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LAS VEGAS, NEVADA

In re: Kokoweef Audit)
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TRANSCRIPT OF RECORDED CONVERSATION

September 18, 2007
Las Vegas, Nevada

Proceedings recorded by electronic sound recording;
transcript produced by transcription service.

1 (Recording began.)

2 MR. BURKE: Hey, Patrick. How you doing?

3 UNIDENTIFIED SPEAKER: Hello.

4 MR. BURKE: The crew's all here.

5 UNIDENTIFIED SPEAKER: Yeah, it looks like it.

6 MR. BURKE: Yeah.

7 UNIDENTIFIED SPEAKER: Hi, guys.

8 MR. BURKE: Hey.

9 UNIDENTIFIED SPEAKER: Hi.

10 MR. BURKE: All right.

11 UNIDENTIFIED SPEAKER: Hey, Ted.

12 MR. BURKE: Hi, you guys.

13 UNIDENTIFIED SPEAKER: Hi, Ted.

14 MR. BURKE: Hi.

15 UNIDENTIFIED SPEAKER: Well, the reason I called this
16 meeting is to try to diffuse some of the conflict. I know that
17 you raised some concerns about where the money was going and
18 that sort of thing.

19 MR. BURKE: Well, primarily my concerns are my -- the
20 goal is where my liability lies, and if I'm vulnerable to
21 liability, then I want to be able to examine all the company
22 records that are going to affect that liability.

23 MR. CLARY: You have the right to do that as the
24 director regardless of whether you have any concerns about your
25 liabilities.

1 MR. BURKE: Sure.

2 MR. HAHN: Never (indiscernible) --

3 MR. CLARY: As far as I can tell, is that you -- he's
4 turned everything over to you.

5 MR. BURKE: Pardon me?

6 MR. CLARY: Larry's turned everything over to you,
7 hasn't he?

8 MR. BURKE: He's -- he's given me the -- yeah. The
9 bank -- bank records for the last two years, so that -- that's
10 good. I'm working on that.

11 I do need maybe a copy of the expense log for -- or
12 expense journal for '05, maybe another copy for '06. I can't
13 find my '06. I don't know -- I thought he gave me one, but I
14 can't find it.

15 MR. CLARY: Is there such a thing? Expense?

16 MR. BURKE: Expense journal. Your expense --
17 like a --

18 MR. HAHN: Well, I have a checkbook and -- and what's
19 in a checkbook and you've got all of that.

20 MR. BURKE: Well, it's -- no, I don't -- I --

21 MR. HAHN: (Indiscernible) that big --

22 MR. BURKE: Yeah.

23 MR. HAHN: Oh, the big journal?

24 MR. BURKE: Yeah.

25 MR. HAHN: Yeah, I got that. If I find it.

1 MR. BURKE: Yeah. I think I can get the '06 right
2 next door with you guy's consent, but the '05, I don't think
3 she had.

4 MR. CLARY: Well, she's working on -- I mean, that's
5 why -- yeah. And also he's turned everything over to these
6 accountants that they're going to do a --

7 MR. BURKE: Yeah, I know.

8 MR. HAHN: Maybe the --

9 UNIDENTIFIED SPEAKER: (Indiscernible).

10 MR. HAHN: -- accountant was there today and we
11 were -- that's where we were headed. Yeah. I talked to her.
12 I -- I need to meet with her about this, too --

13 MR. BURKE: Okay.

14 MR. HAHN: -- because she wants to know the extent --

15 MR. BURKE: Yeah.

16 MR. HAHN: -- to what extent --

17 MR. BURKE: Yeah.

18 MR. HAHN: -- she needs to know.

19 MR. BURKE: Yeah.

20 MR. CLARY: But I think everything's put out on the
21 table now.

22 MR. BURKE: Well, as I say, you know, that if I
23 wanted my own -- as I understand the books were reconciled by
24 the bookkeeper not part of the CPA.

25 MR. CLARY: Well -- I mean, they do a complete --

1 MR. BURKE: That's fine.

2 MR. CLARY: -- examination.

3 MR. BURKE: Okay.

4 MR. HAHN: But not of '05. (Indiscernible) Kokoweef
5 which was '06.

6 UNIDENTIFIED SPEAKER: Yeah.

7 MR. BURKE: '06. Yeah. So -- but I'm -- I'm, you
8 know, I'm concerned about wherever I'm vulnerable. I'm not
9 vulnerable for just '06. I'm vulnerable for further back,
10 so --

11 MR. CLARY: Well, you know, how far do we have to go
12 back?

13 MR. BURKE: Two years is comfortable with me. I've
14 got them --

15 MR. CLARY: (Indiscernible) give me the --

16 MR. HAHN: That's five, six -- I'll get -- and seven.

17 MR. BURKE: -- you know. That's fine. Five, six,
18 and seven. If I could get can that and the log, the journal
19 log.

20 I -- I thought I saw it, or had a copy of it, or
21 something. At least for one of the years, but I certainly
22 didn't have it for '05 though, so I can match up the checks
23 with the -- here's what -- here's the check, that's the
24 expense, and that's what it was for.

25 MR. CLARY: Now, why do you feel the necessity to do

1 that it we've got a CPA working on it? I mean, you're welcome
2 to do it.

3 MR. BURKE: Yeah. I understand that. Yeah.

4 MR. CLARY: I think the fact that he's --

5 MR. BURKE: Well --

6 MR. CLARY: -- that he's -- I mean, the CPA is
7 independent. She's going to --

8 MR. BURKE: Right.

9 MR. CLARY: -- go over everything. If she see's any
10 irregularities, she's going to point it out.

11 UNIDENTIFIED SPEAKER: (Indiscernible).

12 MR. BURKE: Right. I understand.

13 MR. CLARY: And I think that's your, you know, I'm
14 not --

15 MR. BURKE: Yeah.

16 MR. CLARY: I -- I, unfortunately, after 40 years of
17 practicing securities law, I -- I have to get into financial --

18 MR. BURKE: Yeah.

19 MR. CLARY: -- statements and bullshit --

20 MR. BURKE: Yeah.

21 MR. CLARY: -- like that even though I'm not .
22 qualified to do that, of course.

23 MR. BURKE: Yeah.

24 MR. CLARY: But I've learned about it and I can --
25 know how to read it -- I know how to read financial statements

1 and I can.

2 MR. BURKE: Yeah, yeah.

3 MR. CLARY: But, again, I -- I don't practice
4 accounting. I'm a lawyer and not a tax lawyer either.

5 MR. BURKE: Well --

6 MR. CLARY: So I -- I recommended somebody that I
7 know's straight -- straight arrow.

8 MR. BURKE: Yeah.

9 MR. HAHN: She's now -- as of yesterday -- done with
10 the corporate taxes, so she did really get to work on it. I'm
11 planning to get together with her --

12 MR. BURKE: Um-h'm.

13 MR. HAHN: -- myself today or tomorrow if she wanted
14 to review some things with me --

15 MR. BURKE: Um-h'm.

16 MR. CLARY: -- so how far she needs to go, you know,
17 and I'm happy to do that, but -- well, I just -- I think at
18 this juncture I just had some concerns about things you
19 expressed to me --

20 MR. BURKE: I -- I've got bad hearing, so you've got
21 to speak up. I'm sorry.

22 MR. CLARY: Yeah. I forget to put my Goddamn hearing
23 aides in myself today.

24 MR. BURKE: So you know what I'm talking about then.
25 Yeah.

1 MR. CLARY: No. I'm just saying I'll speak louder.

2 MR. BURKE: Okay.

3 MR. CLARY: I'll tell you that I -- I expressed to
4 you some concern about some of your concerns.

5 MR. BURKE: Yeah.

6 MR. CLARY: But I think --

7 MR. BURKE: But --

8 MR. CLARY: -- that, you know, I'm not as --

9 MR. BURKE: Here --

10 MR. CLARY: -- concerned as I was, and you -- I don't
11 think that you should be as concerned because Larry is
12 turned -- has come forward.

13 MR. HAHN: I have no -- I have no -- I've never had a
14 problem. We agreed a year ago to do an audit, and then all of
15 a sudden it got rushed up in the middle of the summer, and
16 okay, fine. We'll do it in the middle of summer. Whenever you
17 want to do it.

18 UNIDENTIFIED SPEAKER: (Indiscernible).

19 MR. HAHN: Well, I mean, they --

20 UNIDENTIFIED SPEAKER: (Indiscernible).

21 MR. HAHN: -- he and --

22 MR. BURKE: Yeah.

23 MR. HAHN: -- Richard Dutchik talked to the -- the
24 accountant. The accountant says, fine, we do it at the end of
25 the year. No, we want to do it now, apparently, so -- he said

1 but you don't do it normally in the middle of the year, and
2 even you had said that.

3 It's just not -- not normally done in the middle of the
4 year. Which is fine. It doesn't make any difference. Now, we
5 can carry it forward to the other half of the year.

6 MR. CLARY: Then I think Larry's also been fair in
7 the sense that -- that he did not force the annual meeting of
8 the stockholders election of new directors. He's postponed
9 that until after the audit.

10 MR. BURKE: What -- what's the purpose of that
11 anyway? Why was a special meeting called?

12 UNIDENTIFIED SPEAKER: Because we had --

13 UNIDENTIFIED SPEAKER: Well, supposed to do --

14 UNIDENTIFIED SPEAKER: -- (indiscernible) end of the
15 year.

16 UNIDENTIFIED SPEAKER: We're supposed to have an
17 annual meeting of stockholders --

18 MR. BURKE: Okay.

19 UNIDENTIFIED SPEAKER: -- every year.

20 MR. BURKE: Okay. And we did nomination for five
21 more board members. I was curious about that.

22 MR. CLARY: Okay.

23 MR. BURKE: That's normal? But we didn't vote on
24 them.

25 MR. CLARY: No. That's the point I'm trying to make.

1 MR. BURKE: Oh.

2 MR. CLARY: It's been postponed.

3 MR. BURKE: Okay. You can do that and --

4 MR. CLARY: Sure.

5 MR. BURKE: Sure. Okay.

6 MR. HAHN: Absolutely.

7 MR. BURKE: Okay. That's fine.

8 MR. CLARY: And, so -- I mean -- so I -- I -- I

9 think, basically, my -- my advice to you would be -- basically,

10 I think Larry's kind of complied with everything, but maybe

11 this one document --

12 MR. BURKE: Yeah, yeah.

13 MR. CLARY: -- the journal, so-called journal. I

14 think it's pretty (indiscernible) --

15 MR. BURKE: Now, here's the, you know, as Richard and

16 I talked about the whole purpose of forming that new

17 corporation was for what purpose?

18 MR. CLARY: We -- we have to (indiscernible).

19 MR. BURKE: Well, what are we cleaning up?

20 MR. CLARY: Cleaning up the securities violations.

21 MR. BURKE: Okay. So we had securities violations

22 that we could possibly be held liable for as it's board

23 members?

24 MR. CLARY: Yes.

25 MR. BURKE: Okay. And that's our concern. That's

1 what we need to look at and why.

2 MR. CLARY: I did what I did.

3 MR. BURKE: Okay. So then that's -- so I'm -- so I'm
4 immune at this point?

5 MR. CLARY: I don't think there's any such thing as
6 immunity.

7 MR. BURKE: Okay.

8 MR. HAHN: Right?

9 MR. CLARY: I don't think there's anybody immune.

10 MR. BURKE: Okay.

11 UNIDENTIFIED SPEAKER: (Indiscernible).

12 UNIDENTIFIED SPEAKER: (Indiscernible) -- sued for
13 anything.

14 MR. CLARY: (Indiscernible) said you had said about
15 going to the SEC and confessing --

16 MR. BURKE: I'm -- I'm -- I'm -- all I said was at --
17 at the last resort if I don't get any cooperation and if I
18 can't resolve it myself, then I'm going to resolve it through
19 any means necessary. I'm going to get to the bottom of it.

20 MR. CLARY: What would you go to the SEC for? That's
21 insane.

22 MR. BURKE: Consultation. They're okay. Those
23 people -- I don't think they are or they're not the big bad
24 wolf. I don't think -- that people make out -- make them out
25 to be.

1 I want to make sure I'm on the right track. I don't want
2 to be barking up the wrong tree.

3 MR. CLARY: Well, if you ask me, I've been doing this
4 for 40 years.

5 MR. BURKE: I understand.

6 MR. CLARY: They are the big bad wolf. They're
7 assholes.

8 MR. BURKE: Yeah.

9 UNIDENTIFIED SPEAKER: Yeah.

10 MR. CLARY: And they -- when they get involved --

11 UNIDENTIFIED SPEAKER: Right.

12 MR. CLARY: -- involved in something that's after the
13 horse has not only the left barn, but it has burned down and --

14 MR. HAHN: Right.

15 MR. CLARY: -- the animals are gone --

16 MR. BURKE: Yeah.

17 MR. CLARY: -- but the Goddamn money's in South
18 America --

19 MR. BURKE: Yeah.

20 MR. CLARY: -- then we come in and --

21 MR. HAHN: Right.

22 MR. CLARY: -- and do something, and they destroy
23 companies --

24 MR. HAHN: That's right.

25 MR. CLARY: -- and they destroy people.

1 MR. HAHN: That's right. Yeah.

2 MR. CLARY: They're the big bad wolf.

3 MR. BURKE: Well --

4 MR. CLARY: Does mean I -- and why anybody would go
5 talk to the them -- I mean, if they're going come -- if they're
6 going to take some action and -- and file --

7 MR. BURKE: That's not -- that's not what I'm after.
8 You know, I saw you at --

9 MR. CLARY: What are you after?

10 MR. BURKE: I told you at the gas station. What I'm
11 after is to make sure I'd don't get hung out to dry when an
12 action comes down by somebody else and I get put --

13 MR. CLARY: (Indiscernible) --

14 MR. BURKE: -- on the stand by an attorney --

15 MR. CLARY: -- (indiscernible) --

16 MR. BURKE: -- an attorney --

17 MR. CLARY: -- after the fact. You could do it
18 prospectively by not being an officer and director anymore.

19 MR. BURKE: That'd be --

20 UNIDENTIFIED SPEAKER: (Indiscernible) --

21 MR. BURKE: If I'm not an officer or director, then
22 I'm not liable for any past actions --

23 UNIDENTIFIED SPEAKER: (Indiscernible).

24 MR. BURKE: -- or inactions?

25 MR. CLARY: Did I say that?

1 MR. BURKE: No, no. That's what I'm -- see, that's
2 my point.

3 MR. CLARY: Well, I -- what's your --

4 MR. BURKE: Yeah.

5 MR. CLARY: -- point? What are -- what are you --

6 MR. BURKE: My point --

7 MR. CLARY: What do you want --

8 MR. BURKE: My point --

9 MR. CLARY: -- to do or what you want to have
10 accomplished that's somehow is going to immunize you? I don't
11 understand what you're trying to accomplish.

12 MR. BURKE: Okay. What I'm trying --

13 MR. CLARY: (Indiscernible) I might be just trying to
14 help.

15 MR. BURKE: Yeah.

16 MR. CLARY: And I'm not taking sides here, but I'm
17 just trying to --

18 MR. BURKE: Well, that's a good -- all right. Let me
19 ask you that to start with on, and no disrespect or anything,
20 but you're general counsel for Kokoweef, Inc., right?

