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NOTC CLARY CANNON LLP Patrick C Clary Nevada Bar No. 53 Curtis W. Cannon Nevada Bar No. 10535 7201 W. Lake Mead Boulevard, Suite 503 Las Vegas, Nevada 89128 Telephone: 702.382.0813 FAX: 702.382-7277 6 Attorneys for so-called Nominal Defendant Kokoweef, Inc. 8 9 10 11 12 13 and FREDERICK WILLIS, E180:28E:204 Plaintiffs VS. 22 PARTICIPANTS I-XX, 23 Defendants, 24 and dissolved Nevada corporation;

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CLERK OF THE COURT

DISTRICT COURT

CLARK COUNTY, NEVADA

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TED R. BURKE; MICHAEL R and LAURETTA L.) KEHOE; JOHN BERTOLDO; PAUL BERNARD; EDDY KRAVETZ; JACKIE and FRED KRAVETZ; STEVEN FRANKS; PAULA MARIA BARNARD; PETE T. and LISA A. FREEMAN; LEON GOLDEN; C.A. MURFF; GERDA FERN BILLBE; BOB and ROBYN TRESKA; MICHAEL RANDOLPH,) PRELIMINARY FINDINGS OF

LARRY L. HAHN, individually, and as President of and Treasurer of Kokoweef, Inc., and former President and Treasurer of Explorations Incorporated of Nevada; HAHN'S WORLD OF SURPLUS, INC., a Nevada corporation; DOES I-X, inclusive; DOE OFFICERS, DIRECTORS and

KOKOWEEF, INC., a Nevada corporation; EXPLORATIONS INCORPORATED OF NEVADA, a

Nominal Defendants.

) CASE NO. A558629) DEPT. XIII

) NOTICE OF ENTRY OF) FACT AND CONCLUSIONS OF) LAW AND ORDER GRANTING DEFENDANT KOKOWEEF'S RENEWED MOTION TO REQUIRE SECURITY FROM PLAINTIFFS

) DATE OF HEARING: 7/30/08) TIME OF HEARING: 9:00 a.m.

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NOTICE IS HEREBY GIVEN that on August 27, 2008 there was entered in the above-captioned case this Court's Preliminary Findings of Fact and Conclusions of Law and Order Granting Defendant Kokoweef's Renewed Motion to Require Security from Plaintiffs, a copy of which is attached hereto and incorporated herein by this reference.

CLARY CANNON LLP

By_ Patrick C. Clary

Attorneys for Kokoweef,

RECEIPT IS HEREBY ACKNOWLEDGED of a copy of the above foregoing Notice of Entry of Preliminary Findings of Fact Conclusions of Law and Order Granting Defendant Kokoweef's Renewed Motion to Require Security from Plaintiffs on the day of August, 2008.

NEIL J. BELLER, LTD.

Nevada Bar No. 002360

Attorneys for Plaintiffs 7408 West Sahara Avenue Las Vegas, Nevada 89117

M NELSON SEGEL Nevada Bar No. 000530 Attorney for Larry L Hahn and Hahn's World of Surplus, Inc. 724 South Ninth Street Las Vegas, Nevada 89101

. 1 1 **FFCL** FILED CLARY CANNON LLP Patrick C Clarv Nevada Bar No. 53 AUG 28 . 10 21 AM 'NR City Center West, Suite 503 7201 West Lake Mead Boulevard Las Vegas, Nevada 89128 Telephone: 702.382.0813 5 FAX: 702.382-7277 CLERK TOURT 6 Attorneys for Defendant Kokoweef, Inc. DISTRICT COURT 8 CLARK COUNTY, NEVADA 9 -000-10 11 TED R. BURKE; MICHAEL R. and LAURETTA L. KEHOE; JOHN BERTOLDO; PAUL BERNARD; EDDY KRAVETZ; JACKIE and FRED KRAVETZ;) CASE NO. A558629 STEVEN FRANKS; PAULA MARIA BARNARD;) DEPT. XIII PETE T. and LISA A. FREEMAN; LEON GOLDEN; C.A. MURFF; GERDA FERN BILLBE; BOB and ROBYN TRESKA; MICHAEL RANDOLPH,) PRELIMINARY FINDINGS OF ž 15 and FREDERICK WILLIS,) FACT AND CONCLUSIONS OF LAW AND ORDER GRANTING Plaintiffs,) DEFENDANT KOKOWEEF'S 382.0813 16) RENEWED MOTION TO REQUIRE VS. SECURITY FROM PLAINTIFFS 17 LARRY L. HAHN, individually, and as President of and Treasurer of Kokoweef, 18 Inc., and former President and Treasurer of Explorations Incorporated) DATE OF HEARING: 7/30/08 of Nevada; HAHN'S WORLD OF SURPLUS,) TIME OF HEARING: 9:00 am INC., a Nevada corporation; DOES I-X, inclusive; DOE OFFICERS, DIRECTORS and 21 PARTICIPANTS I-XX, 22 Defendants, 23 and KOKOWEEF, INC., a Nevada corporation; EXPLORATIONS INCORPORATED OF NEVADA, a 25 dissolved Nevada corporation; 26 Nominal Defendants. 27 28 The Renewed Motion to Require Security from Plaintiffs filed

