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*E. J. ...*  
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1 AANS  
2 M NELSON SEGEL, CHARTERED  
3 M NELSON SEGEL, ESQUIRE  
4 Nevada Bar No. 0530  
5 624 South 9<sup>th</sup> Street  
6 Las Vegas, Nevada 89101  
7 Telephone: (702) 385-5266  
8 Attorneys for Defendants Larry Hahn  
9 and Hahn's World of Surplus, Inc.

8 DISTRICT COURT OF NEVADA  
9 COUNTY OF CLARK

10 TED R. BURKE; MICHAEL R and LAURETTA )  
11 L. KEHOE; JOHN BERTOLDO; PAUL )  
12 BERNARD; EDDY KRAVETZ; JACKIE )  
13 and FRED KRAVETZ; STEVE FRANKS; )  
14 PAULA MARIA BARNARD; PETE T. and )  
15 LISA A. FREEMANLEON GOLDEN; )  
16 C.A. MURFF; GERDA FERN BILLBE; BOB and )  
17 ROBYN TRESKA; MICHAEL RANDOLPH, and )  
18 FREDERICK WILLIS, )

19 Plaintiffs, )

20 vs. )

21 LARRY L. HAHN, individually, and as President )  
22 of and Treasurer of Kokoweef, Inc., and former )  
23 President and Treasurer of Explorations )  
24 Incorporated of Nevada; HAHN'S WORLD OF )  
25 SURPLUS, INC., a Nevada corporation; )  
26 PATRICK C. CLARY, an individual; )  
DOES 1 through 100, inclusive; )

Defendants, )

and )

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

Nominal Defendants. )

CASE NO. A558629

DEPT. XIII

AMENDED  
ANSWER TO AMENDED  
VERIFIED DERIVATIVE  
COMPLAINT

RECEIVED

MAR 26 2009

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

CLERK OF THE COURT

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

5 1. ANSWERING DEFENDANTS deny the allegations contained in paragraph 1 of the  
6 Nature of the Action and Factual Allegations section of the COMPLAINT.

7 2. In response to the allegations contained in paragraph 2 of the Nature of the Action  
8 and Factual Allegations section of the COMPLAINT, ANSWERING DEFENDANTS admit  
9 Explorations Incorporated of Nevada ("EIN") was incorporated on or about October 24, 1984, but  
10 deny the remaining allegations contained in said paragraph.

11 3. In response to the allegations contained in paragraph 3 of the Nature of the Action  
12 and Factual Allegations section of the COMPLAINT, ANSWERING DEFENDANTS are without  
13 sufficient knowledge or information to form a believe as to the meaning "all times relevant herein"  
14 and; therefore, deny same, but admit the remaining allegations contained in said paragraph.

15 4. ANSWERING DEFENDANTS admit the allegations contained in paragraph 4 of the  
16 Nature of the Action and Factual Allegations section of the COMPLAINT.

17 5. ANSWERING DEFENDANTS deny the allegations contained in paragraph 5 of the  
18 Nature of the Action and Factual Allegations section of the COMPLAINT.

19 6. ANSWERING DEFENDANTS deny the allegations contained in paragraph 6 of the  
20 Nature of the Action and Factual Allegations section of the COMPLAINT.

21 7. ANSWERING DEFENDANTS deny the allegations contained in paragraph 7 of the  
22 Nature of the Action and Factual Allegations section of the COMPLAINT.

23 8. ANSWERING DEFENDANTS admit the allegations contained in paragraph 8 of the  
24 Nature of the Action and Factual Allegations section of the COMPLAINT.

25 9. ANSWERING DEFENDANTS deny the allegations contained in paragraph 9 of the  
26 Nature of the Action and Factual Allegations section of the COMPLAINT.

27 10. ANSWERING DEFENDANTS deny the allegations contained in paragraph 10 of the  
28

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

2 11. ANSWERING DEFENDANTS deny the allegations contained in paragraph 11 of the  
3 Nature of the Action and Factual Allegations section of the COMPLAINT.

4 12. ANSWERING DEFENDANTS deny the allegations contained in paragraph 12 of the  
5 Nature of the Action and Factual Allegations section of the COMPLAINT.

6 13. In response to the allegations contained in paragraph 13 of the Nature of the Action  
7 and Factual Allegations section of the COMPLAINT, ANSWERING DEFENDANTS admit that  
8 on or about September 18, 2007, BURKE was invited to attend a meeting with Defendant HAHN,  
9 CLARY and others, admit that CLARY made the statements set forth in the last sentence of said  
10 paragraph regarding the Securities & Exchange Commission, but deny the remaining allegations in  
11 said paragraph.

