

Exhibit 4:

Reply to Plaintiffs'
Opposition to Defendants
Larry L. Hahn and Hahn's
World of Surplus, Inc's
Motion to Quash Subpoenas

ORIGINAL

37

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

FILED

JUN 19 3 49 PM '09

E. J. ...
 CLERK OF THE COURT

DISTRICT COURT OF NEVADA
 COUNTY OF CLARK

-o0o-

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

Plaintiffs,

vs.

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

Defendants,

and

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

Nominal Defendants.

CASE NO. A558629

DEPT. XIII

REPLY TO PLAINTIFFS'
 OPPOSITION TO
 DEFENDANTS LARRY L. HAHN
 AND HAHN'S WORLD OF
 SURPLUS, INC.'S MOTION
 TO QUASH SUBPOENAS

08A558629
186615



DATE: 6/29/09

TIME: 9:30 a.m.

27 Defendants LARRY L. HAHN ("HAHN") and HAHN'S WORLD OF SURPLUS, INC.
 28 ("SURPLUS")(HAHN and SURPLUS sometimes collectively referred to herein as "HAHN

RECEIVED
 JUN 19 2009
 CLERK OF THE COURT

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1 DEFENDANTS”), hereby file their Reply to Plaintiffs’ Opposition to Defendant Larry L. Hahn and
2 Hahn’s World of Surplus, Inc.’s Motion to Quash Subpoenas. Plaintiffs’ Opposition is based upon
3 two arguments; (1) that the Motion to Quash is moot and (2) that the HAHN DEFENDANTS have
4 failed to set forth a legitimate basis to quash the subpoenas. The Motion to Quash (“MOTION”)
5 filed by the HAHN DEFENDANTS was titled, “Motion to Quash” but substantively sought a
6 protective order as well. The Opposition filed by Plaintiffs addressed the protective order issue also.
7 The HAHN DEFENDANTS request that the Commissioner address both issues at the hearing of this
8 matter.

9 The Opposition filed by Plaintiffs has set forth various alleged facts regarding this matter,
10 none of which were supported by affidavit. Additionally, they chastised the HAHN DEFENDANTS
11 for advising the Commissioner of the tortured history of this case.

12 The Plaintiffs did submit two affidavits. The first affidavit was from one of the Plaintiffs,
13 Michael Kehoe (“KEHOE”). This affidavit was dated November 30, 2008. This affidavit was
14 submitted to the Court when Plaintiffs filed a Motion for a Preliminary Injunction and Appointment
15 of a Receiver (“RECEIVER MOTION”), which was substantially denied by Judge Denton in January
16 2009. The RECEIVER MOTION was filed in response to the Motion to Dismiss that was granted
17 as to all of the securities fraud claims.

18 There is a “new” affidavit from Talon Stringham (“STRINGHAM”), the forensic accountant
19 retained by the Plaintiffs in this case. While STRINGHAM’s affidavit suggests that the information
20 presented to the Commissioner is new, it is substantially the same information that was set forth in
21 his two prior affidavits and his live testimony at the evidentiary hearing held by Judge Denton on or
22 about July 30, 2008. Even though this information was previously presented to the Court, it found
23 that Plaintiffs did not have a possibility to succeed in the action. Surety in the sum of Seventy Five
24 Thousand Dollars (\$75,000) was required to be posted by the Plaintiffs to enable them to proceed
25 with this case.

26 The next step in the Opposition was to set forth “allegations” from the amended complaint.
27 However, Plaintiffs failed to advise the Court that all of the claims for securities fraud were
28 dismissed by Judge Denton. They also failed to inform the Commissioner that the substance of

1 STRINGHAM's affidavit had been presented to the Court previously.

2 THE MOTION SHOULD NOT BE CONSIDERED MOOT
3 THE MOTION SHOULD NOT BE CONSIDERED MOOT
4 AND THE SUBPOENAS SHOULD BE QUASHED

5 Plaintiffs argue that the MOTION should be denied because they have filed the Joint Case
6 Conference Report ("JCCR") since the filing of the MOTION and they may now proceed with
7 discovery. The problem with this scenario is twofold. First, allowing such action would legitimize
8 a flagrant violation of the Nevada Rules of Civil Procedure ("NRCP"). Secondly, it does not address
9 the issue of Plaintiffs' failure to provide notice of the issuance of the subpoenas to the Defendants.