herein on June 12, 2008 by so-called Nominal Defendant Kokoweef, Inc. ("Kokoweef") having come on for an evidentiary hearing on July 30, 2008, the Court having taken its decision on the said Motion under advisement after presentation of evidence and having fully considered the evidence adduced and the post-hearing briefs submitted by counsel for the Plaintiffs and for Kokoweef, and the Court being fully advised in the premises, the Court finds as follows:

PRELIMINARY FINDINGS OF FACT

- 1. Kokoweef has met its burden as the moving Defendant, under NRS 41.520(3)(a) to show that there is "... no reasonable possibility that the prosecution of the cause of action ... will benefit the corporation or its security holders" and that the Plaintiffs have failed to rebut such showing.
- 2. Therefore, the Court will require a modicum of security given what appears preliminarily to be the likely consequences of the continuation of this litigation on the well-being of the corporation.
- 3. At this time the security required should not be of the magnitude sought by Kokoweef so that the amount of security is to be in the sum of \$75,000.
- 4. The Court has the authority to revisit the amount of security required of Plaintiffs and make adjustments of the amount of security required as the case progresses.

PRELIMINARY CONCLUSIONS OF LAW

Based on the foregoing preliminary findings, the Court concludes as follows:

1. As a matter of law Kokoweef has met its burden as the moving Defendant, under NRS 41.520(3)(a), to show that there is "... no reasonable possibility that the prosecution of the cause of action .

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. . will benefit the corporation or its security holders" and that the Plaintiffs have failed to rebut such showing.

- 2. As a matter of law Kokoweef is entitled to an amount of security to be posted by the Plaintiffs in the sum of \$75,000.
- 3. Pursuant to Subsection 4(b) of NRS 41.520, as a matter of law the Court is entitled to revisit its determination one way or the other as the above-captioned case progresses.

<u>ORDER</u>

Based upon the foregoing preliminary findings and conclusions, and good cause otherwise showing, it is hereby

ORDERED that the aforesaid Renewed Motion to Require Security from Plaintiffs be, and the same hereby is, granted on and subject to the terms and conditions contained herein; and it is further

ORDERED that, within 15 days from and after the date of service of notice of entry of this Order, the Plaintiffs be, and they hereby are, directed to post with the Clerk of the Court for the purposes set forth in NRS 41.520 the sum of \$75,000 in cash or bond; and it is further

ORDERED that the stay of the above-captioned case shall, and it hereby is directed to, remain in full force and effect until 10 days after the posting of the \$75,000 security required by this Order; and it is further

ORDERED that in the event the Plaintiffs fail to post the security within the limitations set forth hereinabove, as set forth in NRS 41.50(b)(4), the above-captioned case shall be dismissed, with prejudice without any further order of this Court; and it is further

ORDERED that, notwithstanding the dismissal of the above-captioned case, the Court shall retain jurisdiction herein to enable

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Defendants to submit a request to the Court for an award of attorneys's fees and costs incurred herein.

DATED this day of August, 2008.

BARKA DENTON

DISTRICT JUDGE

CLARY CANNON LLP

By You Clark

Attorneys for Defendant Kokoweef, Inc.