12 14. ANSWERING DEFENDANTS deny the allegations contained in paragraph 14 of the  
13 Nature of the Action and Factual Allegations section of the COMPLAINT.

14 15. ANSWERING DEFENDANTS deny the allegations contained in paragraph 15 of the  
15 Nature of the Action and Factual Allegations section of the COMPLAINT.

16 16. In response to the allegations contained in paragraph 16 of the Nature of the Action  
17 and Factual Allegations section of the COMPLAINT, ANSWERING DEFENDANTS admit  
18 CLARY was general counsel for KOKOWEEF, INC and did not represent HAHN, that BURKE had  
19 issues with which he addressed at the meeting but deny the remaining allegations of said paragraph.

20 17. ANSWERING DEFENDANTS deny the allegations contained in paragraph 17 of the  
21 Nature of the Action and Factual Allegations section of the COMPLAINT.

22 18. ANSWERING DEFENDANTS deny the allegations contained in paragraph 18 of the  
23 Nature of the Action and Factual Allegations section of the COMPLAINT.

24 19. In response to the allegations contained in paragraph 19 of the Nature of the Action  
25 and Factual Allegations section of the COMPLAINT, ANSWERING DEFENDANTS admit  
26 BURKE is a resident of Clark County, Nevada, but deny the remaining allegations of said paragraph.

27 20. In response to the allegations contained in paragraph 20 of the Nature of the Action  
28

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

4 21. In response to the allegations contained in paragraph 21 of the Nature of the Action  
5 and Factual Allegations section of the COMPLAINT, ANSWERING DEFENDANTS admit  
6 BERTOLDO is a resident of Clark County, Nevada, but deny the remaining allegations of said  
7 paragraph.

8 22. In response to the allegations contained in paragraph 22 of the Nature of the Action  
9 and Factual Allegations section of the COMPLAINT, ANSWERING DEFENDANTS admit  
10 BERNARD is a resident of Clark County, Nevada, but deny the remaining allegations of said  
11 paragraph.

12 23. In response to the allegations contained in paragraph 23 of the Nature of the Action  
13 and Factual Allegations section of the COMPLAINT, ANSWERING DEFENDANTS admit  
14 KRAVETZ is a resident of Clark County, Nevada, but deny the remaining allegations of said  
15 paragraph.

16 24. In response to the allegations contained in paragraph 24 of the Nature of the Action  
17 and Factual Allegations section of the COMPLAINT, ANSWERING DEFENDANTS admit  
18 KRAVETZ is a resident of Clark County, Nevada, but deny the remaining allegations of said  
19 paragraph.

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

24 26. In response to the allegations contained in paragraph 26 of the Nature of the Action  
25 and Factual Allegations section of the COMPLAINT, ANSWERING DEFENDANTS admit  
26 BARNARD is a resident of Clark County, Nevada, but deny the remaining allegations of said  
27 paragraph.

28

1           27.     In response to the allegations contained in paragraph 27 of the Nature of the Action  
2 and Factual Allegations section of the COMPLAINT, ANSWERING DEFENDANTS are without  
3 sufficient knowledge or information to form a belief as to the truth or falsity of the allegations  
4 contained therein and; therefore, deny same.

5           28.     In response to the allegations contained in paragraph 28 of the Nature of the Action  
6 and Factual Allegations section of the COMPLAINT, ANSWERING DEFENDANTS admit  
7 MURFF is a resident of Clark County, Nevada, but deny the remaining allegations of said paragraph.

8           29.     In response to the allegations contained in paragraph 29 of the Nature of the Action  
9 and Factual Allegations section of the COMPLAINT, ANSWERING DEFENDANTS admit  
10 BILLBE is a resident of Clark County, Nevada, but deny the remaining allegations of said  
11 paragraph.

12          30.     In response to the allegations contained in paragraph 30 of the Nature of the Action  
13 and Factual Allegations section of the COMPLAINT, ANSWERING DEFENDANTS admit  
14 TRESKAS is a resident of Clark County, Nevada, but deny the remaining allegations of said  
15 paragraph.

16          31.     In response to the allegations contained in paragraph 31 of the Nature of the Action  
17 and Factual Allegations section of the COMPLAINT, ANSWERING DEFENDANTS admit  
18 RANDOLPH is a resident of Clark County, Nevada, but deny the remaining allegations of said  
19 paragraph.

