1 AFFT FILED CLARY CANNON LLP Patrick C Clary Nevada Bar No. 53 May 16 11 58 AM '08. 3 Curtis W. Cannon Nevada Bar No. 10535 7201 West Lake Mead Boulevard, Suite 503 Las Vegas, Nevada 89128 Telephone: 702.382.0813 5 FAX: 702.382-7277 6 Attorneys for Defendant Kokoweef, Inc. 7 8 DISTRICT COURT 9 CLARK COUNTY, NEVADA 10 -000-11 7201 WEST LAKE MEAD BOULEVARD, SUITE 503 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; ) AFFIDAVIT OF PATRICK C. BOB and ROBYN TRESKA; MICHAEL RANDOLPH, ) CLARY IN SUPPORT OF and FREDERICK WILLIS, ) MOTION TO REQUIRE FEL: 702.382.0813 16 LAS VEGAS, SECURITY FROM PLAINTIFFS Plaintiffs 17 vs. 18 LARRY L. HAHN, individually, and as ) DATE OF HEARING: 5/19/08 President of and Treasurer of Kokoweef, ) TIME OF HEARING: 9:00 a.m. Inc., and former President and 20 Treasurer of Explorations Incorporated of Nevada; HAHN'S WORLD OF SURPLUS, 21 INC., a Nevada corporation; DOES I-X, inclusive; DOE OFFICERS, DIRECTORS and 22 PARTICIPANTS I-XX, 23 Defendants, 24 and 25 KOKOWEEF, INC., a Nevada corporation; EXPLORATIONS INCORPORATED OF NEVADA, a dissolved Nevada corporation; 26 27 Nominal Defendants. 28

```
STATE OF NEVADA )
                   SS.
COUNTY OF CLARK )
```

3

4

5

6

7

8

9

10

11

13

14

16

17

18

21

22

23

24

25

26

27

- I, PATRICK C. CLARY, having been first duly sworn, upon my oath, depose and state as follows:
- 1. I am the sole officer, director and stockholder of Patrick C. Clary, Chartered, a Nevada professional corporation, which is a partner of Clary Cannon LLP, a Nevada limited-liability partnership, counsel for Kokoweef, Inc., named as a so-called Nominal Defendant in the above-captioned case ("Kokoweef" herein).
- 2. I make this Affidavit in support of Kokoweef's Motion to Require Security from Plaintiffs filed herein on April 11, 2008 ("the Subject Motion"). This Affidavit is made on my personal knowledge, except as to those matters which are stated herein on information and belief, and, as those matters, I believe them to be true. I am competent to testify to the matters set forth herein.
- 3. I have awaited finally completing the preparation of and filing this Affidavit because the Plaintiffs' counsel had promised  ${\tt M}$ Nelson Segel, Esq., counsel for Defendants Larry L. Hahn and Hahn's World of Surplus, Inc. herein, that he would deliver, no later than last Friday, May 9, 2008, to Mr. Segel and me a copy of a so-called forensic accountants' report setting forth proof of allegations of financial wrongdoing which have not been proved or even properly alleged by the Plaintiffs in their Complaint herein, but no such report has ever been received. However, I did receive a lengthy FAX transmission from the Plaintiff's counsel late the afternoon of Thursday, May 15, 2008, which is addressed below, after the review of which this Affidavit was completed. The submission included an Affidavit of Talon Stringham, also discussed below, which is certainly

3

4

5

6

7

8

9

10

11

12

13

14

15

17

18

19

20

21

22

23

24

25

26

27

28

not a "report" at all; rather, it is string of further unsubstantiated allegations and contains no admissible evidence whatsoever supporting the Plaintiff's positions in this case.

