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PATRICK C. CLARY, CHARTERED

Patrick C. Clary

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CLERK OF THE COURT

Attorneys for Defendant Patrick C. Clary

DISTRICT COURT

CLARK COUNTY, NEVADA

-000-

TED R. BURKE; MICHAEL R. and LAURETTA L. KEHOE; JOHN BERTOLDO; PAUL BARNARD; EDDY KRAVETZ; JACKIE & FRED KRAVETZ; STEVE FRANKS; PAULA MARIA BARNARD; PETE T. and LISA A. FREEMAN; LEON GOLDEN; C.A. MURFF; GERDA FERN BILLBE; BOB and ROBYN TRESKA; MICHAEL RANDOLPH; and FREDERICK WILLIS,

Plaintiffs,

vs.

LARRY H. HAHN, individually, and as President and Treasurer of Kokoweef, Inc., and former President and Treasurer of Explorations Incorporated of Nevada; HAHN'S WORLD OF SURPLUS, INC., a Nevada corporation; PATRICK C.CLARY, an individual; DOES 1 through 100, inclusive;

Defendants,

and

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

Nominal Defendants.

CASE NO. A558629 DEPT NO. XIII

DATE OF HEARING: 12/8/08 TIME OF HEARING: 9:00 a.m.

PATRICK C. CLARY, CHARTERED 7201 West Lake Mead Boulevard, Suite 410

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REPLY MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF DEFENDANT PATRICK C. CLARY'S MOTION FOR SANCTIONS

This Memorandum is a reply to Plaintiffs' Opposition ("the Opposition") to Defendant Patrick C. Clary's Motion for Sanctions ("the Subject Motion") and is in support of the Subject Motion. The Opposition was purportedly served by mail on November 17, 2008 but was not received by the undersigned counsel until November 19, 2008.

Attached hereto as Exhibit 1 is the Supplemental Affidavit of Patrick C. Clary also in reply to the Opposition and in support of the Subject Motion and is incorporated herein by this reference.

The "Memorandum of Points and Authorities" in support of the Opposition opens by making the following statements:

This shareholders [sic] derivative action arises out of the scheme to fraudulently induce shareholders to purchase shares of corporate stock in a gold mine investment scheme managed by defendant HAHN, in order for HAHN, and his handpicked directors, to finance their personal lifestyles under the guise of conducting a legitimate gold mine operation. This the sale of unregistered and non-exempt scheme included securities in violation of NRS 90.460. Plaintiffs alleged that over the past 25 years, defendants [sic] HAHN, recently with the assistance of Clary, solicited the sale of securities in both predecessor company EIN, its KOKOWEEF, and approximately 1,200 investors, including Plaintiffs, through the sale of unregistered securities to finance the construction of private compound used solely for the personal defendants at the mine location. As such, the first Amended Complaint also seeks damages owed to the corporation as a result securities fraud, and conversion of self-dealing, corporate assets by the Defendants. .

These outrageous statements, together with three pages of the accompanying substantially untrue "Statement of Relevant Facts," contain mere allegations and conclusions which are entirely unsupported by credible or admissible evidence anywhere in the entire voluminous record of this case.

To the contrary, the Defendants have presented to the Court abundant evidence, both in affidavits and in oral testimony and

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written exhibits presented at an evidentiary hearing herein on July 30, 2008, that the various allegations are false and have overwhelmingly proved that the wrongdoing alleged and realleged over and over again just did not occur.

Moreover, the Affidavit of Patrick C. Clary attached to the Subject Motion as Exhibit A, which the Plaintiffs' new counsel attempt to dismiss as "self-serving," and the Supplemental Affidavit of Patrick C. Clary (Exhibit 1 hereto0, both in support of the Subject Motion, make it clear that the provisions of Nevada securities statutes have been fully complied with and that no securities fraud occurred. More specifically, there was no violations by Defendant Patrick C. Clary ("Mr. Clary") of Sections 90.460 and 90.570 of Nevada Revised Statutes, and there is no evidence in existence that Mr. Clary was guilty of negligent misrepresentation, fraud in the inducement, or fraudulent concealment. Rather, Mr. Clary's conduct as corporate and securities counsel for Kokoweef, Inc. was to assure full legal compliance under applicable law.

Under Rule 11 of the Nevada Rules of Civil Procedure, the Plaintiffs' new counsel were required, when they signed the so-called Amended Verified Derivative Complaint, to know or believe that "the allegations and other factual contentions have evidentiary support or likely to have" the same and that "the claims . . . and other legal contentions therein are warranted by existing law or by a nonfrivolous (2), 11(b)(3) position. Rule such leqal for arqument" respectively. They either knew or should have known better, and, with the true evidence in these proceedings before them, these attorneys have violated Rule 11.