20          32.     In response to the allegations contained in paragraph 32 of the Nature of the Action  
21 and Factual Allegations section of the COMPLAINT, ANSWERING DEFENDANTS admit  
22 WILLIS is a resident of Clark County, Nevada, but deny the remaining allegations of said paragraph.

23          33.     ANSWERING DEFENDANTS admit the allegations contained in paragraph 33 of  
24 the Nature of the Action and Factual Allegations section of the COMPLAINT.

25          34.     In response to the allegations contained in paragraph 34 of the Nature of the Action  
26 and Factual Allegations section of the COMPLAINT, ANSWERING DEFENDANTS deny EIN was  
27 incorporated in 1984, but admit the remaining allegations contained therein.

28

1           35.     ANSWERING DEFENDANTS admit the allegations contained in paragraph 35 of  
2 the Nature of the Action and Factual Allegations section of the COMPLAINT.

3           36.     In response to the allegations contained in paragraph 36 of the Nature of the Action  
4 and Factual Allegations section of the COMPLAINT, ANSWERING DEFENDANTS admit  
5 SURPLUS is a corporation organized and existing under the laws of the state of Nevada, that it  
6 conducts business in North Las Vegas, Nevada, and that HAHN has previously been the President  
7 of said corporation; but deny the remaining allegations contained in said paragraph.

8           37.     ANSWERING DEFENDANTS deny the allegations contained in paragraph 37 of the  
9 Nature of the Action and Factual Allegations section of the COMPLAINT.

10          38.     ANSWERING DEFENDANTS deny the allegations contained in paragraph 38 of the  
11 Nature of the Action and Factual Allegations section of the COMPLAINT.

12          39.     ANSWERING DEFENDANTS deny the allegations contained in paragraph 39 of the  
13 Derivative and Demand Excused Allegations section of the COMPLAINT.

14          40.     ANSWERING DEFENDANTS deny the allegations contained in paragraph 40 of the  
15 Derivative and Demand Excused Allegations section of the COMPLAINT.

16          41.     ANSWERING DEFENDANTS deny the allegations contained in paragraph 41 of the  
17 Derivative and Demand Excused Allegations section of the COMPLAINT.

18          42.     In response to the allegations contained in paragraph 42 of the Derivative and  
19 Demand Excused Allegations section of the COMPLAINT, ANSWERING DEFENDANTS admit  
20 Plaintiffs did not make any demand upon the KOKOWEEF board of directors prior to commencing  
21 this action, but deny the remaining allegations contained in said paragraph.

22          43.     The Court has dismissed the First Cause of Action; therefore, no response is  
23 necessary to paragraph 43 of the COMPLAINT.

24          44.     The Court has dismissed the First Cause of Action; therefore, no response is  
25 necessary to paragraph 44 of the COMPLAINT.

26          45.     The Court has dismissed the First Cause of Action; therefore, no response is  
27 necessary to paragraph 45 of the COMPLAINT.

28

1           46.    The Court has dismissed the First Cause of Action; therefore, no response is  
2 necessary to paragraph 46 of the COMPLAINT.

3           47.    The Court has dismissed the First Cause of Action; therefore, no response is  
4 necessary to paragraph 47 of the COMPLAINT.

5           48.    The Court has dismissed the Second Cause of Action; therefore, no response is  
6 necessary to paragraph 48 of the COMPLAINT.

7           49.    The Court has dismissed the Second Cause of Action; therefore, no response is  
8 necessary to paragraph 49 of the COMPLAINT.

9           50.    The Court has dismissed the Second Cause of Action; therefore, no response is  
10 necessary to paragraph 50 of the COMPLAINT.

11          51.    The Court has dismissed the Second Cause of Action; therefore, no response is  
12 necessary to paragraph 51 of the COMPLAINT.

13          52.    The Court has dismissed the Second Cause of Action; therefore, no response is  
14 necessary to paragraph 52 of the COMPLAINT.

15          53.    The Court has dismissed the Second Cause of Action; therefore, no response is  
16 necessary to paragraph 53 of the COMPLAINT.

17          54.    The Court has dismissed the Second Cause of Action; therefore, no response is  
18 necessary to paragraph 54 of the COMPLAINT.

19          55.    The Court has dismissed the Second Cause of Action; therefore, no response is  
20 necessary to paragraph 55 of the COMPLAINT.