21 MR. CLARY: Right.

22 MR. BURKE: Are you general counsel for Larry?

23 MR. CLARY: No.

24 MR. BURKE: Okay. Just corporation then?

25 MR. CLARY: Right.

1 MR. HAHN: Corporation.

2 MR. BURKE: Okay, that's good. What I wanted to do
3 is look at --

4 MR. CLARY: I just don't want you to do anything
5 stupid. I mean, the idea of going to talk to --

6 MR. BURKE: Well --

7 MR. CLARY: -- the SEC --

8 UNIDENTIFIED SPEAKER: Oh, you bet.

9 MR. CLARY: -- is about as insane as anything you
10 could possibly do.

11 MR. BURKE: Yeah.

12 MR. HAHN: That's right.

13 MR. CLARY: I mean, if you want to just stick a knife
14 in yourself --

15 MR. BURKE: Yeah.

16 MR. CLARY: -- it'd be a shorter way to solve the
17 problem.

18 MR. BURKE: Well, it's a quicker way to
19 self-sacrifice you're saying, right?

20 MR. CLARY: Well, I --

21 MR. BURKE: Okay. Because if I understand --

22 MR. CLARY: -- think it's a mistake -- I mean --

23 MR. BURKE: Yeah.

24 MR. CLARY: First of all, the SEC has bigger fish to
25 fry.

1 MR. BURKE: Yeah.

2 MR. CLARY: They don't do a very good job at that.

3 MR. BURKE: Yeah.

4 MR. CLARY: I've handled several in my career, SEC
5 enforcement actions. I described to you guys before that one
6 of the -- one the areas of liability -- there's three areas of
7 securities liabilities when you get involved with securities.

8 MR. BURKE: Yeah.

9 MR. CLARY: And number one, is the criminal aspect.
10 There are (indiscernible). If you violate securities laws,
11 they are criminal --

12 MR. BURKE: Nobody wants to go there. I mean, I'm --
13 that's, you know, I --

14 MR. HAHN: I don't think there's any criminal --

15 MR. BURKE: Yeah. Intent here.

16 MR. CLARY: Any -- any scienter here on the part of
17 anybody.

18 MR. BURKE: Right.

19 MR. CLARY: Scienter means criminal intent.

20 MR. BURKE: Let me ask you --

21 MR. CLARY: (Indiscernible). Let me finish.

22 MR. BURKE: Let me ask you --

23 MR. CLARY: Let me finish.

24 MR. BURKE: All right.

25 MR. CLARY: Number two, is the civil liability that

1 MR. CLARY: Somebody else can go do it.

2 MR. BURKE: Right.

3 MR. CLARY: I'm good at it, but, you know --

4 MR. BURKE: It's law.

5 MR. CLARY: -- I may give up litigation entirely and
6 just do transactional work.

7 MR. BURKE: Yeah.

8 MR. CLARY: But that's -- then the third item
9 frequently one to occur, and that's what you're concerned
10 about. That is liability to the stockholders.

11 MR. BURKE: Yeah. No -- (indiscernible).

12 MR. CLARY: (Indiscernible) --

13 MR. BURKE: -- to board members, yeah.

14 MR. CLARY: -- (indiscernible) Securities Act of
15 1933, there's a section in there. Under the Securities
16 Exchange Act of 1934, there's another section in there.
17 Officers, directors, and controlling persons of corporations
18 are personally liable for violations.

19 The reason you form a corporation in the first place
20 generally, the main reason, is to have limited liability as to
21 debts of the corporation so you as a stockholder, director,
22 officer, aren't liable for those things.

23 MR. BURKE: Um-h'm.

24 MR. CLARY: That's why those people form entities
25 with limited liability.

1 MR. BURKE: Um-h'm.

2 MR. CLARY: It doesn't apply to securities law, so if
3 you're an officer, director, or stockholder -- now, I've
4 tried -- what we did in the -- to clean up this corporation --
5 just to remind everybody -- is that, basically, you guys had
6 been out there -- you'd been out there I guess longer than
7 you've been out there.

8 If anybody's worried about sleeping in the night, it should
9 be Larry probably, but -- but you're out there selling stock to
10 people in the ways you do which is on a friendly basis.

11 Nobody's ever tried to sue you or anything. When --
12 unfortunately, you didn't have lawyers at the time which is not
13 uncommon in this town -- there's only a handful of us that
14 really know what we're doing in this area -- that didn't know
15 what they were -- they were the most highly-regulated nation in
16 the world when it comes to securities.

17 (Indiscernible) -- it can create all these liabilities, so
18 my idea was -- and I've done it multiple times and -- and only
19 had a problem with one of those many times I've done it -- was
20 to form a new corporation and try to wipe out -- the fact of
21 the matter is that 90-percent, 99-percent probably --

22 MR. BURKE: Yeah.

23 MR. CLARY: -- of the securities transactions that
24 weren't conducted lawfully. The statute of limitations
25 has run.

1 The statute of limitations used to be -- just for your own
2 edification -- used to be one year and three years. Meaning,
3 one year from discovery of the violation and three years from
4 the actual sales transaction of the securities.

5 After -- after Enron and -- and -- and (indiscernible), a
6 lot of the -- congress had opted -- they extended the statute
7 of limitations to two and five. Two years from discovery, five
8 years from -- from the actual sale.

9 The reason that you have those short statute -- and the
10 Nevada Legislature complied with that and made a similar
11 amendment to the statute of limitations here for securities
12 law. Most of the states did, I think, so you have two and five
13 now.

14 Well, it -- and for 99-percent of your stuff, the statute of
15 limitations under the old statute had run even under the new
16 statute probably run, so you didn't have to worry about
17 anything that occurred less than five years ago.

18 MR. BURKE: Um-h'm.

19 MR. CLARY: And maybe only three years --

20 MR. BURKE: Um-h'm.

21 MR. CLARY: -- or, excuse me, two years because it
22 the date of discovery -- it isn't the longer of the two, it's
23 whichever come first.

24 MR. BURKE: Um-h'm.

25 MR. CLARY: So if somebody discovered that they sold

1 unregistered securities without compliance with an exemption
2 from the date they discovered it, they had one year to bring a
3 law suit. They hadn't brought it, so it's -- it's gone.

4 But we wanted to clean it up, so I -- I came up with the
5 idea, okay, we'll do this the reorganization, a tax-free
6 reorganization. No tax debts causing any difficulties. And we
7 did it. It's been how long now? Maybe a year.

8 UNIDENTIFIED SPEAKER: A year.

9 MR. CLARY: Okay.

10 MR. BURKE: Yeah. A year, year-and-a-half, yeah.

11 MR. CLARY: Year-and-a-half.

12 MR. BURKE: Yeah.

13 MR. CLARY: I don't remember when we actually closed
14 it, but I -- I -- but in any event --

15 MR. HAHN: August 31st. We're still in the process
16 of exchanging the stock, of course.

17 MR. BURKE: Um-h'm.

18 MR. HAHN: Well, they're still some -- a little --
19 little bit. Probably five percent now that we've had --

20 UNIDENTIFIED SPEAKER: Yeah.

21 MR. HAHN: -- hadn't found.

22 UNIDENTIFIED SPEAKER: Right.

23 MR. HAHN: They're coming out of the woodwork, so --

24 MR. CLARY: That's fine. When they come out of the
25 woodwork, we take of them.

1 MR. HAHN: Yeah. Exactly.

2 MR. CLARY: So -- so we had -- because I was able to
3 justify it in my own head, and don't think I don't worry about
4 this too because, you know, when -- if a company goes under,
5 guess who gets sued?

6 MR. BURKE: Right.

7 MR. CLARY: The lawyers and the accountants.

8 MR. HAHN: Right.

9 MR. BURKE: Well --

10 MR. CLARY: Okay? And you didn't have an accountant
11 up until recently, so that's our CPA.

12 MR. HAHN: CPA. Right.

13 MR. CLARY: And so -- so I, you know, if -- so
14 they're going come and sue me, and I'm not poor.

15 MR. BURKE: Yeah.

16 MR. CLARY: And so, you know --

17 MR. BURKE: Yeah.

18 MR. CLARY: I'm not rich either, but I'm still a
19 candidate to be sued.

20 MR. BURKE: (Indiscernible) right.

21 MR. CLARY: I'm not rich enough to be Republican.

22 MR. BURKE: You'll be the only one left standing.
23 That's the (indiscernible).

24 MR. CLARY: Thanks to good ole George Bush, but
25 anyway, the point is that we did Rule -- we did Rule 504,

1 Regulation D (phonetic) because we tried to justify that this
2 stock that we're exchanging here isn't worth more than a
3 \$1,000,000 to the aggregate, probably worth a hell of a lot
4 less than that.

5 MR. BURKE: Oh. (Indiscernible) --

6 MR. CLARY: Yeah. Regardless of what you sell it
7 for.

8 MR. HAHN: You're right.

9 MR. CLARY: And so I felt that we could do -- and
10 that -- and when you do a 504, under \$1,000,000 in any 12-month
11 period, you -- there's no limit to the number of offerings and
12 stockholders that you have, so -- which was perfect for your
13 situation.

14 But then we, you know, in doing this new offering under
15 504 that we did subsequent to the reorganization we've also
16 used 504 on that, and that hasn't exceeded -- it's not going to
17 ever exceed \$1,000,000 --

18 UNIDENTIFIED SPEAKER: Oh, heavens no.

19 MR. CLARY: -- in a year, never, and, again, we have
20 unlimited numbers so, you know --

21 MR. BURKE: Right.

22 MR. CLARY: It's a -- it's a pretty good exemption to
23 use. Now, in that situation, now in the -- in the
24 reorganization situation, the first situation, also under Rule
25 504, Regulation D, we did -- we -- we had to find a state

1 exemption.

2 And if (indiscernible) not in the new offering on state
3 exemption, we're limited to 25 Nevada residents, so we have
4 observed that correctly I think. I hope.

5 MR. BURKE: Unlimited on out-of-state, right?

6 MR. CLARY: Can't -- well, it depends on each state.
7 You have to look at each state.

8 MR. BURKE: Yeah.

9 MR. HAHN: I brought it -- you have it, but I brought
10 an extra copy for you, so I wasn't sure what the income was.

11 UNIDENTIFIED SPEAKER: Yeah. Right.

12 MR. BURKE: Yeah.

13 MR. CLARY: Okay. That doesn't matter, but now --
14 but -- well, I'm talking about the number of people.

15 MR. HAHN: (Indiscernible) --

16 MR. SIMSHAUSER: Yeah.

17 MR. HAHN: -- (indiscernible). Well, there's a
18 number of individuals.

19 MR. CLARY: Number of individuals.

20 MR. HAHN: (Indiscernible) 19 people from Nevada.

21 UNIDENTIFIED SPEAKER: Yeah.

22 MR. HAHN: And we got about eight or nine from
23 California.

24 UNIDENTIFIED SPEAKER: Yeah.

25 MR. HAHN: And we got a couple here, and couple in

1 Arizona.

2 MR. CLARY: Yeah. Okay.

3 MR. BURKE: Yeah, we're -- we're within range.

4 MR. CLARY: Probably need to -- maybe do some
5 clean-up work on the -- on the ones that are out -- outside the
6 state.

7 MR. HAHN: Okay.

8 MR. CLARY: Talk about that later. That's -- most
9 states have an exemption for isolated transactions, so not a
10 big deal.

11 MR. BURKE: Okay.

12 MR. CLARY: But -- but we didn't have -- but we
13 didn't have -- obviously, the reorganization with how many
14 stockholders do we have total?

15 MR. HAHN: 1,200.

16 MR. CLARY: 1,200 stockholders. That's quite far
17 over 25.

18 MR. BURKE: Yeah.

19 MR. CLARY: So we had to come up with something else
20 and, fortunately, the state had an exemption for
21 reorganizations --

22 MR. BURKE: Yeah.

23 MR. CLARY: -- and you just -- you pay the filing fee
24 and file a form, and I filed the reorganization agreement, and
25 if they don't do anything in ten days, you're exempt.

1 UNIDENTIFIED SPEAKER: Right.

2 MR. CLARY: So we had a real neat little exemption to
3 fit in there, so there we are, you know --

4 UNIDENTIFIED SPEAKER: (Indiscernible).

5 MR. CLARY: So I think the likelihood of -- and then,
6 of course, and with respect to the new stockholders, I wrote
7 then my very, very tight agreement --

8 MR. BURKE: Um-h'm.

9 MR. CLARY: -- where I think it would be an uphill
10 battle for anybody to sue the company and it's officers and
11 directors for securities fraud because of the provision in that
12 agreement where they acknowledge that you've complied.

13 Now, as I explained before it's a little -- kind of a
14 little different twist on the law. In a civil action -- in a
15 criminal case, you have to prove it by beyond a reasonable
16 doubt.

17 MR. BURKE: Um-h'm.

18 MR. CLARY: In a civil action, it's a lesser
19 standard.

20 MR. BURKE: It's probable.

21 MR. HAHN: Yeah.

22 MR. CLARY: It's -- no. It's a preponderance of the
23 evidence.

24 MR. BURKE: Right.

25 MR. CLARY: Which basically means we have the --

1 MR. BURKE: Weighing the evidence, yeah.

2 MR. CLARY: Weighing the evidence when you have a
3 scale --

4 MR. BURKE: Yeah.

5 MR. CLARY: -- it has to tip slightly in favor of the
6 plaintiff.

7 UNIDENTIFIED SPEAKER: Yeah.

8 MR. CLARY: Well, we have a reversal of that because
9 of the fact that we aren't complying with an exemption from
10 registration under the securities laws, and in that case,
11 somebody sues you and says you sold me unregistered securities.
12 Bang. Okay.

13 Well, you come back and say well, wait a minute we --
14 (indiscernible) we sold the unregistered security. We didn't
15 do the registration, but we complied with an exemption.

16 Well, then the burden of proof then shifts to the
17 defendant instead of the plaintiff to prove you complied with
18 the exemption. Well, our agreement is the proof.

19 MR. HAHN: Right.

20 MR. CLARY: You introduce that agreement, and you get
21 the plaintiff on the witness stand you (indiscernible) -- did
22 you sign this, didn't you say this, didn't you say this, didn't
23 you say this, and you agree that this complied with the
24 exemption. What the hell are you suing them for selling
25 unregistered securities without an exemption when you signed

1 the Goddamn thing --

2 MR. HAHN: Right.

3 MR. CLARY: -- it says that you complied.

4 MR. BURKE: Yeah.

5 MR. CLARY: So, you know, so that's your defense.

6 MR. BURKE: Yeah.

7 MR. CLARY: Now, what you're worried about -- I think
8 your primary concern -- to summarize it from my memory --

9 MR. BURKE: Yeah.

10 MR. CLARY: -- which is getting a little fuzzy.

11 UNIDENTIFIED SPEAKER: (Indiscernible).

12 MR. CLARY: Fuzzy (indiscernible).

13 MR. BURKE: I have those senior moments.

14 UNIDENTIFIED SPEAKER: That's a legal term, but --
15 but it is that you through that there was -- that some of the
16 money -- you raised certain moneys --

17 MR. BURKE: Well, I'm worried about --

18 UNIDENTIFIED SPEAKER: -- (indiscernible) --

19 MR. BURKE: I'm worried about something that may be
20 in the books that we didn't know about or don't know about that
21 somebody can dig up later, come back and prosecute us. You
22 see?

23 MR. CLARY: Okay. Well, that -- we're going to solve
24 that problem.

25 MR. BURKE: Okay.

1 UNIDENTIFIED SPEAKER: (Indiscernible).
2 UNIDENTIFIED SPEAKER: (Indiscernible) CPA.
3 MR. BURKE: Yeah.
4 MR. CLARY: If there's something wrong there, we'll
5 correct it or make it go away.
6 MR. BURKE: That's my point, but if we --
7 UNIDENTIFIED SPEAKER: (Indiscernible).
8 MR. BURKE: Yeah. What we're doing for the --
9 UNIDENTIFIED SPEAKER: (Indiscernible).
10 MR. BURKE: We're doing that for the -- for Kokoweef,
11 right?
12 UNIDENTIFIED SPEAKER: Yeah.
13 MR. BURKE: Are we not liable further back?
14 MR. CLARY: I just got done explaining the statute of
15 limitations.
16 MR. BURKE: Yeah, I know.
17 MR. CLARY: Do I need to --
18 MR. BURKE: You said the two to five?
19 MR. CLARY: -- explain it again?
20 MR. BURKE: Two to five?
21 MR. CLARY: Two and five for things occurring since
22 that was amended. You go back further then the amendment and
23 the -- the -- (indiscernible) law which is maybe a year or two
24 old now with one and three, those are all gone.
25 MR. BURKE: So I'm not concerned about anybody making

1 an allegation of something that occurred that I should have
2 known about and did something about three years ago?