10 Plaintiffs have asserted a fascinating position. Since the Defendants entered into a stipulation
11 to allow them to have those items that they would have had the right to properly request once they
12 complied with the NRCP, they should be allowed to flagrantly violate the NRCP! In reality, the
13 Defendants had no desire to spend time and money attempting to preclude Plaintiffs from obtaining
14 documentation, even though done in violation of the NRCP, that they had a legitimate right to obtain.
15 The purpose of the MOTION is to preclude Plaintiffs from intruding upon the business records of
16 SURPLUS, and the personal records of HAHN, that have nothing to do with the nominal defendant,
17 Kokoweef, Inc. ("KOKOWEEF") or Explorations Incorporated of Nevada, Inc. ("EIN")!

18 NRCP 26 DOES NOT ALLOW THE DISCOVERY REQUESTED

19 The issue to be addressed is whether Plaintiffs, who have alleged that HAHN and SURPLUS
20 have improperly "commingled" their assets with those of EIN and KOKOWEEF, should be allowed
21 to rummage through **all** of the financial and business records of SURPLUS. Although Plaintiffs
22 have not been able to show the Court that they have a possibility of success, they have caused broad
23 subpoenas to be issued, without notice to Defendants and prior to filing the JCCR, seeking the bank
24 records and credit card records of SURPLUS.

25 NRCP 26 discusses discovery and provides, in pertinent part:

26 (a) Discovery Methods. At any time after the filing of a joint case conference report,
27 or not sooner than 10 days after a party has filed a separate case conference report,
28 or upon order by the court or discovery commissioner, any party who has complied
with Rule 16.1(a)(1) may obtain discovery by one or more of the following additional
methods: depositions upon oral examination or written questions; written
interrogatories; production of documents or things or permission to enter upon land
or other property under Rule 34 or Rule 45(a)(1)(C), for inspection and other

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purposes; physical and mental examinations; and requests for admission.

(b) Discovery Scope and Limits. Unless otherwise limited by order of the court in accordance with these rules, the scope of discovery is as follows:

(1) In General. Parties may obtain discovery regarding any matter, not privileged, **which is relevant to the subject matter** involved in the pending action, whether it relates to the claim or defense of the party seeking discovery or to the claim or defense of any other party, including the existence, description, nature, custody, condition and location of any books, documents, or other tangible things and the identity and location of persons having knowledge of any discoverable matter. It is not ground for objection that the information sought will be inadmissible at the trial if the information sought appears reasonably calculated to lead to the discovery of admissible evidence. All discovery is subject to the limitations imposed by Rule 26(b)(2)(i), (ii), and (iii). (emphasis added).

(2) Limitations. By order, the court may alter the limits in these rules or set limits on the number of depositions and interrogatories, the length of depositions under Rule 30 or the number of requests under Rule 36. The frequency or extent of use of the discovery methods otherwise permitted under these rules and by any local rule shall be limited by the court if it determines that: (i) the discovery sought is unreasonably cumulative or duplicative, or is obtainable from some other source that is more convenient, less burdensome, or less expensive; (ii) the party seeking discovery has had ample opportunity by discovery in the action to obtain the information sought; or (iii) the discovery is unduly burdensome or expensive, taking into account the needs of the case, the amount in controversy, limitations on the parties' resources, and the importance of the issues at stake in the litigation. The court may act upon its own initiative after reasonable notice or pursuant to a motion under subdivision (c) of this rule.

...

(c) Protective Orders. Upon motion by a party or by the person from whom discovery is sought, accompanied by a certification that the movant has in good faith conferred or attempted to confer with the other affected parties in an effort to resolve the dispute without court action, and for good cause shown, the court in which the action is pending may make any order which justice requires to protect a party or person from annoyance, embarrassment, oppression, or undue burden or expense, including one or more of the following:

- (1) that the discovery not be had;
- (2) that the discovery may be had only on specified terms and conditions, including a designation of the time or place;
- ...
- (4) that certain matters not be inquired into, or that the scope of the discovery be limited to certain matters;
- ...