21          56.    The Court has dismissed the Second Cause of Action; therefore, no response is  
22 necessary to paragraph 56 of the COMPLAINT.

23          57.    The Court has dismissed the Third Cause of Action; therefore, no response is  
24 necessary to paragraph 57 of the COMPLAINT.

25          58.    The Court has dismissed the Third Cause of Action; therefore, no response is  
26 necessary to paragraph 58 of the COMPLAINT.

27          59.    The Court has dismissed the Third Cause of Action; therefore, no response is  
28

1 necessary to paragraph 59 of the COMPLAINT.

2         60. The Court has dismissed the Third Cause of Action; therefore, no response is  
3 necessary to paragraph 60 of the COMPLAINT.

4         61. The Court has dismissed the Third Cause of Action; therefore, no response is  
5 necessary to paragraph 61 of the COMPLAINT.

6         62. The Court has dismissed the Third Cause of Action; therefore, no response is  
7 necessary to paragraph 62 of the COMPLAINT.

8         63. The Court has dismissed the Third Cause of Action; therefore, no response is  
9 necessary to paragraph 63 of the COMPLAINT.

10         64. The Court has dismissed the Third Cause of Action; therefore, no response is  
11 necessary to paragraph 64 of the COMPLAINT.

12         65. In response to paragraph 65 of the Fourth Cause of Action section of the  
13 COMPLAINT, ANSWERING DEFENDANTS repeat and reallege their responses to paragraphs 1  
14 through 38 of the COMPLAINT as though fully set forth herein.

15         66. ANSWERING DEFENDANTS deny the allegations contained in paragraph 66 of the  
16 Fourth Cause of Action section of the COMPLAINT.

17         67. ANSWERING DEFENDANTS deny the allegations contained in paragraph 67 of the  
18 Fourth Cause of Action section of the COMPLAINT.

19         68. ANSWERING DEFENDANTS deny the allegations contained in paragraph 68 of the  
20 Fourth Cause of Action section of the COMPLAINT.

21         69. ANSWERING DEFENDANTS deny the allegations contained in paragraph 69 of the  
22 Fourth Cause of Action section of the COMPLAINT.

23         70. ANSWERING DEFENDANTS deny the allegations contained in paragraph 70 of the  
24 Fourth Cause of Action section of the COMPLAINT.

25         71. ANSWERING DEFENDANTS deny the allegations contained in paragraph 71 of the  
26 Fourth Cause of Action section of the COMPLAINT.

27         72. The Court has dismissed the Fifth Cause of Action; therefore, no response is  
28



1 necessary to paragraph 72 of the COMPLAINT.

2 73. The Court has dismissed the Fifth Cause of Action; therefore, no response is  
3 necessary to paragraph 73 of the COMPLAINT.

4 74. The Court has dismissed the Fifth Cause of Action; therefore, no response is  
5 necessary to paragraph 74 of the COMPLAINT.

6 75. The Court has dismissed the Fifth Cause of Action; therefore, no response is  
7 necessary to paragraph 75 of the COMPLAINT.

8 76. The Court has dismissed the Fifth Cause of Action; therefore, no response is  
9 necessary to paragraph 76 of the COMPLAINT.

10 77. The Court has dismissed the Fifth Cause of Action; therefore, no response is  
11 necessary to paragraph 77 of the COMPLAINT.

12 78. The Court has dismissed the Fifth Cause of Action; therefore, no response is  
13 necessary to paragraph 78 of the COMPLAINT.

14 79. The Court has dismissed the Fifth Cause of Action; therefore, no response is  
15 necessary to paragraph 79 of the COMPLAINT.

16 80. The Court has dismissed the Fifth Cause of Action; therefore, no response is  
17 necessary to paragraph 80 of the COMPLAINT.

18 81. The Court has dismissed the Fifth Cause of Action; therefore, no response is  
19 necessary to paragraph 81 of the COMPLAINT.

20 82. The Court has dismissed the Fifth Cause of Action; therefore, no response is  
21 necessary to paragraph 82 of the COMPLAINT.

22 83. The Court has dismissed the Sixth Cause of Action; therefore, no response is  
23 necessary to paragraph 83 of the COMPLAINT.

24 84. The Court has dismissed the Sixth Cause of Action; therefore, no response is  
25 necessary to paragraph 84 of the COMPLAINT.

26 85. The Court has dismissed the Sixth Cause of Action; therefore, no response is  
27 necessary to paragraph 85 of the COMPLAINT.