3 MR. CLARY: Right.

4 MR. BURKE: That's right?

5 MR. HAHN: Yeah.

6 MR. BURKE: Two years ago?

7 MR. CLARY: If they discovered it. How would they
8 know? If they discovered it, it'd be one year once it's
9 discovered.

10 MR. BURKE: Yeah.

11 MR. CLARY: The maximum amount would be from the sale
12 from the discovery so -- they still -- the congress -- which
13 now that it's Democratic again -- is doing a little better job,
14 and the legislature here in Nevada -- which is another story --
15 half -- half of that -- in their ultimate wisdom -- because
16 securities fraud is so easy to prove compared to say common-law
17 fraud, they put short statutes of limitations on it.

18 MR. BURKE: Um-h'm.

19 MR. CLARY: So when the -- the statute of limitations
20 is an absolute defense. Somebody bought something five years
21 ago and now they're pissed off, tough shit, you know, and you
22 just -- when somebody sues you, you are required to assert your
23 affirmative defenses --

24 MR. BURKE: Um-h'm.

25 MR. CLARY: -- but any lawyer with -- well, this

1 would probably apply to 90-percent of lawyers in this town. If
2 they got sued in a securities case, they wouldn't know what the
3 hell they were doing, but you got to know to assert the statute
4 of the limitations if it applies.

5 MR. BURKE: Um-h'm.

6 MR. CLARY: So you assert it in your answer --

7 MR. BURKE: So --

8 MR. CLARY: -- and it's an absolute defense.

9 MR. BURKE: Okay. So two years would --

10 MR. CLARY: (Indiscernible) even summary judgment
11 against the plaintiff on the ground of statute of limitations.

12 MR. BURKE: Okay. So the only concern I have is the
13 two years then, right? Okay. That's why I just want to look
14 at the books the two years --

15 MR. CLARY: Two years --

16 MR. BURKE: No. That's fine.

17 MR. CLARY: Two years from discovery. Five years
18 from a sale.

19 MR. BURKE: Okay.

20 MR. CLARY: So we're going to find out if there's
21 anything that occurred in the last --

22 MR. HAHN: Year-and-a-half.

23 MR. SIMSHAUSER: Yeah.

24 MR. BURKE: Two years.

25 UNIDENTIFIED SPEAKER: Two years.

1 MR. BURKE: No. We're going to find out during the
2 period of Kokoweef, right? Kokoweef we didn't start any
3 conduct, any financial conduct, until about the first of the
4 year. Let's be real.

5 MR. HAHN: Until about April --

6 MR. BURKE: Yeah.

7 MR. HAHN: -- of last year.

8 MR. BURKE: Well, no. I mean -- when did we start
9 putting -- we did we start collecting money under Kokoweef,
10 checks?

11 MR. HAHN: You started your people at April of 2006,
12 or actually May.

13 MR. BURKE: May of --

14 MR. CLARY: I got to find out if there is any
15 misrepresentations --

16 MR. BURKE: Yeah.

17 MR. CLARY: -- that you (indiscernible) --

18 MR. BURKE: Okay.

19 MR. CLARY: What (indiscernible) --

20 MR. BURKE: Well, I --

21 MR. CLARY: I started to say it, and then I got off
22 the track.

23 MR. BURKE: Yeah.

24 MR. CLARY: His concern was that there -- as I told
25 you that you -- I mean, I've been very straight up with all you

1 guys --

2 MR. BURKE: Yeah, yeah.

3 MR. CLARY: -- you know, and I'm --

4 MR. BURKE: You know, I'm at a --

5 MR. CLARY: -- (indiscernible) --

6 MR. BURKE: I'm at a point guys that I've worked --
7 I've retired just recently. I've got a nice nest egg and nice
8 retirement. I don't want to lose it at my age. Follow me?

9 UNIDENTIFIED SPEAKER: Neither do I.

10 MR. BURKE: Yeah. None of us do.

11 UNIDENTIFIED SPEAKER: (Indiscernible).

12 MR. BURKE: Yeah.

13 UNIDENTIFIED SPEAKER: (Indiscernible).

14 MR. BURKE: And so --

15 MR. CLARY: So -- but the point is, that his concern
16 was that he represented to this investors that the money was
17 going to be used for invest (indiscernible) and -- and he was
18 fearful that money was used for something else so that would
19 be a --

20 UNIDENTIFIED SPEAKER: Well, the only, you know --

21 MR. CLARY: -- misrepresentations.

22 UNIDENTIFIED SPEAKER: -- we've used a bit of money,
23 but that's from anybody you want to call it from.

24 MR. BURKE: That's part of it, yes.

25 UNIDENTIFIED SPEAKER: But --

1 MR. BURKE: That's that all of it though.

2 MR. HAHN: To upgrade the camp --

3 (Phone ringing in background.)

4 MR. BURKE: What --

5 (Colloquy not on the record.)

6 MR. BURKE: Okay.

7 MR. CLARY: What do you mean it's not all?

8 MR. BURKE: We have to finish this (indiscernible).

9 It's an incomplete list.

10 (Colloquy not on the record.)

11 MR. BURKE: That's -- that's like the one I saw -- I
12 don't know. It's the --

13 MR. HAHN: Yeah, that's just being (indiscernible)
14 from the -- from the last --

15 MR. BURKE: Yeah. That's the one. It's still not --

16 MR. HAHN: Has every dollar come in and --

17 MR. BURKE: Yeah.

18 MR. HAHN: -- when -- when Kokoweef tried to take
19 money in -- with the checks on Kokoweef was April 6th for 3,000
20 for (indiscernible) which is one of your people, and they can
21 be (indiscernible). April 28, was another 2,000. The 17th of
22 May -- 22nd of May --

23 MR. BURKE: Um-h'm.

24 MR. HAHN: -- and then a total up to the 31st of
25 August was \$36,000 that came in from these people, and that was

1 a total of individuals of one, two, three, four, five, six,
2 seven, eight, nine, ten, eleven, twelve, thirteen people. But
3 now we -- we started August 31st with Kokoweef, consummated the
4 deal, right?

5 MR. BURKE: Whatever.

6 MR. SIMSHAUSER: Yeah.

7 MR. BURKE: We were -- weren't we still taking checks
8 under EIN during that time also?

9 MR. HAHN: Oh, yeah. Sure. Yeah.

10 MR. CLARY: Well, that -- but this is just Kokoweef.
11 This ain't nothing do with EIN. This --

12 MR. BURKE: I'm concerned with anything that can hurt
13 me --

14 UNIDENTIFIED SPEAKER: Yeah.

15 MR. BURKE: -- and EIN can hurt me, so that's why I
16 wanted to look --

17 UNIDENTIFIED SPEAKER: EIN is the --

18 MR. BURKE: You can either get me -- if you don't
19 have a challenge with it --

20 UNIDENTIFIED SPEAKER: (Indiscernible), right.

21 MR. BURKE: -- let me have, you know, the -- your --
22 what do you call it? Yeah.

23 MR. HAHN: Ledger?

24 MR. BURKE: Your expense journal for '05 and '06.

25 MR. HAHN: Well, that's fine by me. (Indiscernible).

1 MR. BURKE: All right.

2 MR. HAHN: It's already in there.

3 MR. BURKE: Let me look -- I'm --

4 MR. HAHN: She's got everything there, but I -- I got

5 copies, so I'll -- yeah.

6 MR. BURKE: Get us --

7 MR. HAHN: I'll mail you a copy of that.

8 MR. BURKE: Get us to a point where we can sleep at

9 night and we can -- we're okay. Yeah. I don't think I'm going

10 to be around much longer anyway, so in terms of being a officer

11 so -- it's -- if I'm reading some of the rumors right.

12 MR. HAHN: Well, one other thing I'm concerned about

13 today, Pat, is we got two drill rigs here.

14 MR. BURKE: Um-h'm.

15 MR. HAHN: They were bought at the same time from a

16 guy in -- up in the -- up in the -- Idaho. Idaho. By the name

17 of Doug Kettle for \$70,000, and a couple of weeks ago Ted

18 brought me in the -- (indiscernible) title to these.

19 Here's the two checks. I sent one for \$35,000, and Olga

20 sent one for 35,000, and he presented me with a title, but

21 unfortunately on the back side of this title is -- he signed

22 off, and that's on the rig that is apparently mine because he

23 chose which one he wanted, so I said, fine, no problem.

24 Whatever you want to do --

25 MR. BURKE: If you look at the bill of sale, the bill

1 of sale is made out to both of us on both rigs, and I signed my
2 portion of it and gave it to him and for him a place to sign.
3 Is that -- according --

4 UNIDENTIFIED SPEAKER: (Indiscernible) --

5 MR. BURKE: If you -- if you want to match it with
6 the bill of sale, it would match then, and then what you'll
7 want to do is I'll give him my 50-percent of his ownership in
8 his rig, he gives me mine, and we got to get a reassignment.
9 Not a big deal I don't think, but -- it doesn't matter to me.

10 MR. CLARY: You paid personally for that?

11 MR. BURKE: Yeah. Yeah.

12 (Cell phone ringing in background.)

13 UNIDENTIFIED SPEAKER: (Indiscernible) paid 35,000
14 for one rig. If you want to want to give (indiscernible).

15 MR. BURKE: I paid -- I paid for one rig, and I paid
16 for the transportation \$40,000, so total out of my pocket.

17 MR. HAHN: What's the arrangement for the use of it?
18 (Indiscernible) you're leasing it to --

19 MR. BURKE: No. We -- we -- the -- the deal was we
20 have a contract, Larry and I, that says they could use --
21 because at the time we thought the rig would be useful in
22 getting the cores drilled.

23 UNIDENTIFIED SPEAKER: Who's --

24 MR. BURKE: -- to -- to complete the job.

25 MR. CLARY: Which bill of sale is this?

1 MR. BURKE: That is for both rigs. It shows an
2 undivided, 50-percent interest in both rigs to each of us, and
3 that's why I was trying to make his title match up so he
4 doesn't have trouble when he goes to the DMV, and I just assign
5 my interest over to him, but he's -- I don't what he's --

6 UNIDENTIFIED SPEAKER: Individual (indiscernible) or
7 both of you (indiscernible)?

8 MR. HAHN: No, no. It would be my -- my company,
9 Hahn's Surplus, because that's where the money come from. It
10 came out of the credit union, and that's -- that's why it would
11 have to actually belong to Hahn's Surplus.

12 I just needed to clarify it, and when I went down to
13 the -- and because his name is on the -- on the only title --
14 the other rig is not titled, apparently. The one he's got,
15 sea.

16 So I -- they said at the DMV, just take and erase your
17 affidavit, and that would probably suffice. Well, he doesn't
18 like that idea.

19 So whatever you can come up with, Pat, is fine with me.

20 MR. CLARY: Go with the agreement.

21 MR. BURKE: Yeah.

22 MR. HAHN: Okay.

23 MR. BURKE: Assignment. Reassignment.

24 MR. HAHN: Here's -- here's the -- what he came up
25 with here. These are the two things that he decided is fine.

1 With me, I don't care as long it's -- that I just can have a --
2 have a clear title so I can start drilling.

3 MR. CLARY: Okay. Well, let -- let me put together a
4 little agreement on it.

5 MR. HAHN: Okay. That'll be fine.

6 UNIDENTIFIED SPEAKER: (Indiscernible).

7 MR. BURKE: Okay. Could --

8 Pat, let me ask you this. In the way that I've been
9 bringing in some investors, been collecting some money for
10 people that I know, and we --

11 UNIDENTIFIED SPEAKER: (Indiscernible) you started to
12 say earlier that --

13 UNIDENTIFIED SPEAKER: Yeah.

14 UNIDENTIFIED SPEAKER: -- this is not complete list?

15 MR. BURKE: Well, not in my view. I think there's
16 probably more investors in. If we 1,200 investors, I don't see
17 1,200 investors here.

18 UNIDENTIFIED SPEAKER: Well, 1,200 investors go back
19 22 years.

20 MR. BURKE: Okay. But my point is -- these are just
21 the current -- it's a -- it's a partial list.

22 UNIDENTIFIED SPEAKER: (Indiscernible) --

23 MR. BURKE: A partial list, yeah.

24 MR. CLARY: Partial list of stockholders.

25 MR. BURKE: Right.

1 UNIDENTIFIED SPEAKER: But not --

2 MR. CLARY: But this is just -- this is just money
3 that was put into the company for 2006.

4 Do you dispute the accuracy of that?

5 MR. BURKE: I'm just saying it's not complete.

6 That's all. But it's not finished yet, but I'm not --

7 MR. HAHN: No.

8 MR. BURKE: I'm not --

9 MR. HAHN: It only purports to be --

10 MR. BURKE: Yeah.

11 MR. HAHN: -- the names of people who have invested
12 money in the company during 2006.

13 MR. BURKE: Right. And so --

14 UNIDENTIFIED SPEAKER: (Indiscernible) --

15 MR. BURKE: Hence, the --

16 MR. CLARY: Is it accurate as to that?

17 MR. HAHN: I have a separate ledger which I gave to
18 Ted --

19 MR. BURKE: I --

20 UNIDENTIFIED SPEAKER: -- on Kokoweef only.

21 MR. BURKE: (Indiscernible) --

22 MR. HAHN: And then every -- every individual that
23 put money in from that point right there is listed on this
24 piece of paper.

25 MR. BURKE: I do not have the -- the complete list of

1 all the investors that I brought in and even in back in the
2 EIN. This is just Kokoweef, right?

3 UNIDENTIFIED SPEAKER: Um-h'm.

4 MR. BURKE: Okay. Not during the period of the EIN.
5 I brought in investors during that time table. I want to make
6 sure that I brought them in properly.

7 Are we collecting the money properly, in your view?

8 MR. CLARY: What would be -- what would be improper
9 about it?

10 MR. BURKE: Well, that's what -- I'm just saying --
11 we're okay there? I'm okay. All right.

12 MR. CLARY: As far as I know.

13 MR. BURKE: All right. Okay.

14 MR. CLARY: I didn't supervise it --

15 MR. BURKE: Okay. All right.

16 MR. HAHN: (Indiscernible) I wrote them a receipt for
17 their check.

18 MR. BURKE: Okay. He's got a receipt, that -- okay.
19 I feel -- I feel comfortable with that, but as a secretary of
20 the company, I'm supposed to -- and according to the bylaws of
21 what's to be in personal possession, and then -- and I don't
22 even have names and addresses of any of these stockholders. I
23 don't know they're -- (indiscernible).

24 MR. CLARY: It's no problem, is it?

25 MR. BURKE: No? Name, address --

1 MR. HAHN: You've --
2 MR. BURKE: -- phone numbers.
3 MR. HAHN: You've got all the addresses of his
4 people.
5 MR. BURKE: What about the ones that are not?
6 MR. HAHN: What? All 1,200?
7 MR. BURKE: Well --
8 MR. HAHN: Yeah.
9 MR. BURKE: Yeah.
10 MR. HAHN: Does he need those?
11 MR. BURKE: Well, that's what the bylaws say.
12 MR. CLARY: Give him copy of it.
13 MR. BURKE: That's my point.
14 MR. CLARY: Okay.
15 MR. BURKE: You know. That's the thing that --
16 MR. HAHN: These are people -- even half of we can't
17 find or I told you.
18 MR. BURKE: That's fine.
19 UNIDENTIFIED SPEAKER: That's fine?
20 MR. BURKE: That's the stuff that made my sphincter
21 muscle jump that's says, hey, you know, I'm responsible for
22 this and I don't even have their names and addresses?
23 MR. HAHN: Wow. What are you going to do with it?
24 What are you going to do with it?
25 MR. BURKE: Well, I'm just saying my point is to do

1 my job, for one thing.