For the foregoing reasons, Defendant Patrick C. Clary's Motion

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702.382 for Sanctions should be granted, and appropriate sanctions should be imposed upon the attorneys for the Plaintiffs for their violations of Rule 11 of the Nevada Rules of Civil Procedure.

DATED: December 1, 2008.

Respectfully submitted,

PATRICK C. CLARY, CHARTERED

By Patrick C. Clary

Attorneys for Defendant Patrick C. Clary

CERTIFICATE OF SERVICE BY MAILING

The above and foregoing Reply Memorandum of Points and Authorities in Support of Defendant Patrick C. Clary's Motion for Sanctions, together with the Supplemental Affidavit of Patrick C. Clary attached thereto as Exhibit 1, was served on the Plaintiffs by mailing a copy thereof, first-class postage prepaid, to their attorneys, Robertson & Vick, LLP, 401 North Buffalo Drive, Suite 202, Las Vegas, Nevada 89145, and was served on Defendants Larry Hahn and Hahn's World of Surplus, Inc. by mailing a copy thereof, first-class postage prepaid, to their attorney, M Nelson Segel, Esq., M Nelson Segel, Chartered, 614 South 9th Street, Las Vegas, Nevada 89101, on December 1, 2008.

PATRICK C. CLARY, CHARTERED

Patrick C. Clary

Attorneys for Defendant

Patrick C. Clary

SUPPLEMENTAL AFFIDAVIT OF PATRICK C. CLARY

STATE OF NEVADA)
): ss.
COUNTY OF CLARK)

- I, PATRICK C. CLARY, having been first duly sworn, upon my oath, depose and state as follows:
- 1. I make this Affidavit as a supplement to my Affidavit which is attached as Exhibit A to, and made in support of, the Motion for Sanctions filed herein on October 27, 2008, and this Supplemental Affidavit is also made in response to "Plaintiffs' Opposition to Defendant Patrick C. Clary's Motion for Sanctions" ("the Opposition").
- 2. While the so-called Amended Verified Derivative Complaint {"the Amended Complaint") along with the Opposition uses very broad strokes in attempting to paint an allegedly 25-year period of continuing securities fraud, the fact is that I only represented the predecessor of so-called Nominal Defendant Kokoweef, Inc. ("Kokoweef"), Explorations Incorporated of Nevada, for a relatively short period of time prior to the incorporation of Kokoweef on May 25, 2004 and never had been involved in any legal representation in connection with the said predecessor's activities involving the offer and sale of its securities.
- 3. Although both the Amended Complaint and the Opposition are quite disjointed, one thing is clear, and that is that the only securities fraud of which I have been accused is connected to the

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reorganization between Kokoweef and its said predecessor. The Agreement and Plan of Reorganization was executed on November 20, 2005; Nevada Form N-9, along with a copy of the Agreement and Plan of Reorganization, was timely and properly submitted on November 21, 2005 to the Securities Division of the Office of the Secretary of State of the State of Nevada under the exemption provided by Subsection 17(b) of Section 90.530 of Nevada Revised Statutes; and the exemption became effective ten days after its receipt. There was never any attempt by me to cover up anything as has been erroneously alleged by the Plaintiffs and their new counsel, and they have no proof of such allegations.

4. Even though the reorganization is the alleged gravamen of the Amended Complaint, nevertheless certain of the Plaintiffs purchased their shares of the common stock of Kokoweef well after the dates referred to above. For example, John Bertoldo purchased 1,000 shares on April 22, 2006, Steve Franks purchased 400 shares on April 22, 2006, Michael R. Kehoe purchased 100 shares on November 13, 2007, Fred Kravetz purchased 500 shares on April 25, 2006, and C.A. Murff purchased 100 shares on June 9, 2006! These Plaintiffs certainly knew those facts, their new attorneys also had to know them, and yet they both wrongfully accuse me of securities fraud that allegedly preceded these Plaintiffs' purchase of Kokoweef stock! Obviously those purchases of Kokoweef stock had nothing to do with the reorganization.

5. The Plaintiffs and their new counsel have wholly insufficient facts or legal bases to prove actionable securities fraud against me, and, therefore, they should be held accountable.

PATRICK C. CLARY

SUBSCRIBED AND SWORN TO before me on December 1, 2008

ASHLEY ERICKSON
Noticery Public State of Nevado
No. 04-92227-1
My appt. exp. Oct. 12, 2012