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

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

5           88.    The Court has dismissed the Sixth Cause of Action; therefore, no response is  
6 necessary to paragraph 88 of the COMPLAINT.

7           89.    The Court has dismissed the Sixth Cause of Action; therefore, no response is  
8 necessary to paragraph 89 of the COMPLAINT.

9           90.    The Court has dismissed the Sixth Cause of Action; therefore, no response is  
10 necessary to paragraph 90 of the COMPLAINT.

11          91.    The Court has dismissed the Sixth Cause of Action; therefore, no response is  
12 necessary to paragraph 91 of the COMPLAINT.

13          92.    The Court has dismissed the Sixth Cause of Action; therefore, no response is  
14 necessary to paragraph 92 of the COMPLAINT.

15          93.    In response to paragraph 93 of the Seventh Cause of Action section of the  
16 COMPLAINT, ANSWERING DEFENDANTS repeat and reallege their responses to paragraphs 1  
17 through 38 of the COMPLAINT as though fully set forth herein.

18          94.    In response to the allegations contained in paragraph 94 of the Seventh Cause of  
19 Action, ANSWERING DEFENDANT admit that HAHN, as an officer or director of KOKOWEEF  
20 and EIN, owed a corporate fiduciary duty to the shareholders of each corporation but deny the  
21 remaining allegations contained in said paragraph.

22          95.    ANSWERING DEFENDANTS deny the allegations contained in paragraph 95 of the  
23 Seventh Cause of Action section of the COMPLAINT.

24          96.    ANSWERING DEFENDANTS deny the allegations contained in paragraph 96 of the  
25 Seventh Cause of Action section of the COMPLAINT.

26          97.    ANSWERING DEFENDANTS deny the allegations contained in paragraph 97 of the  
27 Seventh Cause of Action section of the COMPLAINT.

28

1           98.    In response to paragraph 98 of the Eight [sic] Cause of Action section of the  
2 COMPLAINT, ANSWERING DEFENDANTS repeat and reallege their responses to paragraphs 1  
3 through 38 of the COMPLAINT as though fully set forth herein.

4           99.    ANSWERING DEFENDANTS deny the allegations contained in paragraph 99 of the  
5 Eight [sic] Cause of Action section of the COMPLAINT.

6           100.   ANSWERING DEFENDANTS deny the allegations contained in paragraph 100 of  
7 the Eight [sic] Cause of Action section of the COMPLAINT.

8           101.   ANSWERING DEFENDANTS deny the allegations contained in paragraph 101 of  
9 the Eight [sic] Cause of Action section of the COMPLAINT.

10          102.   In response to paragraph 102 of the Ninth Cause of Action section of the  
11 COMPLAINT, ANSWERING DEFENDANTS repeat and reallege their responses to paragraphs 1  
12 through 38 of the COMPLAINT as though fully set forth herein.

13          103.   ANSWERING DEFENDANTS deny the allegations contained in paragraph 103 of  
14 the Ninth Cause of Action section of the COMPLAINT.

15          104.   ANSWERING DEFENDANTS deny the allegations contained in paragraph 104 of  
16 the Ninth Cause of Action section of the COMPLAINT.

17          105.   ANSWERING DEFENDANTS deny the allegations contained in paragraph 105 of  
18 the Ninth Cause of Action section of the COMPLAINT.

19          106.   ANSWERING DEFENDANTS deny the allegations contained in paragraph 106 of  
20 the Ninth Cause of Action section of the COMPLAINT.

21          107.   In response to paragraph 107 of the Tenth Cause of Action section of the  
22 COMPLAINT, ANSWERING DEFENDANTS repeat and reallege their responses to paragraphs 1  
23 through 38 of the COMPLAINT as though fully set forth herein.

24          108.   ANSWERING DEFENDANTS deny the allegations contained in paragraph 108 of  
25 the Tenth Cause of Action section of the COMPLAINT.

26          109.   ANSWERING DEFENDANTS deny the allegations contained in paragraph 109 of  
27 the Tenth Cause of Action section of the COMPLAINT.

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1 110. ANSWERING DEFENDANTS deny the allegations contained in paragraph 110 of  
2 the Tenth Cause of Action section of the COMPLAINT.

3 111. ANSWERING DEFENDANTS deny the allegations contained in paragraph 111 of  
4 the Tenth Cause of Action section of the COMPLAINT.