2 MR. HAHN: Are you going to talk to them?

3 MR. BURKE: No. What for?

4 MR. HAHN: Well, I don't know. You've already told
5 some of your investors to --

6 MR. BURKE: I'm disclosing everything to my
7 investors.

8 UNIDENTIFIED SPEAKER: I asked --

9 MR. CLARY: What are you disclosing to your
10 investors?

11 MR. BURKE: I'm not going to disclose anything we
12 don't know. I just tell them what I do know. I'm trying to
13 get -- we haven't had an audit in 25 years. We're -- you're
14 doing one just for Kokoweef only, not for any of the EIN, and
15 (indiscernible) --

16 UNIDENTIFIED SPEAKER: (Indiscernible).

17 MR. BURKE: I don't want to get into an argument with
18 you, Larry.

19 MR. CLARY: He's looking -- I think he's looking at
20 some --

21 UNIDENTIFIED SPEAKER: (Indiscernible).

22 UNIDENTIFIED SPEAKER: Right.

23 MR. BURKE: Yeah. Okay.

24 MR. CLARY: That's the critical period that you're
25 worried about your liability.

1 MR. BURKE: Yeah. Okay. Then they -- that's the
2 one -- that's the one -- all I've always asked for. I didn't
3 ask for 25 years worth of records.

4 MR. CLARY: Okay. (Indiscernible) --

5 MR. BURKE: I'm just saying --

6 MR. CLARY: (Indiscernible) --

7 MR. BURKE: When I'm looking at the --

8 MR. CLARY: Let me explain --

9 MR. BURKE: When I read --

10 MR. CLARY: -- to you the statute of limitations
11 situation.

12 MR. BURKE: Yeah. I understand that.

13 MR. CLARY: You'll feel a little comfortable about
14 that.

15 MR. BURKE: Two years is all I ask for.

16 MR. CLARY: Okay. Well, that's what's being done.

17 MR. BURKE: And -- and, you know, just get me the --

18 MR. CLARY: That's what's being done.

19 MR. BURKE: -- the expense log and --

20 UNIDENTIFIED SPEAKER: (Indiscernible) two years --

21 UNIDENTIFIED SPEAKER: (Indiscernible) September
22 of '07, right now.

23 MR. BURKE: Yeah.

24 MR. HAHN: Now, another thing I'd like to discuss
25 with you is, Bill (indiscernible) originally gave Ted a check

1 for \$17,000 for half of one of those rigs, but Ted made it --
2 put it into an LLC.

3 MR. BURKE: Put it into a what?

4 MR. HAHN: LLC. You gave it to me. I didn't do it.
5 So I wanted -- I would like to figure out how to get this money
6 back to -- to Bill?

7 MR. CLARY: What's the story on that?

8 MR. BURKE: Well, the story on that is, he was going
9 to pay part interest in the rig or actually all -- all three of
10 us were, and then we -- we had a meeting and no, that's not
11 going to work. By the way, we never did finish what the end
12 result was on that -- on the rig itself. We keep changing
13 subjects here, but --

14 MR. CLARY: Well, no. We're back on the subject of
15 the rigs.

16 MR. BURKE: Okay. All right.

17 MR. CLARY: I'm going to try --

18 MR. BURKE: Okay.

19 MR. CLARY: -- put together an agreement --

20 MR. BURKE: Okay.

21 MR. CLARY: -- that's going to resolve all these
22 issues.

23 MR. BURKE: Okay.

24 MR. CLARY: So you have tell me how (indiscernible).

25 MR. BURKE: Anyway, the \$17,000, went back into

1 Kokoweef in paying for claims that we made, and it was with
2 full agreement of Larry.

3 MR. HAHN: I never agreed at all. You asked me
4 (indiscernible) --

5 MR. BURKE: I don't -- I don't --

6 MR. HAHN: (Indiscernible).

7 MR. BURKE: All right. Which is fine. I mean, I'm
8 not going to argue -- (indiscernible).

9 MR. HAHN: (Indiscernible) --

10 MR. BURKE: And then the remain (indiscernible) --

11 MR. HAHN: Well, he gave me two checks and then he
12 paid for some he says, but -- because I have no record
13 whatsoever what this was paid to --

14 MR. BURKE: I --

15 MR. HAHN: -- other than the two checks.

16 MR. BURKE: I gave him -- I gave him a copy of it,
17 what it was paid for. I gave him (indiscernible) because every
18 time (indiscernible) --

19 MR. HAHN: (Indiscernible) check that's going into
20 the bank that he gave to Kokoweef.

21 UNIDENTIFIED SPEAKER: Okay.

22 MR. HAHN: But the rest of them is, you know, I don't
23 know and I presume there's a balance there of \$4,500.

24 MR. CLARY: Well, this needs to be revealed to the --
25 to the CPA. Yeah. That's -- that's what I mean. I need her

1 to know that because that really isn't income. Well, she
2 needs -- so she'll need the receipts for this other stuff.

3 MR. HAHN: Right.

4 MR. BURKE: It for the -- it for claims, and I gave
5 documentation for all of it along with the ledger to him.

6 UNIDENTIFIED SPEAKER: Yeah.

7 MR. BURKE: And he's got it in his record.

8 MR. HAHN: Here's the ledger --

9 MR. BURKE: Yeah.

10 MR. HAHN: -- but you have to (indiscernible) --

11 MR. BURKE: And -- and I gave -- and it shows exactly
12 what claims it paid for.

13 MR. HAHN: Right.

14 MR. CLARY: Do you have the back-up documentation?

15 MR. HAHN: Sure.

16 MR. CLARY: Why don't you give it -- give it to me so
17 I can --

18 MR. BURKE: Yeah.

19 MR. CLARY: -- incorporate that in --

20 MR. BURKE: Yeah.

21 MR. CLARY: -- the agreement.

22 MR. BURKE: So all of it, every -- it was accounted
23 for down to the last penny, is my point.

24 MR. HAHN: Well, what I need to know --

25 MR. BURKE: It went back in the (indiscernible).

1 MR. HAHN: -- from you, Ted, is -- or, Pat, is how do
2 I get this \$17,000 back to Bill because the original deal was
3 Ted and he were going to split the difference between one rig.

4 MR. BURKE: Um-h'm.

5 MR. HAHN: I would buy one rig, then Ted changed it
6 and decided to use it for -- for the claim work.

7 Well, we had money in -- money in there for claims, but
8 not a lot. Back in the last year --

9 MR. BURKE: He didn't have any money --

10 MR. HAHN: We had a little -- we had \$20,000 --

11 (Colloquy not on the record.)

12 MR. HAHN: Pat, look at the --

13 UNIDENTIFIED SPEAKER: (Indiscernible) interested in
14 is just getting to go home.

15 MR. CLARY: What is your response to that?

16 MR. BURKE: My response to that is if Kokoweef's got
17 it, he's got it. He's -- it went into the claims, the claims
18 are in Kokoweef's name not my name. The rest of the money, the
19 excess money, he got back in a check form from me and it's on
20 the ledger. It's documented there.

21 UNIDENTIFIED SPEAKER: So Kokoweef --

22 MR. BURKE: It's not rocket science.

23 MR. CLARY: Your position is that Kokoweef's --

24 MR. BURKE: Kokoweef's --

25 MR. CLARY: -- (indiscernible).

1 MR. BURKE: -- got the 17 grand.
2 MR. CLARY: Well, that needs to --
3 MR. BURKE: He knows that.
4 MR. CLARY: -- put on the company book as a loan then
5 I guess.
6 MR. HAHN: I don't there. I -- because he has never
7 given me any documentation.
8 UNIDENTIFIED SPEAKER: (Indiscernible) --
9 MR. HAHN: I don't have it. All I got is this
10 ledger. He says he has it. He says (indiscernible).
11 MR. BURKE: Yeah. I did.
12 MR. HAHN: And whatever the balance is he should be
13 able to close out the account and give it back to Bill, and
14 then I need something --
15 MR. BURKE: (Indiscernible) --
16 MR. HAHN: -- to say, hey, (indiscernible).
17 MR. BURKE: We closed it out by writing a check to
18 Kokoweef --
19 MR. CLARY: Okay. I understand.
20 MR. BURKE: And he deposited it.
21 MR. CLARY: Well, Let's get that -- let's get the
22 evidence of that and then we can -- we can close this
23 (indiscernible). If there's a balance.
24 MR. BURKE: (Indiscernible). What do you mean,
25 balance?

1 MR. HAHN: (Indiscernible). That's the one you gave
2 me, so that's all I have. There's \$4,500 left in the account.
3 I didn't have -- I don't have a check for that. I had the two
4 checks that you handed me sometime later put in the bank for
5 \$2,250 and \$1,800.

6 All I need to know is how I do I get the money back to
7 Bill, so he has his 17,000 which he was originally going to buy
8 a rig with? So that's -- that's all I ask.

9 MR. BURKE: This isn't the one that I prepared.

10 MR. HAHN: Oh, shit. It's yours.

11 MR. BURKE: (Indiscernible) did it. I'll -- I'll
12 check it out.

13 UNIDENTIFIED SPEAKER: (Indiscernible)?

14 MR. BURKE: Yeah, I'll -- he got all the money
15 though. I'm not buying that story.

16 MR. CLARY: Well, if that's the case, it should be
17 documented. I'd agree.

18 UNIDENTIFIED SPEAKER: (Indiscernible).

19 MR. BURKE: Pardon me?

20 MR. CLARY: Get that for me, so I can try to help get
21 this resolved.

22 MR. BURKE: I've got bad hearing, again.

23 MR. CLARY: I'm sorry. I talk -- I talk too soft. I
24 was just saying, get me the documentation.

25 MR. BURKE: Oh, yeah. That's no problem. I don't

1 have a problem with that.

2 MR. CLARY: (Indiscernible) then I can settle up with
3 Bill, but I need it. If this is -- if this is to be treated as
4 a loan I need -- and for her --

5 MR. HAHN: Yeah.

6 MR. CLARY: -- so that she knows what's going on, but
7 if this is --

8 MR. HAHN: Right.

9 MR. CLARY: -- not accurate then I -- then she's not
10 going to be accurate, so --

11 MR. HAHN: That's right.

12 MR. CLARY: -- I need to find out what the what is --
13 well, he's agreed what is accurate. I mean, I'll -- he agreed
14 to get the documentation, so --

15 UNIDENTIFIED SPEAKER: Sure.

16 MR. BURKE: I keep copies of everything, all my
17 dealings.

18 MR. HAHN: Let me see if I have some other things
19 that maybe I want to talk about. Okay. These are minutes that
20 I guess you gave me, Ted gave me.

21 UNIDENTIFIED SPEAKER: (Indiscernible).

22 MR. HAHN: The minutes you prepared of the -- of
23 the --

24 MR. BURKE: That's a -- that was a board meeting that
25 I wasn't even --

1 UNIDENTIFIED SPEAKER: (Indiscernible).

2 MR. BURKE: -- invited to. I don't want -- I signed
3 that one too, but I didn't want to.

4 MR. HAHN: He -- he called me. I didn't call me, he
5 called, and we had it at my office down at the store with
6 Richard Dutchik, Mike, and Dick Renel, Ted, myself, and Gary
7 Hewitt.

8 MR. CLARY: And this was at and when the bylaws were
9 adopted at this meeting?

10 UNIDENTIFIED SPEAKER: The only (indiscernible) --

11 MR. BURKE: No. That -- that -- yeah. But this was
12 at the shareholders' meetings. Is that one -- there was two of
13 them that we -- he that he brought to the shareholders'
14 meetings. One of them was for a past -- for a board meeting
15 that --

16 UNIDENTIFIED SPEAKER: No. This is the board meeting
17 on 07/11. That's all I'm talking about.

18 MR. BURKE: Yeah. Let me see what you got here.

19 MR. CLARY: That's your signature on it.

20 MR. BURKE: Yeah. We was here on that. We were --
21 we did -- we did this one. We had that in his office.

22 MR. HAHN: Where he decided to change the three to
23 five?

24 MR. BURKE: Yeah, yeah.

25 MR. CLARY: Bylaws.

1 MR. BURKE: It's a simple majority.

2 MR. CLARY: Now, the item that disturbs me is number
3 three, stock awards were approved for 13 shareholders.

4 MR. BURKE: Um-h'm.

5 MR. CLARY: The following shareholders were approved.
6 It list a bunch of stockholders here.

7 MR. BURKE: Um-h'm.

8 MR. CLARY: But it doesn't say the number of shares
9 or what the consideration is.

10 MR. BURKE: Yeah. No, it didn't.

11 MR. CLARY: Why?

12 MR. BURKE: Because they were already issued.

13 Some issued to people --

14 MR. CLARY: Well, --

15 MR. BURKE: -- like LB.

16 MR. CLARY: But that's not -- no. Why wouldn't you
17 say what it is?

18 MR. BURKE: They were -- they were -- yeah. They
19 were issued. I wasn't issued there when they were issued. I
20 just was notified this is the person that gets stock award, but
21 he didn't tell me -- we didn't go into exactly how many on each
22 one of those.

23 Is that an impropriety?

24 MR. CLARY: (Indiscernible), you know, who could --
25 if I was an auditor, I'd say this -- this -- you ought to put

1 the number of shares and the consideration.

2 MR. HAHN: Right.

3 MR. BURKE: We can go back and do, you know, do an
4 add on, or an amendment, or whatever they want. That's not a
5 problem.

6 MR. CLARY: What was the consideration?

7 MR. BURKE: The consideration (indiscernible) was for
8 work performed or moneys put in the project over a period of
9 time, and it was recommended -- all of those people were
10 recommended by our president.

11 MR. CLARY: Well, that needs to be detailed.

12 MR. BURKE: Yeah.

13 UNIDENTIFIED SPEAKER: I agree.

14 MR. BURKE: Um-h'm. (Indiscernible) detail it.

15 UNIDENTIFIED SPEAKER: We need to -- you need to --

16 MR. BURKE: But I don't what know most of those --
17 most of that information is, so --

18 MR. CLARY: I don't think I saw this before
19 (indiscernible).

20 MR. BURKE: Nope. That was were we had an agreement
21 where I would got out and bring in shareholders, and assist in
22 -- assist him and anybody else in the company bring in until we
23 totally, all of us, brought in what, 44,000 shares, so -- for
24 the moneys needed to do a core drilling program.

25 UNIDENTIFIED SPEAKER: (Indiscernible) --

1 MR. BURKE: We never -- we never started the program,
2 but we just -- so we just cancelled it.

3 MR. HAHN: But he's got the shares, 70,000 shares.

4 MR. BURKE: Yeah. Well, so did half-a-dozen other --
5 or a dozen other people.

6 MR. CLARY: Who?

7 MR. BURKE: Give me this. I'm tired of this shit.
8 You know, I'm done.

9 MR. CLARY: No. Sit down.

10 MR. BURKE: Screw you guys. No.

11 MR. CLARY: Come on, Ted.

12 MR. BURKE: You know, I didn't come in here to get
13 interrogated and browbeat.

14 UNIDENTIFIED SPEAKER: I didn't (indiscernible) --

15 UNIDENTIFIED SPEAKER: I'm not (indiscernible) --

16 MR. BURKE: Don't give me that horseshit. You
17 started this --

18 MR. HAHN: You are the one told me that this big
19 investigation, Ted. I want to know --

20 MR. BURKE: I'm doing an investigation. Mine.

21 UNIDENTIFIED SPEAKER: -- (indiscernible).

22 UNIDENTIFIED SPEAKER: Yeah.

23 MR. BURKE: To keep myself covered.

24 UNIDENTIFIED SPEAKER: (Indiscernible).

25 MR. BURKE: You don't care about us, so we got to

1 care about ourselves.

2 MR. HAHN: I do.

3 MR. BURKE: No, you don't.

4 MR. CLARY: Ted, would you sit down and quit getting
5 mad. I told you I wasn't going to let this happen, and you're
6 the one starting it now. (Indiscernible) -- cut it out. Sit
7 down. Okay?

