained in paragraph 42 of the Derivative and Demand Excused Allegations section of the COMPLAINT, ANSWERING DEFENDANTS admit Plaintiffs did not make any demand upon the KOKOWEEF board of directors prior to commencing this action, but deny the remaining allegations contained in said paragraph.
- 43. The Court has dismissed the First Cause of Action; therefore, no response is necessary to paragraph 43 of the COMPLAINT.
- 44. The Court has dismissed the First Cause of Action; therefore, no response is necessary to paragraph 44 of the COMPLAINT.
- 45. The Court has dismissed the First Cause of Action; therefore, no response is necessary to paragraph 45 of the COMPLAINT.

- 46. The Court has dismissed the First Cause of Action; therefore, no response is necessary to paragraph 46 of the COMPLAINT.
- 47. The Court has dismissed the First Cause of Action; therefore, no response is necessary to paragraph 47 of the COMPLAINT.
- 48. The Court has dismissed the Second Cause of Action; therefore, no response is necessary to paragraph 48 of the COMPLAINT.
- 49. The Court has dismissed the Second Cause of Action; therefore, no response is necessary to paragraph 49 of the COMPLAINT.
- 50. The Court has dismissed the Second Cause of Action; therefore, no response is necessary to paragraph 50 of the COMPLAINT.
- 51. The Court has dismissed the Second Cause of Action; therefore, no response is necessary to paragraph 51 of the COMPLAINT.
- 52. The Court has dismissed the Second Cause of Action; therefore, no response is necessary to paragraph 52 of the COMPLAINT.
- 53. The Court has dismissed the Second Cause of Action; therefore, no response is necessary to paragraph 53 of the COMPLAINT.
- 54. The Court has dismissed the Second Cause of Action; therefore, no response is necessary to paragraph 54 of the COMPLAINT.
- 55. The Court has dismissed the Second Cause of Action; therefore, no response is necessary to paragraph 55 of the COMPLAINT.
- 56. The Court has dismissed the Second Cause of Action; therefore, no response is necessary to paragraph 56 of the COMPLAINT.
- 57. The Court has dismissed the Third Cause of Action; therefore, no response is necessary to paragraph 57 of the COMPLAINT.
- 58. The Court has dismissed the Third Cause of Action; therefore, no response is necessary to paragraph 58 of the COMPLAINT.
 - 59. The Court has dismissed the Third Cause of Action; therefore, no response is

necessary to paragraph 59 of the COMPLAINT.

- The Court has dismissed the Third Cause of Action; therefore, no response is necessary to paragraph 60 of the COMPLAINT.
- 61. The Court has dismissed the Third Cause of Action; therefore, no response is necessary to paragraph 61 of the COMPLAINT.
- The Court has dismissed the Third Cause of Action; therefore, no response is necessary to paragraph 62 of the COMPLAINT.
- The Court has dismissed the Third Cause of Action; therefore, no response is necessary to paragraph 63 of the COMPLAINT.
- The Court has dismissed the Third Cause of Action; therefore, no response is necessary to paragraph 64 of the COMPLAINT.
- In response to paragraph 65 of the Fourth Cause of Action section of the COMPLAINT, ANSWERING DEFENDANTS repeat and reallege their responses to paragraphs 1 through 38 of the COMPLAINT as though fully set forth herein.
- ANSWERING DEFENDANTS deny the allegations contained in paragraph 66 of the Fourth Cause of Action section of the COMPLAINT.
- ANSWERING DEFENDANTS deny the allegations contained in paragraph 67 of the Fourth Cause of Action section of the COMPLAINT.
- ANSWERING DEFENDANTS deny the allegations contained in paragraph 68 of the Fourth Cause of Action section of the COMPLAINT.
- ANSWERING DEFENDANTS deny the allegations contained in paragraph 69 of the Fourth Cause of Action section of the COMPLAINT.
- ANSWERING DEFENDANTS deny the allegations contained in paragraph 70 of the Fourth Cause of Action section of the COMPLAINT.
- ANSWERING DEFENDANTS deny the allegations contained in paragraph 71 of the 71. Fourth Cause of Action section of the COMPLAINT.
 - The Court has dismissed the Fifth Cause of Action; therefore, no response is 72.

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The Court has dismissed the Sixth Cause of Action; therefore, no response is necessary to paragraph 83 of the COMPLAINT. The Court has dismissed the Sixth Cause of Action; therefore, no response is necessary to paragraph 84 of the COMPLAINT. The Court has dismissed the Sixth Cause of Action; therefore, no response is 85. necessary to paragraph 85 of the COMPLAINT. - 9 -

- 86. The Court has dismissed the Sixth Cause of Action; therefore, no response is necessary to paragraph 86 of the COMPLAINT.

 87. The Court has dismissed the Sixth Cause of Action; therefore, no response is necessary to paragraph 87 of the COMPLAINT.