5 112. It has been necessary for ANSWERING DEFENDANTS to retain attorneys to defend  
6 this matter and they are entitled to a reasonable sum as and for their attorneys' fees herein.

7 FIRST AFFIRMATIVE DEFENSE

8 The COMPLAINT fails to state a claim against ANSWERING DEFENDANTS upon which  
9 relief can be granted.

10 SECOND AFFIRMATIVE DEFENSE

11 The damages, if any, sustained by PLAINTIFFS is due to their own actions and  
12 ANSWERING DEFENDANTS are not liable to them.

13 THIRD AFFIRMATIVE DEFENSE

14 PLAINTIFFS have failed to name a necessary party.

15 FOURTH AFFIRMATIVE DEFENSE

16 PLAINTIFFS have unclean hands and are barred from recovery herein.

17 FIFTH AFFIRMATIVE DEFENSE

18 PLAINTIFFS failed to mitigate their damages and may not recover from ANSWERING  
19 DEFENDANTS herein.

20 SIXTH AFFIRMATIVE DEFENSE

21 PLAINTIFFS' damages, if any, were caused by the actions of third parties over whom  
22 ANSWERING DEFENDANTS had no control.

23 SEVENTH AFFIRMATIVE DEFENSE

24 PLAINTIFFS assumed the risk that is the basis of their claim of damages and may not  
25 recover their damages, if any, from ANSWERING DEFENDANTS herein.

26 EIGHTH AFFIRMATIVE DEFENSE

27 PLAINTIFFS are estopped from asserting a claim against ANSWERING DEFENDANTS  
28

1 herein.

2 NINTH AFFIRMATIVE DEFENSE

3 PLAINTIFFS have a waived any right to a claim against ANSWERING DEFENDANTS  
4 that may have existed.

5 TENTH AFFIRMATIVE DEFENSE

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

8 ELEVENTH AFFIRMATIVE DEFENSE

9 PLAINTIFFS are guilty of laches in bringing their claims against ANSWERING  
10 DEFENDANTS.

11 TWELFTH AFFIRMATIVE DEFENSE

12 PLAINTIFFS' action is barred by the applicable statute of limitations.

13 THIRTEENTH AFFIRMATIVE DEFENSE

14 PLAINTIFFS' action is an abuse of process.

15 FOURTEENTH AFFIRMATIVE DEFENSE

16 ANSWERING DEFENDANTS did not make any material misstatements nor did they  
17 omit any material statements related to the purchase or sale of any security herein and did not  
18 commit any securities fraud herein.

19 FIFTEENTH AFFIRMATIVE DEFENSE

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

24 WHEREFORE, ANSWERING DEFENDANTS pray for relief as follows:

- 25 1. That the COMPLAINT be dismissed;
- 26 2. That they be awarded the costs of suit;
- 27 3. That they be awarded a reasonable attorneys' fee for having to defend this action;

28

- 1           4.       That the funds being held by the Court as security be disbursed to ANSWERING  
2 DEFENDANTS as reimbursement of a portion of their attorneys' fees herein; and  
3           5.       For such other and further relief that the Court deems just and proper in the  
4 premises.

5           DATED this 16<sup>th</sup> day of March, 2009.

6                                   M NELSON SEGEL, CHARTERED

7  
8           By 

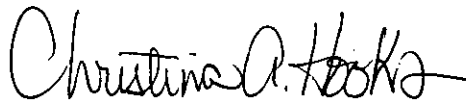
9                                   M NELSON SEGEL, ESQUIRE  
10                                  Nevada Bar No. 0530  
11                                  624 South 9<sup>th</sup> Street  
12                                  Las Vegas, Nevada 89101  
13                                  Attorneys for Defendants

14                                   **CERTIFICATE OF MAILING**

15           The undersigned hereby certifies that on the 16<sup>th</sup> day of March, 2009, she served the  
16 foregoing AMENDED ANSWER TO AMENDED VERIFIED DERIVATIVE COMPLAINT by  
17 causing a true and correct copy to be placed in the United States Mail, postage fully prepaid thereon  
18 and addressed as follows:

19                                   Jennifer Taylor, Esquire  
20                                   401 North Buffalo Drive  
21                                   Suite 202  
22                                   Las Vegas, Nevada 89145

23                                   Patrick C. Clary, Esquire  
24                                   7201 West Lake Mead  
25                                   Suite 410  
26                                   Las Vegas, Nevada 89128

27                                   

28                                   An employee of M Nelson Segel, Chartered