8 MR. BURKE: I'm not going to be interrogated and
9 browbeat.

10 MR. CLARY: I'm not -- if anybody's --

11 MR. BURKE: What's that?

12 MR. CLARY: -- browbeating and interrogating you --

13 MR. BURKE: (Indiscernible) --

14 MR. CLARY: I'm doing the talking.

15 MR. BURKE: I understand that.

16 MR. CLARY: I'm not trying to --

17 MR. BURKE: I've already explained --

18 MR. CLARY: -- interrogate you --

19 MR. BURKE: I understand, but I'm --

20 MR. CLARY: I -- I -- I -- I'm very concerned about
21 this, first of all. I guess this was cancelled.

22 MR. BURKE: Yes.

23 MR. HAHN: But you still have the stock.

24 MR. BURKE: Yeah. No, no, no. It's not -- they
25 didn't say I got the stock for that. I got it for other -- I

1 MR. BURKE: Give me a break. Give me a break.

2 MR. CLARY: Well, what's the truth?

3 MR. BURKE: Look, he's going to say that I didn't put
4 anything up there. I'm going to say I did. I've got the
5 evidence to show that I did. I'm not going to argue with you
6 about it.

7 MR. HAHN: What have you got?

8 MR. BURKE: I'm not going to argue with you about it.

9 MR. CLARY: Have you got the receipts?

10 MR. BURKE: Yes, I do.

11 MR. CLARY: (Indiscernible) --

12 MR. BURKE: I told you keep --

13 MR. CLARY: -- \$70,000 worth of --

14 MR. BURKE: Yes, yes.

15 MR. HAHN: Of what?

16 MR. BURKE: I'm not going to argue with you, Larry.

17 MR. CLARY: This -- I mean, when -- when a company --

18 MR. BURKE: You go up there and look --

19 MR. CLARY: When a company issues stock -- you say
20 you're worried --

21 MR. BURKE: It's got to be --

22 MR. CLARY: -- about liability.

23 MR. BURKE: Yeah.

24 MR. CLARY: Well, you know, there's the liability
25 (indiscernible). Now, this is something that you probably

1 should be more concerned about then what you're been concerned
2 with --

3 MR. BURKE: It's cancelled.

4 MR. CLARY: -- but I think that the -- that the
5 consideration --

6 MR. BURKE: There was no -- I've got -- we got -- I
7 got no --

8 MR. CLARY: -- for the 70,000 shares should be
9 documented.

10 MR. BURKE: I have no benefit from that agreement.

11 MR. CLARY: All right.

12 MR. BURKE: None.

13 MR. CLARY: Let's see -- let's say it's cancelled.

14 That's good --

15 MR. BURKE: Okay.

16 MR. CLARY: -- because it's illegal as hell, and they
17 do not permit --

18 MR. BURKE: I know.

19 MR. CLARY: -- people that are not --

20 MR. BURKE: That is --

21 MR. CLARY: Let me just finish my statement, so it's
22 clear because I never was asked about this so now I'm going to
23 give you my opinion, both of you, or all three of you.

24 MR. BURKE: Um-h'm.

25 MR. CLARY: And that is that, people that are not

1 registered broker dealers of securities or members of the
2 NASD -- which is now been renamed something else -- are not
3 permitted to receive commissions or compensation for the sale
4 of stock, period.

5 MR. BURKE: Um-h'm.

6 MR. CLARY: So I like --

7 MR. BURKE: Well, that's not --

8 MR. CLARY: I like the bottom part of this agreement
9 better then the top part.

10 UNIDENTIFIED SPEAKER: Right.

11 MR. BURKE: Yeah.

12 UNIDENTIFIED SPEAKER: Because this --

13 MR. CLARY: But it says -- when this -- this stock
14 was issued just had 70,000 shares, less then a month --
15 a-month-and-half, two months ago. They wasn't issued years
16 back. This was just recently. Well, I think for your own
17 liability situation --

18 MR. BURKE: I need to hire attorney, right?

19 MR. CLARY: No, you don't need to hire an attorney.
20 I'm not -- I didn't say that. If you -- I think you need to
21 document what the consideration was.

22 MR. BURKE: Okay. I can do that. I don't have a
23 problem with that.

24 MR. CLARY: Well, then that's all I'm asking for.

25 MR. BURKE: Yeah. All right.

1 MR. CLARY: It's very simple.

2 MR. BURKE: I can -- I can justify my 70 -- and it
3 doesn't include that.

4 UNIDENTIFIED SPEAKER: For \$70,000, it does.

5 MR. BURKE: And I got -- and I got four other
6 (indiscernible) board members to agree with me, and they all
7 voted on it, and they didn't know anything about that.

8 UNIDENTIFIED SPEAKER: Here?

9 MR. BURKE: The board members that were there.

10 MR. HAHN: None of those board members --

11 MR. CLARY: Is this the vote?

12 MR. BURKE: Pardon me?

13 MR. CLARY: Is this the vote?

14 MR. BURKE: Yeah, that was the vote. That was --
15 but the --

16 UNIDENTIFIED SPEAKER: (Indiscernible) --

17 MR. BURKE: -- the awards were already issued.

18 UNIDENTIFIED SPEAKER: (Indiscernible) it's not just
19 you.

20 MR. BURKE: No. That's what I'm talking about.

21 UNIDENTIFIED SPEAKER: It's -- none of them knew how
22 much (indiscernible) --

23 MR. BURKE: So why are we talking about me and not
24 about the others?

25 MR. CLARY: I want to talk about the rest of them. I

1 want to know how many shares were issued to each of these
2 people and what the consideration was.

3 MR. BURKE: Well, you have to ask him. He's the one
4 that gave them to them. I don't know.

5 MR. HAHN: His recommendation, too. It wasn't my
6 alone.

7 MR. BURKE: I was --

8 UNIDENTIFIED SPEAKER: That's with you at 5,000
9 shares --

10 MR. CLARY: Well, apparently everybody voted in favor
11 of this --

12 MR. HAHN: Right.

13 MR. CLARY: -- but it doesn't say what -- doesn't
14 tell the facts.

15 MR. HAHN: Exactly.

16 MR. BURKE: Um-h'm.

17 MR. CLARY: You shouldn't be signing minutes that --
18 that don't have -- are not complete.

19 MR. BURKE: That's an issue?

20 MR. CLARY: (Indiscernible) --

21 MR. BURKE: Hell, I'm signing --

22 MR. CLARY: -- probably --

23 MR. BURKE: I'm signing --

24 MR. CLARY: -- the most powerful thing that the board
25 of directors has to do. You just don't --

1 MR. BURKE: Pat, I'm signing -- I'm signing stock
2 certificates that I have no idea what the validity of those
3 stocks certificates are.

4 MR. CLARY: Well, why are you doing that?

5 MR. BURKE: You answer that.

6 MR. CLARY: Why didn't you ask him?

7 MR. BURKE: I'm asking him.

8 MR. HAHN: He's never asked. Here's -- everything --
9 everything on those books as of (indiscernible) --

10 MR. CLARY: Well, we're going to find it out.

11 UNIDENTIFIED SPEAKER: Yeah.

12 UNIDENTIFIED SPEAKER: All the (indiscernible) --

13 MR. CLARY: All this is got to be revealed to --
14 what's her name, at the store?

15 UNIDENTIFIED SPEAKER: Sure.

16 MR. BURKE: Yeah.

17 MR. HAHN: Shelby.

18 MR. CLARY: But -- well, I want to know from whatever
19 sources you have, the three of you -- particularly the two of
20 you I guess -- what the number of shares were for these other
21 people and what the considerations was.

22 MR. HAHN: Each board member (indiscernible) has been
23 with us for 25 years was 10,000. Mike Mackey was a 10,000, the
24 board member. Jimmy Serrill, 10,000. The new member of -- Mr.
25 Hewitt was 5,000. Mike Kehoe was 1,000.

1 MR. CLARY: Give me a schedule. I'm not going to
2 remember that.

3 MR. HAHN: I know. I'll get you --

4 MR. CLARY: Get me a schedule of it.

5 MR. HAHN: Right.

6 MR. CLARY: Now, what was the consideration? Did
7 they pay any money for this?

8 MR. HAHN: No. Well --

9 MR. BURKE: It was issued for services?

10 MR. CLARY: This for services, right. Well, did they
11 realize that when you take stock for services, you've got to
12 pay income tax on it?

13 MR. HAHN: Probably not, but -- probably not.

14 UNIDENTIFIED SPEAKER: I'm sure they don't.

15 MR. CLARY: Well, they're going to have to be told or
16 else --

17 UNIDENTIFIED SPEAKER: (Indiscernible).

18 MR. CLARY: -- it's going to be that they're going
19 give it back, right?

20 UNIDENTIFIED SPEAKER: Right.

21 MR. BURKE: Um-h'm.

22 MR. CLARY: Because, you know, is part of your 70,000
23 shares for services?

24 MR. BURKE: Yeah, for years. For years.

25 MR. CLARY: Well, what part?

1 MR. BURKE: I don't know. You want me to document
2 it, I'll -- it was -- it took place over a years.

3 UNIDENTIFIED SPEAKER: (Indiscernible) --

4 MR. BURKE: Over years. You know, I worked
5 eight-and-half-months up there in a -- in a --

6 MR. CLARY: (Indiscernible) portion -- just
7 approximately.

8 MR. BURKE: Um-h'm.

9 MR. CLARY: I'm giving you the opportunity
10 obviously --

11 MR. BURKE: Right.

12 MR. CLARY: -- to document the things that had value
13 that would offset --

14 MR. BURKE: Yeah.

15 MR. CLARY: -- part of those shares.

16 MR. BURKE: Yeah.

17 MR. CLARY: What would you say? How many -- what
18 percentage of the 70,000 was for services?

19 MR. BURKE: Was for -- for parts and services.

20 MR. CLARY: Well, parts is something else. I don't
21 want to --

22 MR. BURKE: Okay. All right.

23 MR. CLARY: Separate.

24 MR. BURKE: Okay.

25 MR. CLARY: You (indiscernible) parts --

1 MR. BURKE: Right.
2 MR. CLARY: -- they have a value --
3 MR. BURKE: Right.
4 MR. CLARY: -- and you get credit for that.
5 MR. BURKE: Yeah.
6 MR. CLARY: What -- what do you think was just --
7 MR. BURKE: Well, you could ask (indiscernible) --
8 you're sitting there asking me to relate -- give you --
9 MR. CLARY: I'm just asking --
10 MR. BURKE: I'm -- I'm -- I know but I'm --
11 MR. CLARY: -- you to take a guess.
12 MR. BURKE: I know, but I'm --
13 MR. CLARY: I'm not --
14 MR. BURKE: (Indiscernible), you know, scientific
15 wild-ass guess. Excuse my French.
16 MR. CLARY: Okay. That's fine.
17 MR. BURKE: Yeah.
18 MR. CLARY: Just give me a guess.
19 MR. BURKE: In terms of value, cash value?
20 MR. CLARY: No. In terms of services of --
21 MR. BURKE: Services or what the work services are
22 worth?
23 MR. CLARY: What number of shares of the 70,000 do
24 you think -- as a wild-ass guess -- is the number that was for
25 services?

1 MR. BURKE: I'd say probably 400,000. Is that what
2 it is?

3 MR. HAHN: No.

4 MR. BURKE: With \$70,000.

5 MR. CLARY: I'm taking about 70,000 shares.

6 MR. BURKE: I don't know -- I mean, I go to go back
7 and do the research on it.

8 MR. CLARY: Let's say -- let's say it's 20,000 --

9 MR. BURKE: All right.

10 MR. CLARY: -- okay? Just for the sake of argument.
11 It's being sold for \$3 a share.

12 MR. HAHN: \$6 a share.

13 MR. CLARY: \$6 a share?

14 MR. HAHN: \$6 a share.

15 MR. CLARY: That's a \$120,000.

16 MR. BURKE: Okay.

17 MR. CLARY: That means you owe -- the IRS will try to
18 collect from you taxes on 120,000.

19 MR. BURKE: I'm aware of that. I've bought and sold
20 stock for years. I'm not -- not (indiscernible) --

21 MR. CLARY: That's not got anything to do with what
22 I'm taking about.

23 MR. BURKE: Okay.

24 MR. CLARY: I tell my clients --

25 MR. BURKE: Um-h'm.

1 MR. CLARY: -- do not issue stock for services. If
2 you are -- say you're forming a new corporation, you're going
3 to go raise a bunch of money, the stock has a par value of ten
4 cents a share, sell it for ten cents a share, and have them
5 write you a check for it, and it gives you a basis in the
6 stock.

7 If you're going to turn around and sell stock for \$6 a
8 share, the IRS is going to say that because the company was
9 receiving \$6 a share, that's the value of the shares that you
10 received for services, and these other people.

11 MR. BURKE: And they're not aware of it.

12 MR. CLARY: I --

13 MR. BURKE: Not only that --

14 MR. CLARY: I'm now making it known.

15 MR. BURKE: Yeah. Not only --

16 MR. CLARY: They're going to find out about it.

17 MR. BURKE: Yeah, yeah.

18 MR. CLARY: They may decide to give their stock back,
19 if they don't have money to pay taxes on \$60,000.

20 UNIDENTIFIED SPEAKER: Yeah.

21 MR. CLARY: Somebody's going to have to amend their
22 tax returns. Now, you received this stock recently. This --
23 this is -- it's this year. You haven't filed your tax return
24 in 2007.

25 MR. BURKE: Well, no.

1 MR. CLARY: So you got a chance to try to clean this
2 transaction --

3 MR. BURKE: Yeah.

4 MR. CLARY: -- up and not file a false tax return.
5 Now that he --

6 MR. BURKE: I don't want to do that.

7 UNIDENTIFIED SPEAKER: -- just (indiscernible) in my
8 opinion at the lower share valuation.

9 MR. HAHN: Well, first of all, there was not that
10 many shares that this -- whatever this agreement business is --
11 that was even -- he even brought money into.

12 MR. CLARY: Well, he's going to give me the
13 documentation on that, so we'll see.

14 MR. BURKE: Yeah.

15 MR. CLARY: (Indiscernible) 170,000 of what's --
16 what's showable on that -- not -- and that doesn't
17 (indiscernible), but that's not -- I don't care about that.

18 UNIDENTIFIED SPEAKER: Yeah.

19 MR. CLARY: I'm going to operate under the assumption
20 that this agreement has been rescinded and --

21 MR. HAHN: Well, what about the shares then? What do
22 we do with the shares?

23 MR. CLARY: Well, that's -- that's what we're talking
24 about.

25 MR. HAHN: Okay.

1 MR. CLARY: He says there are -- there's things that
2 he's contributed of value, and maybe some money too. I don't
3 know.

4 MR. EAHN: \$2,750 is what he's put into this.

5 MR. BURKE: Yeah. I got the lumber for free, so --

6 MR. CLARY: No. I want you to document --

7 MR. BURKE: Yeah.

8 MR. CLARY: -- document that for us.

9 MR. BURKE: Yeah.

10 MR. CLARY: I'm trying to look after your interest
11 herè.

12 MR. BURKE: Yeah. I understand that, Pat. I --

13 MR. CLARY: But I'm also looking after the company's
14 interest.

15 MR. BURKE: Right.

16 MR. CLARY: And you can't just go around giving away
17 stock. That's where you get in real trouble.

18 MR. BURKE: Um-h'm.

19 MR. CLARY: That's where -- that's where you will
20 get sued.

21 MR. BURKE: Most of those --

22 MR. CLARY: And you can't put minutes together then
23 don't bother to say how many shares there are.

24 MR. BURKE: Um-h'm.

25 MR. CLARY: I mean, you know --

1 MR. BURKE: Um-h'm.

2 MR. CLARY: Doesn't that make sense to you?

3 MR. BURKE: It does, Pat, but I got to tell you those
4 stock certificates were already issued. Some of them months
5 maybe even years before we -- that I've (indiscernible) --

6 MR. CLARY: Well, let's see copies of those
7 certificates.

8 UNIDENTIFIED SPEAKER: The --

9 MR. BURKE: And I wasn't even there. I mean --

10 MR. CLARY: Well, we got to clear it up.

11 MR. BURKE: Yeah.

12 MR. CLARY: But we're talking about your shares
13 right now.

14 MR. BURKE: Yeah.

15 MR. CLARY: Because you're the only one here.

16 MR. BURKE: Yeah. Well, I understand that.

17 MR. CLARY: I'll talk to these other people.

18 MR. BURKE: Yeah. I'm going to get -- I'm going
19 myself in a defensive position, but I'll deal with it. I'll
20 find somehow, some way.