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(7) that a trade secret or other confidential research, development, or commercial information not be revealed or be revealed only in a designated way;
(7) that a trade secret or other confidential research, development, or commercial information not be revealed or be revealed only in a designated way;

HAHN and SURPLUS do not believe the bank accounts or credit card statements of either of them is relevant to the present matter, nor are they likely to lead to the discovery of admissible evidence. This is a basic requirement of discovery under NRC 26.

The Supreme Court of Nevada addressed these issues in *Schlatter v. Eighth Judicial District Court*, 93 Nev. 189, 561 P.2d 1342 (1977). The Court stated, commencing on page 1343:

The scope of discovery in civil actions is limited to matter, not privileged, 'which is relevant to the subject matter involved in the pending action, . . . 'NRC 26(b)(1). Where, as here, a litigant's physical condition is in issue, a court may order discovery of medical records containing information relevant to the injury complained of or any pre-existing injury related thereto. *Mattison v. Poulen*, 353 A.2d 327 (Vt.1976); *State ex rel. McNutt v. Keet*, 432 S.W.2d 597 (Mo.1968). Similarly, when a litigant puts the amount of her income in issue by alleging the impairment of ability to earn a living, a court may require disclosure of matter contained in tax records which is relevant to this issue. *Matchen v. McGahey*, 455 P.2d 52 (Okla.1969); *Anno.*, 70 A.L.R.2d 242, 260-63 (1960). Of course, such discovery may not be approved, in the absence of a showing that the information is otherwise unobtainable. *Richland Wholesale Liq. v. Jos. E. Seagram & Sons, Inc.*, 40 F.R.D. 480 (D.S.C.1966).

However, respondent's order went beyond this and permitted carte blanche discovery of all information contained in these materials without regard to relevancy. Our discovery rules provide no basis for such an invasion into a litigant's private affairs merely because redress is sought for personal injury. Respondent court therefore exceeded its jurisdiction by ordering disclosure of information neither relevant to the tendered issues nor leading to discovery of admissible evidence. See: *People v. Bua*, 37 Ill.2d 180, 226 N.E.2d 6 (1967); *Maresca v. Marks*, 362 S.W.2d 299 (Tex. 1962). (Emphasis added).

Plaintiffs have not provided the Court with any evidence that they have a viable case or that they need the financial information requested. On said basis, the Commissioner should recommend that a protective order be issued precluding Plaintiffs from seeking the financial information from SURPLUS.

THE RECORDS OF SURPLUS ARE NOT NECESSARY FOR PLAINTIFFS TO DETERMINE WHETHER THE FUNDS OF KOKOWEEF HAVE BEEN IMPROPERLY UTILIZED

Plaintiffs have argued that liberal discovery rules allow them to scour through the business and financial records of SURPLUS even though they have not been able to provide any evidence that wrongdoing occurred that would allow them to succeed in the litigation. The HAHN

1 DEFENDANTS have pointed to the fact that the Court held an evidentiary hearing that resulted in
2 the Court finding that there was no possibility that the Plaintiffs would prevail in their derivative
3 action.

4 Plaintiffs' response to the HAHN DEFENDANTS' reference to the evidentiary hearing under
5 NRS §41.520 is that said statute prevents the argument being made by the HAHN DEFENDANTS.
6 Plaintiffs point out to the Commissioner that NRS §41.520 shall not be determined to be a decision
7 on the merits of the case. Plaintiffs have misinterpreted what was set forth in the MOTION.

8 There has not been, and cannot be, an argument that the findings by Judge Denton were a
9 ruling on the merits of the case. The purpose for setting forth his ruling, and referring to *Hetter v.*
10 *Eighth Judicial District Court*, 110 Nev. 513, 874 P.2d 7 (1994), which Plaintiffs argue is not
11 applicable to the present matter, was to justify the entry of a protective order that precludes Plaintiffs
12 from obtaining the business and financial records of the HAHN DEFENDANTS without a showing
13 of a legitimate need.

14 Plaintiffs have "justified" their need for documentation from the HAHN DEFENDANTS on
15 the basis that their expert, STRINGHAM needs this documentation to determine whether there has
16 been a "commingling" of funds between KOKOWEEF and the HAHN DEFENDANTS. However,
17 nothing new has been presented to justify this need that was not considered by Judge Denton when
18 he ruled that the Plaintiffs had no possibility of success!