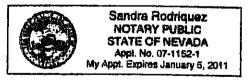
- 4. Plaintiff Ted R. Burke, while an officer and director of Kokoweef, recommended to Kokoweef that it hire Rita Vandawalker to perform accounting services for Kokoweef back in 2002. Accordingly, Ms. Vandawalker was engaged, and Mr. Burke stated on many occasions that he was satisfied with her services. More recently, when Mr. Burke raised certain questions relating to certain unspecified financial transactions of Kokoweef, Ms. Vandawalker was again engaged by Kokoweef.
- 5. Prior to the institution of this lawsuit, the Plaintiffs' counsel herein, Neil J. Beller, Esq., demanded certain financial records, which I believed he was permitted to receive under Chapter 78 of Nevada Revised Statutes for the purpose of performing an audit of Kokoweef's financial records, which was never done, even though copies of all of the requested financial records were provided. Accordingly, it is clear to me that the requests for such financial records were wrongfully made for the purpose of preparing this lawsuit instead of the audit that was never performed.
- 6. Moreover, I have since learned that Mr. Beller did not represent the requisite percentage of Kokoweef's stockholders to make the requests in the first place!
- 7. Ms. Vandawalker completed her examination of Kokoweef's financial records for the years 2003-2007 and reported the results of her work, prior to the institution of this lawsuit, to Mr. Burke, informing him that Kokoweef's financial transactions, except some small, insignificant, and immaterial matters, were all fully accounted

- 8. I have examined the Affidavit of Ted R. Burke which is attached to the "Supplement to Motion to Strike Motion to Require Security from Plaintiffs Or, in the Alternative, Opposition to Motion to Require Security from Plaintiffs" ("the Supplement") received late yesterday afternoon via FAX from the Plaintiffs' counsel. Mr. Burke's Affidavit has virtually no probative value or relevance. Mr. Burke, in my presence, on more than one occasion, while he was still Secretary and a director of Kokoweef, stated that the Bylaws submitted by Mr. Segel were in fact the correct Bylaws of Kokoweef, but, even if they weren't, there isn't anything in either sets of bylaws that Mr. Burke produced with his Affidavit that has anything to do with the Subject Motion or the Plaintiff's motion that the Subject Motion be stricken.
- 9. I have examined the Affidavit of Talon Stringham which is also attached to the Supplement. In his Affidavit Mr. Stringham attempts to qualify himself as an expert, but he does not the specific licenses he holds and who issued the licenses. Most of the statements in his affidavit are mere conclusions not based on admissible evidence, and he even admits that he has merely found "red flags," which he also virtually admits do not prove his conclusions.
- 10. Accordingly, the Plaintiffs have produced nothing tangible to defeat the Subject Motion or to support their motion to strike the Subject Motion. Moreover, they have produced no admissible evidence which would prove the false allegations contained in their Complaint herein.

- 12. Based on my experience in practicing law for over 40 years including substantial experience in litigation of the nature of the above-captioned case, it is my opinion that Kokoweef's attorneys' fees in this case very likely will eventually exceed \$150,000.
- 13. Based on the same experience, I believe that Mr. Segel's attorney's fees in this case will exceed \$100,000, and Kokoweef's board of directors recently voted to indemnify Mr. Hahn for his attorney's fees in this case as permitted in and mandated by its Articles of Incorporation and Bylaws.
- 14. Accordingly, the amount of the Bond to be posted by the Plaintiffs should be in an amount not less that \$250,000.

PATRICK C. CLARY

SUBSCRIBED AND SWORN TO before me on the \_16 day of May, 2008.



26

27

28

1

4

5

6

7

8

9

RECEIPT IS HEREBY ACKNOWLEDGED of a copy of the above and foregoing Affidavit of Patrick C. Clary in Support of Motion to Require Security from Plaintiffs on the \_\_\_\_ day of May, 2008.

NEIL J. BELLER, LTD.

Ne¦lí J. Beller Nevada Bar No. 2360 Attorneys for Plaintiffs 7408 West Sahara Avenue Las Vegas, Nevada 89117

M NELSON SEGEL Nevada Bar No. 530 Attorney for Defendants Larry Hahn and Hahn's World of Surplus, Inc. Nevada Bar No. 530 624 South Ninth Street Las Vegas, Nevada 89101