21 MR. CLARY: Well, why don't we get it resolved?

22 MR. BURKE: Yeah, I will. I'm going to.

23 MR. HAHN: All you have to do is give back the 70,000
24 shares, and we'll give him what he -- what he has involved in
25 the money, which if he's got --

1 MR. CLARY: Well, (indiscernible) --

2 MR. HAHN: -- \$20,000 -- that I -- I've got one
3 client right now that's got stock certificates that wasn't paid
4 for (indiscernible) and --

5 MR. BURKE: Yeah.

6 MR. CLARY: It's difficult. It just presents a
7 challenge, you know.

8 MR. BURKE: Yeah. Well --

9 MR. CLARY: But I -- I --

10 MR. BURKE: -- let me look into it.

11 MR. CLARY: You would --

12 MR. BURKE: -- I'll look in to it. I will.

13 MR. CLARY: (Indiscernible) you would want to get
14 this resolved.

15 MR. BURKE: I will. I'm going to -- I'm going to get
16 it resolved.

17 MR. CLARY: If you want to go see an attorney, I'm
18 not going to tell you not to do it.

19 MR. BURKE: I've -- I've got it -- yeah. Because
20 you're Kokoweef's owners. You know, understand me. I need
21 somebody to look out for my interests. Now I can see that.

22 MR. CLARY: So -- I'm trying to --

23 MR. BURKE: Yeah.

24 MR. CLARY: -- deal it with on a (indiscernible) --

25 MR. BURKE: Well, I know but you're -- you're kind

1 of --

2 MR. CLARY: -- so you can feel protected --

3 MR. BURKE: Well, you're, you know, you're kind of
4 handicapped in that you're -- you're corporate counsel. You
5 can't be a defense -- be a defense attorney for all the board
6 members. You know, we're all in the same boat. All of us are
7 on that.

8 MR. CLARY: Yeah.

9 MR. BURKE: So --

10 MR. CLARY: But I'm trying to do that as well.

11 MR. BURKE: Well, I understand or appreciate that,
12 but as I say, you know --

13 MR. CLARY: I don't know that you need an attorney,
14 but, you know, it's up to you.

15 MR. BURKE: Yeah.

16 MR. CLARY: I hope you find one that's qualified.

17 MR. BURKE: Well, I hope I do too. I don't even -- I
18 haven't even started, and so I'm not -- I was trying to handle
19 all this stuff, what we're doing right now which is, you know,
20 CYA (phonetic), in house. This has got --

21 MR. CLARY: Well, that's what I'm trying to do right
22 now --

23 MR. BURKE: Yeah.

24 MR. CLARY: -- is anybody (indiscernible) --

25 MR. BURKE: Yeah.

1 MR. CLARY: -- is anybody wanting?

2 MR. BURKE: Yeah, yeah. Yeah.

3 MR. CLARY: That's what I'm trying to do.

4 MR. BURKE: I understand. Well, let me -- let me get
5 into it. I'll -- I'll resolve that somehow, some way, but I'll
6 address it.

7 MR. CLARY: Well, if you (indiscernible) -- if you
8 insist upon talking to an attorney, I can recommend some
9 attorneys --

10 MR. BURKE: Well, you -- okay.

11 MR. CLARY: -- that are qualified, you know.

12 MR. BURKE: Yeah. Somebody.

13 MR. CLARY: That will speak the same language I do.

14 MR. BURKE: Right. Somebody that's got IQ of --

15 MR. CLARY: I don't have time to educate every lawyer
16 in Las Vegas about the securities laws.

17 MR. BURKE: Oh, I'm not going to go to, you know,
18 somebody that's, you know.

19 MR. CLARY: Well, you need somebody that --

20 MR. BURKE: Knows what their talking.

21 MR. CLARY: -- understands what I'm talking about.

22 MR. BURKE: I do. I'll go to it AV. Okay. AV ready
23 or a BV rated firm.

24 MR. CLARY: Well, that doesn't mean they know
25 anything about security.

1 MR. BURKE: I understand, but they got to know what
2 they're talking about. I'm not going -- I'm not going to talk
3 to somebody, but I'll take your recommendation.

4 MR. CLARY: Probably should send you to
5 Nelson Seagal.

6 MR. BURKE: Who -- Mark Seagal?

7 MR. CLARY: Nelson Seagal.

8 MR. BURKE: Nelson Seagal.

9 MR. CLARY: It's either Mark Nelson Seagal, but it's
10 not Mark Seagal.

11 MR. BURKE: Yeah. Mark's a good friend of mine so --

12 MR. CLARY: And I don't think he's a securities
13 (indiscernible).

14 MR. BURKE: No, he's tax.

15 MR. CLARY: Yeah. But Nelson Seagal is a securities
16 lawyer.

17 MR. BURKE: Yeah.

18 MR. CLARY: And we -- we're friends. I'm used to
19 working with him.

20 MR. BURKE: Yeah, yeah.

21 MR. CLARY: We used to be in the same office together
22 a couple times.

23 MR. BURKE: Okay. Well --

24 MR. CLARY: He'd be somebody that would try to --

25 MR. BURKE: Okay.

1 MR. CLARY: -- not glob onto this and try to, you
2 know, charge you --

3 MR. BURKE: Yeah.

4 MR. CLARY: -- an arm and a leg, and also try to make
5 a mountain out of a molehill.

6 MR. HAHN: Yeah.

7 MR. BURKE: Right.

8 MR. CLARY: I want to try to -- I'm trying to diffuse
9 the situation --

10 MR. BURKE: Right.

11 MR. CLARY: -- before it explodes.

12 MR. BURKE: I understand.

13 MR. CLARY: In fact, nobody's going to benefit from
14 an explosion.

15 MR. BURKE: No, we all (indiscernible) --

16 MR. HAHN: A year ago we had to deal that we do this
17 CPA. I said, fine, let's just do it. It would be the end of
18 the year, whenever we're going to do it. End of the year's
19 normal. That's what our accountant says. That's the deal.

20 MR. BURKE: Um-h'm.

21 MR. HAHN: And then it just gotten worse and worse
22 and worse with this situation. He came rushing into me one day
23 and said, hey, we're -- we found this little breathing hole
24 that's worth 100,000 shares. I said, no, can't --

25 MR. BURKE: No, no, no.

1 MR. HAHN: -- (indiscernible) 100,000 shares. If --
2 I'd be willing to go, you know, 70 - 75,000, but I can't give
3 you 100,000 shares, and then he hands me the, you know, a paper
4 like this, why all this business is, (indiscernible), and how
5 and all that stuff.

6 MR. BURKE: Your people complaining.

7 MR. HAHN: Nobody's complaining at all.

8 MR. BURKE: Okay.

9 MR. HAHN: I haven't heard one complaint from
10 anybody.

11 MR. BURKE: You seen this before?

12 UNIDENTIFIED SPEAKER: Yeah.

13 MR. BURKE: Oh.

14 MR. HAHN: And I asked him I said what's the problem?

15 MR. BURKE: You got an E-mail from --

16 UNIDENTIFIED SPEAKER: And he hasn't got --

17 MR. BURKE: I got an E-mail from one guy that says,
18 come on, guys I want to find this before I die.

19 MR. HAHN: Well, at the picnic -- or at meetings,
20 Ted, you, again, tell these people that if we find -- drill
21 four holes, we can sell this whole thing.

22 The guy sitting out there in the audience, one of your
23 guys says, hey, I've been in it 16 months, when am I going to
24 get my money back out of this? That was (indiscernible).

25 MR. BURKE: (Indiscernible) return?

1 MR. BURKE: Bull shit.

2 MR. HAHN: -- you'd find four holes --

3 MR. BURKE: You're full of shit.

4 MR. CLARY: You are the one that (indiscernible).

5 Come on, guys. Let's be civil.

6 MR. BURKE: This is, you know --well, you know, it
7 doesn't make --

8 MR. HAHN: What he's -- I don't know what his -- what
9 his reasoning here is for doing this kind of stuff. I can't
10 figure this out other than (indiscernible) --

11 MR. BURKE: You know, four -- five years ago, I asked
12 him and his wife -- we went -- him and my wife went with him to
13 a Chinese place and we sat and I said, you know what, I believe
14 board members have liability. Need to look in to it, number
15 one, and advise them what their liability is so they can put
16 themselves in defensive position.

17 That's five years ago. To this day, none of the board
18 members have been advised by him that they've -- that they're
19 liable. You're the one that told me that I was liable, three
20 times.

21 MR. CLARY: I've said it every time we got
22 (indiscernible) --

23 MR. BURKE: That's right. Exactly. Well, I paid
24 attention the third time you said it, and I started looking,
25 and then I opened up the bylaws, and I said we're not in

1 compliance with our own bylaws, so what else have got problem
2 with?

3 MR. HAHN: What are we not in compliance with? What
4 was the --

5 MR. BURKE: Well, to start with it says that
6 management and control be conducted by the board.

7 MR. CLARY: That's correct.

8 MR. BURKE: For 25 years, that has not been the case.
9 It's all yes men on the board.

10 MR. CLARY: (Indiscernible) you still have a board.

11 MR. BURKE: Still --

12 MR. HAHN: They don't say yes.

13 MR. BURKE: What good is a board with -- with yes men
14 on it?

15 UNIDENTIFIED SPEAKER: What good is a board like
16 this? What you're doing. This. Everything is there.

17 MR. BURKE: You --

18 MR. HAHN: All the books are in.

19 MR. BURKE: It's great.

20 MR. HAHN: All the money is done.

21 MR. BURKE: All right.

22 MR. HAHN: What is -- if it's --

23 MR. BURKE: Well, we won't get in here -- I'm not
24 going to get here to argue with you. You want to argue every
25 time we get in front of you. I'm not going to do that.

1 MR. CLARY: Well, that's something -- that's
2 something I did not want to happen.

3 MR. BURKE: Yeah.

4 MR. HAHN: Here I was just saying -- I --

5 MR. BURKE: (Indiscernible) I'm just
6 (indiscernible) --

7 MR. HAHN: -- I'm telling you where -- if I'm
8 wrong --

9 MR. BURKE: Look at (indiscernible) --

10 MR. HAHN: If I'm wrong that you've demanded -- you
11 want to see where the money went and what happened to the
12 money --

13 MR. BURKE: Right.

14 MR. HAHN: -- and et cetera --

15 MR. BURKE: Right, yeah.

16 MR. CLARY: And now it's been turned over to an
17 independent CPA --

18 MR. BURKE: For Kokoweef.

19 MR. CLARY: -- who's going to prepare a report.

20 MR. BURKE: Okay. For Kokoweef?

21 MR. CLARY: Yes. And probably the last year of --

22 MR. BURKE: Two years for EIN. But you -- if you'd
23 give me the books, I'll look at them myself. If there looks
24 like there's something there that's got a challenge to me, I'm
25 going to know it.

1 UNIDENTIFIED SPEAKER: (Indiscernible) --

2 MR. BURKE: I'm no CPA.

3 UNIDENTIFIED SPEAKER: I haven't heard him turn down
4 any (indiscernible) --

5 MR. BURKE: All right.

6 MR. HAHN: 2005 was the --

7 MR. BURKE: All right.

8 MR. HAHN: -- lowest year we ever had in spending
9 money out there. We spent only \$76,000, roughly.

10 MR. BURKE: Um-h'm.

11 MR. HAHN: We had -- we took very little in, in 2005.
12 Which is fine. He's got it all. I'll give him -- send him
13 another copy of it and --

14 MR. BURKE: (Indiscernible), yeah. Just, you know,
15 your expense log for both years.

16 UNIDENTIFIED SPEAKER: Exactly.

17 MR. BURKE: That's all I need.

18 UNIDENTIFIED SPEAKER: (Indiscernible) --

19 MR. BURKE: All right. Then we're -- we're through.

20 UNIDENTIFIED SPEAKER: (Indiscernible) --

21 MR. BURKE: I'm done.

22 MR. CLARY: I got no argument, but I think that --
23 that, you know, we're going to get a report from the CPA. If
24 there's some irregularities, she's going to find them --

25 MR. BURKE: Yeah.

1 MR. CLARY: -- and now it's not up to you now. You
2 still want to look at everything yourself? Well, that's fine,
3 but I -- I would think that --

4 MR. BURKE: Oh, I don't --

5 MR. CLARY: -- at this juncture --

6 MR. BURKE: I don't think I'm --

7 MR. CLARY: -- you would be more then willing to --
8 and you're -- you're entitled to any input. You went over and
9 talked to Shelby when you were here the other day --

10 MR. BURKE: That's right. Yeah.

11 MR. CLARY: -- and she was cooperative. I just
12 wanted to get --

13 MR. BURKE: Yeah.

14 MR. CLARY: See, the president, I wanted to get his
15 permission before I --

16 MR. BURKE: Sure.

17 MR. CLARY: -- released the documents --

18 MR. BURKE: Sure.

19 MR. CLARY: -- and she made copies of --

20 MR. BURKE: Okay.

21 MR. CLARY: -- what you wanted.

22 MR. BURKE: Well, maybe I can -- I could go while I'm
23 here and the copy of the -- the expense log for '06, if that's
24 all right.

25 MR. CLARY: That's fine.

1 MR. BURKE: All right. Okay. And then you get me
2 one for '05, and I'll finish it, and we'll be done with it.

3 MR. CLARY: I think -- does she --

4 MR. BURKE: But I --

5 MR. CLARY: -- have that, '05?

6 MR. HAHN: I don't know. I don't know for sure. She
7 never asked for it. I -- we made that up special just for Ted.

8 MR. BURKE: It's a sale of stocks for '05. It's
9 not -- it's not --

10 MR. CLARY: (Indiscernible) --

11 MR. BURKE: -- it's is not an expense log.

12 MR. CLARY: (Indiscernible) -- income. Don't call it
13 income, no. It's not income. (Indiscernible) -- stock
14 sales --

15 MR. BURKE: Stock sales.

16 MR. HAHN: The expense that we spent and what came
17 in.

18 MR. BURKE: And stock sales, yeah.

19 MR. CLARY: (Indiscernible) income (indiscernible).

20 MR. BURKE: Yeah.

21 MR. CLARY: None whatsoever.

22 MR. BURKE: Yeah, yeah.

23 UNIDENTIFIED SPEAKER: Never.

24 MR. BURKE: Okay.

25 MR. HAHN: So you get \$76,000 we spent in '05, and

1 that's it, and we had -- we have -- took in about \$80,000,
2 so --

3 MR. BURKE: Okay.

4 MR. CLARY: Well, you should probably get her the '05
5 stuff then.

6 UNIDENTIFIED SPEAKER: That's fine.

7 MR. BURKE: Yeah.

8 MR. HAHN: Because then I got to go -- well, I've got
9 everything ready to go -- I mean, all that (indiscernible) all
10 the ledgers, and all that stuff, but I did go back and go
11 through individual little gas tickets and stuff like this, you
12 know. I've got everything else though.

13 UNIDENTIFIED SPEAKER: Okay.

14 MR. BURKE: Okay. All right.

15 MR. CLARY: But I think that you should feel as

16 though your -- your demands have been complied with --

17 MR. BURKE: Yeah.

18 MR. CLARY: -- by virtue of the fact that
19 (indiscernible) --

20 MR. BURKE: I got -- I got to tell you, Pat, when I
21 first started looking into this, I just -- and I wasn't really
22 concerned about it. I said just let me have them, and I'll
23 look them over, and it'll be fine, and I got a hostile
24 objection to even my request that I'm thinking, why? Why?