19 The HAHN DEFENDANTS do not believe this term is properly used. "Commingling" is
20 defined in Black's Law Dictionary as "to put together in one mass". The only cases in Nevada that
21 deal with the concept of "commingling" are those that seek to show that a party should be allowed
22 to "pierce the corporate veil" and obtain a judgment against an individual for an obligation of the
23 corporation. This concept was codified in NRS §78.747. No Nevada case has defined
24 "commingling."

25 Plaintiff Ted Burke ("BURKE") caused KOKOWEEF to hire a bookkeeper, Reta Van Da
26 Walker ("RETA") to take the receipts and transactions of EIN and KOKOWEEF and computerize
27 them. RETA performed these services as directed by BURKE. RETA testified at the evidentiary
28 hearing that was held by Judge Denton. Prior to the hearing, RETA executed an affidavit which was

1 filed with the Court. A copy of said affidavit is attached as Attachment "1" to the Declaration of M
2 NELSON SEGEL ("SEGEL") which is attached hereto as Exhibit "A".

3 RETA's affidavit concludes at paragraph 15:

4 Prior to the commencement of this lawsuit, I informed BURKE that my review of
5 KOKOWEEF's financial transactions showed that, except for some small,
6 insignificant, and immaterial matters, it appeared that they were complete and
7 accurate.

8 RETA has reviewed all of the corporate records of KOKOWEEF and concluded that they were
9 complete and accurate. STRINGHAM has asserted that he does not have enough information to
10 determine whether the assets of EIN and KOKOWEEF were improperly utilized by HAHN and
11 SURPLUS. He has not explained how the broad request attached to his affidavit, which is not before
12 the Commissioner at the present time, and the bank records and credit card records that are before
13 the Commissioner, will enable him to determine whether the transactions in question were improper.

14 STRINGHAM'S CHARTS DO NOT SUPPORT A RIGHT TO INVADE
15 SURPLUS' FINANCIAL AND BUSINESS RECORDS

16 STRINGHAM has prepared a number of charts that were attached to his latest affidavit. If
17 the Commissioner reviews the affidavits previously presented to the Court, it will be clear that the
18 new affidavit is simply a rehash of the old affidavits that Judge Denton considered.

19 STRINGHAM's affidavit, at page 4, lines 9 through 12, states that Exhibits 4 and 5 are
20 evidence of "commingling." The items purport to be a listing of checks that were written to various
21 people and cashed at SURPLUS. The inference, if not actual allegation, is that HAHN utilized these
22 checks to funnel money from KOKOWEEF to SURPLUS or himself. As set forth above, the term
23 "commingling" was used by STRINGHAM.

24 One of the people whose name is contained on multiple entries in Exhibits 4 and 5 is Charles
25 Powers ("POWERS"), a witness Plaintiffs intended to use to prove their case. Plaintiffs requested,
26 and Defendants agreed, to allow the deposition of POWERS to be taken prior to the filing of the
27 JCCR. When asked about checks being made payable to him and cashed at SURPLUS, POWERS
28 admitted that he cashed the checks at SURPLUS and received all of the money from those checks!

1 The HAHN DEFENDANTS have submitted copies of the declarations of a number of people
2 whose names are listed on Schedules 4 and 5.¹ These declarations are attached to the declaration of
3 whose names are listed on Schedules 4 and 5.¹ These declarations are attached to the declaration of
4 SEGEL as Attachment "2." Each of these declarations have stated that the declarant cashed checks
5 payable to them at SURPLUS and received the funds. Based upon the sworn testimony of
6 POWERS, Plaintiffs' witness, and the other individuals, the allegation that this was a method of the
7 HAHN DEFENDANTS looting KOKOWEEF or "commingling" their funds with those of
8 KOKOWEEF, is not supported and must fail.

8 STRINGHAM also presented Schedule I which he states shows evidence of commingling
9 of Kokoweef/EIN funds and HWS and/or HAHN funds. He stated, at page 3, commencing on line
10 20:

11 These bills were attributable to purchases or costs or Kokoweef/EIN. However, in
12 actuality, when I reviewed the corresponding receipts, I found these items were sold
13 or purchased by HWS and/or Hahn.