 88. The Court has dismissed the Sixth Cause of Action; therefore, no response is
- 88. The Court has dismissed the Sixth Cause of Action; therefore, no response is necessary to paragraph 88 of the COMPLAINT.
- 89. The Court has dismissed the Sixth Cause of Action; therefore, no response is necessary to paragraph 89 of the COMPLAINT.
- 90. The Court has dismissed the Sixth Cause of Action; therefore, no response is necessary to paragraph 90 of the COMPLAINT.
- 91. The Court has dismissed the Sixth Cause of Action; therefore, no response is necessary to paragraph 91 of the COMPLAINT.
- 92. The Court has dismissed the Sixth Cause of Action; therefore, no response is necessary to paragraph 92 of the COMPLAINT.
- 93. In response to paragraph 93 of the Seventh Cause of Action section of the COMPLAINT, ANSWERING DEFENDANTS repeat and reallege their responses to paragraphs 1 through 38 of the COMPLAINT as though fully set forth herein.
- 94. In response to the allegations contained in paragraph 94 of the Seventh Cause of Action, ANSWERING DEFENDANT admit that HAHN, as an officer or director of KOKOWEEF and EIN, owed a corporate fiduciary duty to the shareholders of each corporation but deny the remaining allegations contained in said paragraph.
- 95. ANSWERING DEFENDANTS deny the allegations contained in paragraph 95 of the Seventh Cause of Action section of the COMPLAINT.
- 96. ANSWERING DEFENDANTS deny the allegations contained in paragraph 96 of the Seventh Cause of Action section of the COMPLAINT.
- 97. ANSWERING DEFENDANTS deny the allegations contained in paragraph 97 of the Seventh Cause of Action section of the COMPLAINT.

- 98. In response to paragraph 98 of the Eight [sic] Cause of Action section of the COMPLAINT, ANSWERING DEFENDANTS repeat and reallege their responses to paragraphs 1 through 38 of the COMPLAINT as though fully set forth herein.
- 99. ANSWERING DEFENDANTS deny the allegations contained in paragraph 99 of the Eight [sic] Cause of Action section of the COMPLAINT.
- 100. ANSWERING DEFENDANTS deny the allegations contained in paragraph 100 of the Eight [sic] Cause of Action section of the COMPLAINT.
- 101. ANSWERING DEFENDANTS deny the allegations contained in paragraph 101 of the Eight [sic] Cause of Action section of the COMPLAINT.
- 102. In response to paragraph 102 of the Ninth Cause of Action section of the COMPLAINT, ANSWERING DEFENDANTS repeat and reallege their responses to paragraphs 1 through 38 of the COMPLAINT as though fully set forth herein.
- 103. ANSWERING DEFENDANTS deny the allegations contained in paragraph 103 of the Ninth Cause of Action section of the COMPLAINT.
- 104. ANSWERING DEFENDANTS deny the allegations contained in paragraph 104 of the Ninth Cause of Action section of the COMPLAINT.
- 105. ANSWERING DEFENDANTS deny the allegations contained in paragraph 105 of the Ninth Cause of Action section of the COMPLAINT.
- 106. ANSWERING DEFENDANTS deny the allegations contained in paragraph 106 of the Ninth Cause of Action section of the COMPLAINT.
- 107. In response to paragraph 107 of the Tenth Cause of Action section of the COMPLAINT, ANSWERING DEFENDANTS repeat and reallege their responses to paragraphs 1 through 38 of the COMPLAINT as though fully set forth herein.
- 108. ANSWERING DEFENDANTS deny the allegations contained in paragraph 108 of the Tenth Cause of Action section of the COMPLAINT.
- 109. ANSWERING DEFENDANTS deny the allegations contained in paragraph 109 of the Tenth Cause of Action section of the COMPLAINT.

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NINTH AFFIRMATIVE DEFENSE

PLAINTIFFS have a waived any right to a claim against ANSWERING DEFENDANTS

TENTH AFFIRMATIVE DEFENSE

The negligence of PLAINTIFFS is greater than that of ANSWERING DEFENDANTS; therefore, they may not recover their damages, if any, from ANSWERING DEFENDANTS.

ELEVENTH AFFIRMATIVE DEFENSE

PLAINTIFFS claims may be barred by additional affirmative defenses as set forth in NRCP 8(c). However, because discovery has not yet been completed, the applicability of those defenses is, as yet, unknown. Therefore, under NRCP 11, ANSWERING DEFENDANTS reserve the right to supplement this list of affirmative defenses at a later date.

WHEREFORE, ANSWERING DEFENDANTS pray for relief as follows:

- That the COMPLAINT be dismissed;
- That they be awarded the costs of suit;
- That they be awarded a reasonable attorneys' fee for having to defend this action;
- That the funds being held by the Court as security be disbursed to ANSWERING DEFENDANTS as reimbursement of a portion of their attorneys' fees herein; and
- For such other and further relief that the Court deems just and proper in the

_day of February, 2009.

M NELSON SEGEL, CHÁRTERED

M NELSON SEGEL, ESQUIRE

Nevada Bar No. 0530 624 South 9th Street

Las Vegas, Nevada 89101

Attorneys for Defendants

CERTIFICATE OF MAILING

The undersigned hereby certifies that on the day of February, 2009, she served the foregoing ANSWER TO AMENDED VERIFIED DERIVATIVE COMPLAINT by causing a true and correct copy to be placed in the United States Mail, postage fully prepaid thereon and addressed as follows:

Jennifer Taylor, Esquire 401 North Buffalo Drive Suite 202 Las Vegas, Nevada 89145

Patrick C. Clary, Esquire 7201 West Lake Mead Suite 410 Las Vegas, Nevada 89128

An employee of M Nelson Segel, Chartered

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