25 MR. CLARY: Well, he's not protecting now --

1 UNIDENTIFIED SPEAKER: (Indiscernible) --
2 MR. BURKE: No, no. Yeah. Okay.
3 UNIDENTIFIED SPEAKER: (Indiscernible) object to.
4 MR. BURKE: All right. Okay.
5 MR. CLARY: And if you'd followed my -- all of you,
6 as far as I know, followed my advice and --
7 MR. BURKE: Yeah.
8 MR. HAHN: And, Ted -- or, Pat, it takes time to put
9 all the paperwork together.
10 MR. CLARY: Sure.
11 MR. BURKE: Yeah.
12 MR. HAHN: He expects it tomorrow morning.
13 MR. SIMSHAUSER: Yeah.
14 MR. HAHN: And I said hey, take it easy. Let's
15 get -- get all --
16 UNIDENTIFIED SPEAKER: Yeah.
17 MR. HAHN: -- the data together in a row, so I
18 have --
19 MR. BURKE: Yeah.
20 MR. HAHN: -- grabbed whatever else you need let's
21 give him that.
22 MR. CLARY: Whatever.
23 MR. BURKE: All right.
24 MR. HAHN: Makes no difference to me.
25 MR. BURKE: Okay.

1 MR. HAHN: Because it's --

2 MR. BURKE: I'm happy with that..

3 MR. HAHN: He doesn't know what he's doing with it.
4 It's -- you got it (indiscernible). I know the lady next door
5 does, so that's fine.

6 MR. BURKE: Okay.

7 UNIDENTIFIED SPEAKER: So whatever is -- whatever it
8 is, is.

9 MR. BURKE: There you go. Both of them's looking now
10 and ought to be able to come up with an answer that everybody's
11 comfortable with.

12 UNIDENTIFIED SPEAKER: Yeah. And that's all I want
13 to see.

14 MR. BURKE: Yeah, yeah.

15 MR. CLARY: And then I'd like to see the -- the --

16 MR. BURKE: Um-h'm.

17 MR. CLARY: -- everybody starting to pull in the same
18 direction again.

19 MR. BURKE: Yeah.

20 MR. CLARY: I know you've put a lot of time and
21 effort in out there and --

22 MR. BURKE: Yeah.

23 MR. CLARY: -- and certainly Larry has over the
24 years, and I think that (indiscernible) -- I mean, you know,
25 let's try to -- let's try to get some place. You think this --

1 this problem is dealt with, wait till you have some success.

2 MR. BURKE: Yeah.

3 UNIDENTIFIED SPEAKER: That's right.

4 MR. BURKE: Well --

5 MR. CLARY: That's when people really get angry.

6 MR. BURKE: That is exactly why I'm doing it
7 now, Pat.

8 MR. CLARY: That's what concerns me about this
9 situation.

10 MR. BURKE: That's right. That's exactly why I'm
11 doing it now because the dog fights are going to come later.
12 If somebody wants to come up and bite us, that's when it's
13 going to happen. I want to be prepared for that.

14 MR. CLARY: Well, I -- think you know a little more
15 about it --

16 MR. BURKE: Yeah, yeah.

17 MR. CLARY: -- what you need to be prepared now.

18 MR. BURKE: Yeah.

19 MR. CLARY: And then -- and what you have demanded is
20 what's happening.

21 MR. BURKE: Yeah. And, you know --

22 MR. CLARY: And it -- I feel much more comfortable
23 with what she's going to say about looking at the books then
24 what any of you guys say.

25 MR. BURKE: Yeah.

1 MR. HAHN: So what do we do about the shares now,
2 these 70,000 shares?

3 MR. CLARY: Well, he's going to document --
4 (indiscernible) --

5 MR. BURKE: I'll be able to justify mine. I'm not
6 worried about that.

7 MR. CLARY: And -- and then you're going to
8 have to --

9 MR. HAHN: Remember, Pat, there's been no work --
10 there's no work credits ever, ever put out for this -- this
11 organization. No agreement ever said that we'd -- for work
12 we'd give you those.

13 MR. BURKE: Well --

14 UNIDENTIFIED SPEAKER: I have to --

15 MR. BURKE: -- you can't -- you can't demand them
16 back. I know that, so --

17 MR. CLARY: Why did -- why did you issue the stock?

18 MR. HAHN: Because he came into the store two or
19 three times over the last year-and-a-half --

20 UNIDENTIFIED SPEAKER: Um-h'm.

21 MR. HAHN: -- one -- actually, the last time
22 demanding this 100,000 shares for finding this hole. We're
23 going to be in the river in a couple of weeks, blah, blah, blah
24 --

25 MR. BURKE: Um-h'm.

1 MR. HAHN: -- it's worth at least \$100,000. I said,
2 no, Ted, it is not worth \$100,000 but, you know, I -- I, you
3 know, I think if 70,000 would be sufficient.

4 Of course, he added on the bottom of that -- the minutes
5 that -- that any -- anything that they had previously given,
6 should be added to that too.

7 MR. BURKE: In cash and whatever (indiscernible).

8 MR. CLARY: All right. It's his own personal
9 interest to try to document some consideration other than
10 services.

11 MR. HAHN: He'd have a tough time putting this
12 (indiscernible).

13 MR. CLARY: Well, he's been saying he's going to
14 do it. That's \$420,000.

15 MR. BURKE: I'll -- I'll do it.

16 MR. CLARY: He said he's going to do it.

17 MR. BURKE: Well, whatever else we'll -- we'll fight
18 it out later, all right? I mean, I'm not -- you know what --
19 you know what I'm saying is, unless you go back to everyone of
20 these people and say I want to demand all your stock awards
21 back and you'd --

22 MR. HAHN: That's fine --

23 MR. BURKE: -- do that for me and I'll --

24 MR. HAHN: I'll do it. That's fine.

25 MR. BURKE: You can demand all that back and to get

1 it back?

2 MR. HAHN: I don't know. I think Pat says, yes, we
3 do that.

4 MR. CLARY: Well, I think we need tell them that. I
5 think we need to tell them.

6 MR. BURKE: Okay.

7 UNIDENTIFIED SPEAKER: (Indiscernible) --

8 MR. BURKE: I'm not saying they want to pay -- yeah.
9 I definitely want to tell them about this -- the tax. That's
10 not what I'm talking about, but you can't give it --

11 UNIDENTIFIED SPEAKER: (Indiscernible) --

12 MR. BURKE: He can't and give take stock when he --
13 at will.

14 MR. CLARY: Right.

15 MR. BURKE: That's right. That's my point.

16 UNIDENTIFIED SPEAKER: Okay.

17 MR. BURKE: You know --

18 MR. CLARY: Yeah, but you're the one that signing the
19 minutes and --

20 MR. BURKE: I know. Everybody agreed to it.

21 MR. HAHN: Yeah.

22 MR. CLARY: But it doesn't say what they agreed too.

23 UNIDENTIFIED SPEAKER: Exactly.

24 MR. BURKE: Yeah, yeah.

25 MR. CLARY: So, you know --

1 MR. BURKE: Okay.

2 MR. CLARY: -- (indiscernible) some responsibility
3 for -- for this.

4 MR. BURKE: I understand that and, so
5 (indiscernible) --

6 MR. HAHN: (Indiscernible) need to do is --

7 MR. BURKE: Document it.

8 MR. HAHN: -- just rescind all the shares --

9 MR. CLARY: I -- I'm not trying to piss on you --

10 MR. BURKE: Listen to this. Tell them what you just
11 said.

12 MR. HAHN: Why don't we just rescind all the shares
13 that went out (indiscernible) and then we'll give them as stock
14 options?

15 MR. BURKE: God almighty, give me a break.

16 MR. CLARY: (Indiscernible) the next board meeting
17 you're going to have. That needs to be a topic that we'll
18 discuss.

19 MR. BURKE: Um-h'm.

20 UNIDENTIFIED SPEAKER: (Indiscernible) --

21 MR. CLARY: Because this is -- this is not going to
22 work.

23 UNIDENTIFIED SPEAKER: Not going work.

24 MR. BURKE: Okay.

25 MR. CLARY: And you want to -- want to have the

1 liability and get sued?

2 MR. HAHN: Yeah.

3 MR. BURKE: Okay.

4 MR. CLARY: Waive this little mother around.

5 MR. SIMSHAUSER: Right, right.

6 MR. BURKE: All right. Well, we'll deal with it
7 then. Sounds like we got to.

8 MR. CLARY: I can --

9 MR. BURKE: So we will. All right. We're over with?

10 MR. CLARY: I don't think I've got anything else.

11 MR. BURKE: Okay.

12 MR. CLARY: What were the bylaws violations? I --

13 I -- I --

14 MR. BURKE: Bylaws, if you look at -- if -- president
15 and the vice president, both him and I, are not supposed to
16 hold more than one office. Since we -- state law may say you
17 can. Yeah, but I -- I'm saying the bylaws say no.

18 MR. CLARY: The owner -- what the bylaws say on is
19 that you can't hold both president and secretary.

20 MR. BURKE: What's that?

21 MR. CLARY: You cannot be both president and
22 secretary. You can't have -- one person cannot be both
23 president and secretary. The reason -- and that's in my
24 bylaws' provision, and the main reason it's in there is
25 because --

1 MR. BURKE: Well --

2 MR. CLARY: -- you're supposed to have a counter
3 signature on the stock certificate.

4 MR. BURKE: Right. I understand that, but I --

5 MR. CLARY: It could be the same person.

6 (Indiscernible) counter signature.

7 MR. BURKE: Well, I think if you read --

8 MR. CLARY: It's the only reason that's in there.

9 MR. BURKE: Yeah.

10 MR. CLARY: I -- I've got plenty of one-man
11 corporations --

12 MR. BURKE: I know.

13 MR. CLARY: -- and one-woman corporations --

14 MR. BURKE: I've -- I've got one of those.

15 MR. CLARY: -- that own all the offices, but the

16 bylaws -- now as far as I know, no one person has ever held --

17 UNIDENTIFIED SPEAKER: You got them right there.

18 MR. CLARY: -- both president -- yeah.

19 (Indiscernible).

20 MR. BURKE: But if you read the --

21 MR. CLARY: Because the (indiscernible) --

22 MR. BURKE: If you read the bylaws --

23 MR. CLARY: -- (indiscernible) --

24 MR. BURKE: If you read --

25 MR. CLARY: (Indiscernible) --

1 MR. BURKE: -- it reads --
2 MR. CLARY: -- 20, 30 years ago.
3 UNIDENTIFIED SPEAKER: -- years ago.
4 MR. CLARY: And that's the only --
5 MR. BURKE: Read -- read it.
6 MR. CLARY: I don't think that's -- I reread them.
7 That --
8 MR. BURKE: Okay. All right.
9 UNIDENTIFIED SPEAKER: -- (indiscernible).
10 MR. BURKE: Okay. All right. I'm not going to argue
11 with you. Okay.
12 UNIDENTIFIED SPEAKER: (Indiscernible).
13 MR. BURKE: I'm not going to argue with you about it,
14 okay? Okay. I'm just --
15 UNIDENTIFIED SPEAKER: (Indiscernible) --
16 MR. BURKE: And I -- I came up with a different
17 interpretation. You're an attorney.
18 MR. CLARY: Well --
19 MR. BURKE: Okay.
20 MR. CLARY: -- I've looked at it. I looked at it --
21 MR. BURKE: Yeah.
22 MR. CLARY: -- the last time you were here because
23 you raised the issue.
24 UNIDENTIFIED SPEAKER: I asked you, am I reading this
25 wrong? I mean, I could show you right now. Let me show it to

1 you. I wanted to be sure I was right about this because he
2 keeps raising this issue.

3 MR. CLARY: An officer. Article 5, section 1
4 (phonetic), it's the option of the corporation there will be a
5 president, a vice president, a treasurer, and a secretary, and
6 such others blah, blah, blah.

7 One person may hold one or more offices and perform the
8 duties of one or more of said offices except those of president
9 and secretary.

10 MR. BURKE: Yeah.

11 MR. CLARY: Clear enough?

12 MR. BURKE: Except -- except those -- except those of
13 president and secretary. They can only -- they can only have
14 one, right? Is that the what I'm reading this?

15 MR. CLARY: That means that you can't -- a person
16 can't be both president and secretary.

17 MR. BURKE: Right.

18 MR. CLARY: But you can be everything else.

19 MR. BURKE: Well, and it says --

20 MR. CLARY: You could be president, treasurer.

21 MR. BURKE: -- can hold one or more --

22 MR. CLARY: Could be vice president --

23 MR. BURKE: -- offices --

24 MR. CLARY: -- a treasurer --

25 MR. BURKE: Wait. I'm reading this, and maybe I --

1 maybe I misunderstood it then. Good. And that's possible,
2 that the other board members can hold other offices except for
3 the -- the president and --

4 MR. CLARY: No, it doesn't say that. You don't need
5 to be a director to be an officer.

6 MR. BURKE: No, I'm not reading that part. That's
7 not a -- yeah. Yeah.

8 MR. HAHN: He just said no officer need be a member
9 of the board of directors.

10 MR. BURKE: Yeah.

11 MR. CLARY: So what are you -- what are you
12 misreading?

13 MR. BURKE: But I'm read --

14 MR. CLARY: It just says (indiscernible).

15 MR. BURKE: Except a president -- except a president
16 and secretary.

17 MR. CLARY: Except one person may hold one --

18 MR. BURKE: Okay.

19 MR. CLARY: -- or more offices --

20 MR. BURKE: Okay.

21 MR. CLARY: -- and perform the duties of one or --

22 MR. BURKE: Okay.

23 MR. CLARY: -- more of said offices --

24 MR. BURKE: Okay.

25 MR. CLARY: -- except those of president and

1 secretary, so you can't be both president and secretary.

2 MR. BURKE: Oh, okay. I misread that. I misread it
3 as you were holding two offices and we're not supposed to be.

4 MR. CLARY: No, it doesn't say that.

5 MR. BURKE: Oh. Well, that was my concern when I --

6 MR. CLARY: It says --

7 MR. BURKE: You're asking me what I concerned about.
8 That was one of the things I was concerned --

9 MR. CLARY: Well, I hope that's straightened now.

10 MR. BURKE: It helps. Um-h'm. Not -- okay. Well,
11 that's -- we're past that, anyway. We never even brought that
12 up as an issue, so --

13 MR. CLARY: Well, it's never been violated, as far as
14 I know of.

15 MR. BURKE: All right. Okay. Because I had a
16 concern about it at the time, so I said well, maybe I ought to
17 start looking at what else we have missed. That's my point.