13 It is not disputed that SURPLUS or HAHN purchased goods for KOKOWEEF. It is not disputed
14 that KOKOWEEF paid SURPLUS for those goods. Nothing contained in the documentation
15 suggests that "commingling" took place.

16 Throughout the evidentiary hearing, STRINGHAM made reference to "flags" and "indicia
17 of fraud." However, he was unable to opine that fraud occurred! A review of his most recent
18 affidavit shows similar statements. He states at page 3, line 8, "the commingling I have identified
19 in this affidavit is further indicia of fraud." As set forth herein, no "commingling" took place!
20 Evidence has been presented that shows the propriety of what transpired. Since Plaintiffs cannot
21 show that anything was done improperly, the MOTION should be granted and a protective order
22 issued.

23 The HAHN DEFENDANTS have attached the affidavit of Christina Hahn ("CHRISTINA"),
24 the President of SURPLUS hereto as Exhibit "B". CHRISTINA's affidavit sets forth a basic
25 explanation of what transpired and the basis of the instruments that are in question. The nature of
26 SURPLUS' business is such that it has contacts with numerous other businesses who sell items that

27

28 ¹ The originals of each affidavit is being attached to the Motion for Partial Summary Judgment that the HAHN
DEFENDANTS are filing prior to the hearing of this matter.

1 are utilized in KOKOWEEF's operations. Due to the relationship of SURPLUS, it was able to
2 purchase items at prices that were more favorable than KOKOWEEF could have received on its own.
3 purchase items at prices that were more favorable than KOKOWEEF could have received on its own.
4 At other times, KOKOWEEF did not have the funds to pay for the items it needed. In that situation,
5 SURPLUS advances the funds and waited until KOKOWEEF had the resources to repay SURPLUS
6 for its advances.

7
8 LESS INTRUSIVE MEANS ARE AVAILABLE TO ENABLE
9 STRINGHAM TO DO HIS ANALYSIS

10 While STRINGHAM suggests that he was given limited information, in reality, Plaintiffs
11 have been provided approximately five (5) three (3) inch binders of information. It is not possible
12 to tell from STRINGHAM's affidavit whether Plaintiffs provided him with all of the documentation
13 they received.

14 STRINGHAM has asserted that he must have all of the financial records of the HAHN
15 DEFENDANTS to determine whether they have "commingled" the assets of KOKOWEEF. He also
16 makes reference to GAAP, generally accepted accounting principals ("GAAP"). However, he has
17 failed to set forth any provision of GAAP that supports his allegation or any reason why he needs
18 the personal information from the HAHN DEFENDANTS. A review of the listing of documents
19 set forth in Exhibit "B" to STRINGHAM's affidavit which he claims is needed to determine whether
20 the HAHN DEFENDANTS "commingled" their assets with KOKOWEEF shows the lack of
21 credibility.

22 Although the documents in question are the bank accounts and credit card accounts of
23 SURPLUS, the listing includes loan applications, any contract, whether consummated or otherwise,
24 tax returns, all cancelled checks and bank statements, etc. Clearly, the need for this information is
25 not justified.

26 The HAHN DEFENDANTS believe a more appropriate method of having STRINGHAM
27 do his analysis would be as follows: Defendants would provide STRINGHAM with another
28 complete copy of the documents that were previously provided to Plaintiffs prior to the filing of the
original complaint herein. Based upon RETA's affidavit, these documents contain sufficient backup
to show the proper business purpose of the expenditures. Defendants would also provide

1 STRINGHAM with such other documentation regarding KOKOWEEF that he reasonably requested.
 2 IF STRINGHAM could show the need for specific information regarding SURPLUS that relate to
 2 If STRINGHAM could show the need for specific information regarding SURPLUS, that relate to
 3 KOKOWEEF, SURPLUS would consider providing that information pursuant to a protective order
 4 and confidentiality agreement. However, the HAHN DEFENDANTS believe STRINGHAM would
 5 have to show the legitimate basis for concern and the scope of the intrusion into the business and
 6 financial affairs of SURPLUS would have to be justified.