18 MR. CLARY: Well, you were wrong about that.

19 MR. BURKE: Yeah. Okay. Well, I'm wrong about a lot
20 of things. (Indiscernible) -- I can screw up --

21 MR. CLARY: Well, I've been --

22 MR. BURKE: I screw up regularly.

23 MR. CLARY: I've been wrong, too, you know. Hey --

24 MR. BURKE: Yeah.

25 MR. CLARY: -- every once in a while I have to go to

1 court --

2 MR. BURKE: I'm okay with that.

3 MR. CLARY: -- and when the judge says I'm wrong,
4 I'm wrong.

5 MR. BURKE: All right.

6 MR. CLARY: I mean, I'd be wrong --

7 UNIDENTIFIED SPEAKER: He's -- he's
8 (indiscernible) --

9 MR. CLARY: -- you don't think I'm wrong, but --

10 MR. BURKE: Yeah. Yeah, yeah.

11 MR. CLARY: -- I don't want to be a judge, so --

12 MR. BURKE: Yeah.

13 MR. CLARY: -- I'm not going to be in the position of
14 fixing that --

15 MR. BURKE: That's right.

16 MR. CLARY: -- anytime real soon.

17 MR. BURKE: Yeah. But that's what got -- that's what
18 got me looking, so that's all.

19 MR. CLARY: Well, it's unfortunate that --

20 MR. BURKE: Yeah, it is.

21 MR. CLARY: -- you didn't talk to me about it before
22 you --

23 MR. BURKE: Well --

24 MR. CLARY: -- (indiscernible). It's pretty clear to
25 me.

1 MR. BURKE: Well, you were in Thailand at the time.

2 It's very difficult to -- or wherever. Vietnam.

3 MR. CLARY: Well, in both places, actually.

4 MR. BURKE: Yeah.

5 MR. CLARY: But not at the same time.

6 UNIDENTIFIED SPEAKER: (Indiscernible).

7 MR. BURKE: Yeah.

8 MR. CLARY: The statute says --

9 MR. BURKE: Yeah.

10 MR. CLARY: -- a natural person may hold one or more
11 offices.

12 MR. BURKE: Okay. But you're asking me what -- what
13 got me looking. That's what got me looking.

14 MR. CLARY: Well, it's just too bad --

15 MR. BURKE: Okay. And I'm saying -- and then I'm
16 thinking when's the last time we did an audit. That's a normal

17 thing for anybody to ask, right? And it was no big deal at the
18 time, you know, so --

19 MR. CLARY: Well, I -- well, it's -- I don't want to
20 it's a normal thing. Generally, when you have a company like
21 this that is in the developmental state and it's been there
22 for --

23 MR. BURKE: 25 years.

24 MR. CLARY: -- 25 years --

25 MR. BURKE: Surely, somewhere along --

1 MR. CLARY: -- (indiscernible) is to do an audit,
2 but --
3 MR. BURKE: Yeah.
4 MR. HAHN: I -- I don't --
5 MR. BURKE: It's reasonable, right?
6 MR. CLARY: Well, we're doing it.
7 MR. BURKE: Yeah. Okay.
8 MR. CLARY: I mean, we're doing it something --
9 UNIDENTIFIED SPEAKER: (Indiscernible).
10 MR. CLARY: -- short of that --
11 MR. BURKE: My point is though at the time I asked
12 for it --
13 MR. CLARY: (Indiscernible) --
14 MR. BURKE: -- we hadn't.
15 MR. CLARY: -- (indiscernible) recall.
16 MR. BURKE: Yeah. Well, I'm going to get out of your
17 hair, guys.
18 MR. CLARY: I think the -- the main reason for doing
19 this, frankly, on a positive note instead of a on negative
20 note -- let's leave it on a positive note -- is that if we --
21 if things go well as we hope they will --
22 MR. SIMSHAUSER: Right.
23 MR. CLARY: -- and you want to finally do something
24 for your stockholders so that they can receive some benefit
25 because when you invest and I've -- you know.

1 I've practically put this language in my securities
2 agreements in a different -- in a different way then I'm
3 explaining it right now, but when you invest in a
4 privately-owned company and you own a minority interest in the
5 company, you don't have squat.

6 You don't have -- there's no market for the shares, so
7 with (indiscernible) money your stockholders stepped up
8 (indiscernible) when are we going to see some money, and the
9 answer is I ain't got a clue because when you own the minority
10 interest in a privately held company, you are not going to see
11 any money in the foreseeable future.

12 The only time you're going to see any money in a
13 private -- because the company's if it makes a bunch of money,
14 it might pay some dividends, but you generally don't like to do
15 that because you have the double taxation.

16 And so -- so -- and -- and the company -- and the company's
17 never had any income. It's only going to derive income if you
18 make a discovery or something that can sell, you can derive
19 some income from -- after that.

20 So when you own interest in a -- public -- in a private
21 company, you're not going to see any money until the company
22 sells, sells its assets, or it's dissolved, it has a bunch of
23 money distribute. It's not going to do --

24 MR. BURKE: A 100-percent of nothing is still
25 nothing.

1 MR. CLARY: Well, it's a zero, but -- I mean, in
2 terms of stockholders -- any stockholders that invested in this
3 company since I've been in the counsel didn't -- must not have
4 read my agreement --

5 MR. HAHN: That's true.

6 MR. CLARY: -- if they're expecting to see money 16
7 months --

8 MR. BURKE: That's why I'm -- that's why --

9 MR. CLARY: -- from when they invested.

10 MR. BURKE: -- I'm prepared, Larry. If somebody
11 wants to invest, I say go out and look at it, ask questions,
12 make your decisions, and then come and see me. Otherwise --

13 UNIDENTIFIED SPEAKER: (Indiscernible).

14 UNIDENTIFIED SPEAKER: That's right.

15 MR. BURKE: Um-h'm.

16 UNIDENTIFIED SPEAKER: So -- so --

17 MR. HAHN: I say that to everybody.

18 MR. CLARY: Now, the unique thing about this company
19 is you've got all these freaking stockholders out there.

20 MR. HAHN: Right.

21 MR. CLARY: And if -- if you suddenly started making
22 some money and you started selling some gold or whatever, or
23 put up your recreational dealer --

24 UNIDENTIFIED SPEAKER: (Indiscernible).

25 MR. CLARY: -- (indiscernible) happened when

1 everybody else -- there's going to be a big discovery here --
2 then you have the ability to turn this into a public company,
3 but you're not going to be able to do that unless you have all
4 your financial statements.

5 MR. BURKE: Yeah.

6 MR. HAHN: And income.

7 MR. CLARY: And income, of course.

8 MR. BURKE: Yeah.

9 MR. CLARY: And so --

10 MR. BURKE: I just want to survive until then.

11 MR. CLARY: -- so it's a good idea to not get so far
12 afield for -- with the new company, with the whole idea that
13 they're (indiscernible) start, and keeping it clean.

14 MR. HAHN: Sure.

15 MR. CLARY: It's -- it's not a bad idea at all to
16 spend some bucks to get the financial records in order so that
17 you can -- you're in a position to be able to hire a CPA firm
18 that can do audited financial statements.

19 MR. BURKE: Amen.

20 MR. CLARY: And then -- and then all you need to do
21 in this company is -- is find some broker dealers. You could
22 register under the 34 Act (phonetic) --

23 MR. HAHN: Right.

24 MR. CLARY: -- and become a registered company.
25 You're actually required to do that if you suddenly wake up and

1 meet the asset test because you already meet the number of
2 stockholder test.

3 MR. HAHN: Right.

4 UNIDENTIFIED SPEAKER: Well over that.

5 UNIDENTIFIED SPEAKER: Well over that.

6 UNIDENTIFIED SPEAKER: It's 500.

7 UNIDENTIFIED SPEAKER: 500. (Indiscernible).

8 MR. CLARY: And when -- when suddenly your assets are
9 worth over a certain amount, then -- then you -- you need to
10 register.

11 UNIDENTIFIED SPEAKER: Sure.

12 MR. CLARY: And then -- then what you need after
13 that, and that's not like doing a S1 or S2 (phonetic)
14 registration where you're doing a public offering of stock.
15 You don't have to do that. They're expensive, and you may want
16 to do that at some point, but maybe -- probably not.

17 But when you register under the 34 Act, then you have
18 to -- you have reporting requirements, then you got to report
19 every time you have the material change (indiscernible).

20 MR. BURKE: Um-h'm.

21 MR. CLARY: Okay. Every year it's (indiscernible),
22 and -- and then you find some broker dealers that are
23 interested in your company, and they do what's called a 50 and
24 C211 (phonetic) filing or prepare 50 and C211 disclosure
25 documents.

1 UNIDENTIFIED SPEAKER: Um-h'm.

2 MR. CLARY: And they -- based upon that, they can
3 start marketing your stock, and you're public.

4 Probably -- and in order to get on even the -- any stock
5 exchange, but even to be on the electronic bulletin board, the
6 NASD -- what used to be called the ASD electronic bulletin
7 board -- you have to have audited financial statements. The
8 requirement came through in the (indiscernible) --

9 UNIDENTIFIED SPEAKER: (Indiscernible).

10 MR. CLARY: -- (indiscernible) bullshit, and a lot of
11 companies got kicked off field.

12 UNIDENTIFIED SPEAKER: Oh, boy.

13 MR. CLARY: Thousands of companies.

14 MR. BURKE: Um-h'm.

15 MR. CLARY: Because they couldn't have audited
16 financial statements, but you -- you will be able to do that
17 because of the process we're going through.

18 UNIDENTIFIED SPEAKER: Yeah.

19 MR. BURKE: Um-h'm.

20 UNIDENTIFIED SPEAKER: It's what have you got to
21 show, you know? (Indiscernible).

22 UNIDENTIFIED SPEAKER: Yeah.

23 UNIDENTIFIED SPEAKER: Okay?

24 MR. BURKE: All right. I'll get --

25 UNIDENTIFIED SPEAKER: (Indiscernible) --

1 MR. BURKE: -- the expense log, and I'm happy, and
2 then we're here, and I'm going to get you that documentation.

3 MR. CLARY: I know you guys aren't in love with each
4 anymore, but --

5 MR. BURKE: No. It looks like our --

6 MR. CLARY: -- but I think that you --

7 MR. BURKE: -- honeymoon's over, so --

8 MR. CLARY: I do think you can keep the decibel level
9 down --

10 MR. BURKE: Yeah.

11 MR. CLARY: -- to a soft voice.

12 MR. BURKE: Well --

13 MR. CLARY: It's my -- that would be my fault because
14 I (indiscernible) --

15 MR. BURKE: Yeah.

16 MR. CLARY: If you guys decide to beat up on each
17 other, any of you --

18 UNIDENTIFIED SPEAKER: I didn't start this.
19 (Indiscernible) --

20 MR. CLARY: I -- I -- but let's have you be a part of
21 it stopping.

22 UNIDENTIFIED SPEAKER: Okay.

23 MR. CLARY: Both of you. And -- because if it gets
24 into that, I'm still trying to be a peacemaker here --

25 UNIDENTIFIED SPEAKER: Right.

1 MR. CLARY: -- but you get into some -- you get into
2 some heavy disagreements, I'm going to be the first one heading
3 to the exit door. That's not a threat. That's a promise.
4 Promise.
5 MR. BURKE: Um-h'm.
6 UNIDENTIFIED SPEAKER: I -- I -- you know --
7 MR. HAHN: And I don't need this shit.
8 MR. BURKE: Yeah.
9 UNIDENTIFIED SPEAKER: I collect it.
10 MR. BURKE: Okay.
11 UNIDENTIFIED SPEAKER: Okay?
12 UNIDENTIFIED SPEAKER: Okay.
13 MR. BURKE: Do I need this -- get you're okay to pop
14 next door --
15 UNIDENTIFIED SPEAKER: Yeah, yeah.
16 MR. BURKE: -- or okay --
17 UNIDENTIFIED SPEAKER: Yeah. (Indiscernible).
18 MR. BURKE: Might as well, while I'm here.
19 UNIDENTIFIED SPEAKER: I got some more wine..
20 MR. BURKE: Well, good for you.
21 UNIDENTIFIED SPEAKER: (Indiscernible).
22 MR. BURKE: Presents.
23 UNIDENTIFIED SPEAKER: That's what I need.
24 MR. BURKE: That's the way to shop.
25 UNIDENTIFIED SPEAKER: Just what I need.

1 MR. BURKE: Yeah.

2 UNIDENTIFIED SPEAKER: (Indiscernible) sorry. They
3 moved over the weekend.

4 MR. BURKE: Oh, well.

5 UNIDENTIFIED SPEAKER: Kind of get used to this.

6 MR. BURKE: Oh, well. A moving day.

7 UNIDENTIFIED SPEAKER: Yeah. It's --

8 UNIDENTIFIED SPEAKER: Hello.

9 UNIDENTIFIED SPEAKER: Hello.

10 MR. BURKE: Poor thing probably doesn't know where
11 anything is.

12 UNIDENTIFIED SPEAKER: Hi.

13 UNIDENTIFIED SPEAKER: Oh, hi. Come on in,
14 Mr. Clary.

15 UNIDENTIFIED SPEAKER: Is Shelby here?

16 UNIDENTIFIED SPEAKER: Yeah, we're just eating some
17 lunch.

18 MR. CLARY: Okay. (Indiscernible). I was just having
19 a meeting with the -- three of the directors of the -- of
20 Kokoweef and -- you've met this gentleman before. He wanted to
21 get one more document.

22 MR. BURKE: Sorry to bother you.

23 MR. CLARY: And what is it the --

24 MR. BURKE: Just the expense log for -- I think you
25 have -- it's one or two of them. Whatever you have.

1 UNIDENTIFIED SPEAKER: (Indiscernible) -- are you
2 guys done with your meeting or are you --

3 UNIDENTIFIED SPEAKER: Yeah. Just leaving.

4 MR. BURKE: Okay.

5 MR. CLARY: No, we're done. Pretty much done.

6 MR. BURKE: All right.

7 UNIDENTIFIED SPEAKER: And then if you want to visit
8 with me today or tomorrow --

9 MR. CLARY: I'm leaving tomorrow for a week.

10 UNIDENTIFIED SPEAKER: Oh, that's right. Then we can
11 wait till you get back, all right?

12 MR. CLARY: Yeah. I would assume you're talking
13 about this thing here? See, I haven't looked at any of this
14 stuff.

15 UNIDENTIFIED SPEAKER: I understand.

16 MR. BURKE: Yeah. That's all right.

17 MR. CLARY: Is this what you need?

18 MR. BURKE: Yeah, that's it. I want that.

19 UNIDENTIFIED SPEAKER: This is '07.

20 MR. BURKE: Okay.

21 UNIDENTIFIED SPEAKER: This might be the old
22 corporation.

23 UNIDENTIFIED SPEAKER: Probably.

24 UNIDENTIFIED SPEAKER: And, again, since I haven't
25 looked at it, I don't really know till I pull it all together.

1 MR. BURKE: Yeah, yeah. If we can get -- this is
2 just -- these documents (indiscernible).

3 UNIDENTIFIED SPEAKER: I don't have that size of
4 paper.

5 MR. BURKE: You don't have that size?

6 UNIDENTIFIED SPEAKER: I don't have this size of
7 paper.

8 MR. BURKE: Okay.

9 UNIDENTIFIED SPEAKER: I only have this size of
10 paper, so you want to run it next door to Kinkos and then bring
11 it back?

12 MR. BURKE: I can do that. If that's all right with
13 you?

14 UNIDENTIFIED SPEAKER: Sure.

15 MR. BURKE: All right.

16 UNIDENTIFIED SPEAKER: Well, this is expirations --

17 UNIDENTIFIED SPEAKER: Yeah, that's the old one.

18 UNIDENTIFIED SPEAKER: -- and this is Kokoweef --

19 MR. BURKE: Kokoweef.

20 UNIDENTIFIED SPEAKER: Right.

21 MR. BURKE: Yeah.

22 UNIDENTIFIED SPEAKER: Okay. That's fine.

23 UNIDENTIFIED SPEAKER: And I don't what that is.

24 MR. BURKE: That's just a expense log.

25 UNIDENTIFIED SPEAKER: Okay.

1 MR. BURKE: Okay.

2 UNIDENTIFIED SPEAKER: (Indiscernible) and then bring
3 it back.

4 UNIDENTIFIED SPEAKER: Okay.

5 MR. BURKE: All right. Thank you. And I'll bring it
6 right back.

7 UNIDENTIFIED SPEAKER: Okay.

8 MR. BURKE: Right now.

9 UNIDENTIFIED SPEAKER: Okay.

10 UNIDENTIFIED SPEAKER: All right. Thank you.

11 UNIDENTIFIED SPEAKER: Thanks. Have a nice trip.
12 We'll be here, I hope.

13 MR. BURKE: Yeah. Thanks.

14 UNIDENTIFIED SPEAKER: Okay.

15 MR. BURKE: Sorry for the little outburst in there.

16 I just --

17 UNIDENTIFIED SPEAKER: (Indiscernible).

18 MR. BURKE: That's -- well, I'll talk to you more
19 when I bring that --

20 UNIDENTIFIED SPEAKER: (Indiscernible).

21 MR. BURKE: -- stuff back to you.

22 Well, we're through. We're through. I'd say the
23 honeymoon's over. I'd say the honeymoon's over.

24 (Recording concluded.)

25

1 I certify that the foregoing is a correct transcript
2 from the electronic sound recording of the proceedings in
3 the above-entitled matter.
4
5

6 /s/ Jennie L. Ellis

01/28/08

7 Jennie L. Ellis, Transcriptionist

Date

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