7 CONCLUSION


8 Based upon the foregoing, it is clear that Plaintiffs caused subpoenas to be issued prior to the
 9 filing of the JCCR and failed to provide notice to Defendants. Therefore, the subpoenas should be
 10 quashed.

11 In addition to quashing the subpoenas, the information sought is strictly financial information
 12 of SURPLUS. Plaintiffs have failed to provide the Commissioner with a basis for obtaining this
 13 information at the present time. The information is not limited to transactions involving
 14 KOKOWEEF. Plaintiffs are seeking carte blanche access to all of SUPRLUS' financial records.
 15 They have not justified doing so.

16 If Plaintiffs are able to assemble evidence from the records of KOKOWEEF that
 17 "commingling" took place, they may be justified in seeking limited access to certain financial
 18 information. However, this burden has not been met and the HAHN DEFENDANTS' request for
 19 a protective order should be granted.

20 DATED this 19th day of June, 2009.

21 M NELSON SEGEL, CHARTERED

22
 23 By 
 24 M NELSON SEGEL, ESQUIRE
 25 Nevada Bar No. 0530
 26 624 South 9th Street
 27 Las Vegas, Nevada 89101
 28 Attorneys for Defendants Larry L. Hahn and
 Hahn's World of Surplus, Inc.

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CERTIFICATE OF MAILING

The undersigned hereby certifies that on the 19th day of June, 2009, she served the
The undersigned hereby certifies that on the 19th day of June, 2009, she served the
foregoing LARRY L. HAHN and HAHN'S WORLD OF SURPLUS, INC.'s REPLY TO
PLAINTIFFS' OPPOSITION TO MOTION TO QUASH SUBPOENAS by causing true and correct
copies to be placed in the United States Mail, postage fully prepaid thereon and addressed as follows:

Jennifer Taylor, Esquire 401 North Buffalo Drive Suite 202 Las Vegas, Nevada 89145	Patrick C. Clary, Esquire 7201 West Lake Mead Blvd. Suite 410 Las Vegas, Nevada 89128
---	--



An employee of M Nelson Segel, Chartered

Exhibit "A"

DECLARATION OF M NELSON SEGEL

1
2 STATE OF NEVADA)
3 STATE OF NEVADA)
4 COUNTY OF CLARK) ss:

I, M NELSON SEGEL states, under the penalty of perjury:

5 1. I am an attorney at law duly licensed to practice before this Court; make this
6 declaration in support of the Reply to Opposition to Defendants Larry L. Hahn and Hahn's World
7 of Surplus, Inc.'s Motion to Quash Subpoenas ("REPLY"); this declaration is made on personal
8 knowledge and I am competent to testify to the matters stated herein.

9 2. I have reviewed the affidavit of Plaintiffs' expert, Talon Stringham ("STRINGHAM")
10 that was attached to Plaintiffs' Opposition to Defendants Larry L. Hahn and Hahn's World of
11 Surplus, Inc.'s Motion to Quash Subpoenas ("Opposition") as Exhibit "1", as well as the contents
12 of the Opposition.

13 3. STRINGHAM has asserted that he cannot determine whether wrongful conduct
14 occurred by Larry Hahn ("HAHN") or Hahn's World of Surplus, Inc. ("SURPLUS") without
15 reviewing every contract, agreement, transaction, bank statement, tax return, credit card statement
16 and other financial documentation of HAHN and SURPLUS. STRINGHAM has failed to provide
17 any basis for the assertion that these documents are necessary to do his analysis.

18 4. STRINGHAM's affidavit, and the Opposition state that he has made requests for
19 documents and, although some has been provided, he has not received everything he needs. No
20 formal discovery, other than the improper issuance of subpoenas prior to the filing of the Joint Case
21 Conference Report ("JCCR") and without notice to Defendants, Mr. Clary or me, is all the discovery
22 that has taken place.

23 5. Prior to the commencement of this case, Kokoweef, Inc. ("KOKOWEEF") provided
24 approximately three (3) three (3) inch notebooks of documents that included payments, and back up
25 documentation to support the payment, to Plaintiff Ted Burke ("BURKE") and his then existing
26 group of stockholders, some of whom are Plaintiffs, while others have not joined in this case. I am
27 not aware of any additional documents that were provided to Plaintiffs since the commencement of
28 this case other than the large binder of documents utilized at the evidentiary hearing of this matter.

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6. During the evidentiary hearing, I questioned STRINGHAM regarding the documents that were provided to him. He was not able to accurately recall when he received what documents that were provided to him. He was not able to accurately recall when he received what documents. Additionally, it was never clear whether Plaintiffs provided STRINGHAM will all of the documents, including backup, that Defendants provided to Plaintiffs prior to the commencement of this case.

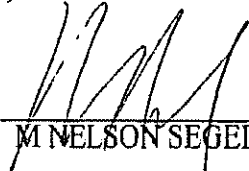
7. I have attached a copy of the affidavit of Reta Van Da Walker ("RETA") that was filed with the Court on or about the 16th day of May, 2008 as Attachment "1". RETA's affidavit asserts that the records of KOKOWEEF do not show any misconduct.

8. The affidavit of Christina Hahn ("CHRISTINA") is attached to the Reply as Exhibit "B". CHRISTINA's affidavit explains why payments were made to SURPLUS by EIN and KOKOWEEF.

9. I have attached hereto as Attachment "2", copies of a number of declarations of James Serrill, Joan Latz, Larry Butler, Dick Skoy and Brad Johnson whose names appear on Exhibits "4" and "5" to STRINGHAM's affidavit. The originals of these affidavits are being filed as part of a Motion for Summary Judgment that I plan on filing prior to the hearing of this matter. If I am not able to file said Motion prior to Friday, June 26, 2009, I will have the originals of the affidavits available for review by the Commissioner, if necessary.

The foregoing is true and correct to the best of my knowledge.

DATED this 19th day of June, 2009.



M NELSON SEGEL

Attachment ⁶⁶1⁹⁹

1 AFFT
 2 M NELSON SEGEL, CHARTERED
 3 M NELSON SEGEL, ESQUIRE
 4 Nevada Bar No. 0530
 5 624 South 9th 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.

FILED

15 21 08

DISTRICT COURT OF NEVADA

COUNTY OF CLARK

8 TED R. BURKE; MICHAEL R and LAURETTA
 9 L. KEHOE; JOHN BERTOLDO; PAUL
 10 BERNARD; EDDY KRAVETZ; JACKIE
 11 and FRED KRAVETZ; STEVEN FRANKS;
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 14 GERDA FERN BILLBE; BOB and ROBYN
 15 TRESKA; MICHAEL RANDOLPH, and
 16 FREDERICK WILLIS.

CASE NO. A558629
 DEPT. XIII

Plaintiff's

vs.

15 LARRY L. HAHN, individually, and as President
 16 of and Treasurer of Kokoweef, Inc., and former
 17 President and Treasurer of Explorations Incorporated
 18 of Nevada; HAHN'S WORLD OF SURPLUS, INC.,
 19 a Nevada corporation; DOES I-X, inclusive; DOE
 20 OFFICERS, DIRECTORS and PARTICIPANTS
 21 I-XX,

Defendants,

and

DATE: 05/19/08
 TIME: 9:00 a.m.

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

Nominal Defendants.

25 AFFIDAVIT OF RETA VAN DA WALKER IN OPPOSITION TO SUPPLEMENT
 26 TO MOTION TO STRIKE MOTION TO REQUIRE SECURITY FROM
 27 PLAINTIFFS, OR IN THE ALTERNATIVE, OPPOSITION TO MOTION
 28 TO REQUIRE SECURITY FROM PLAINTIFFS

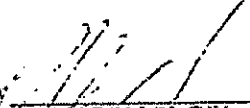
Defendants hereby submit the affidavit of Reta Van Da Walker in response to the Supplement

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1 to Motion to Strike Motion to Require Security from Plaintiffs or, in the Alternative, Opposition to
2 Motion to Require Security from Plaintiffs which was received in the late afternoon of Thursday,
3 May 15, 2008.

4 DATED this 16th day of May, 2008.


5 M NELSON SEGEL, CHARTERED

6
7 By 
8 M NELSON SEGEL, ESQUIRE
9 Nevada Bar No. 0530
10 624 South 9th Street
11 Las Vegas, Nevada 89101
12 Attorneys for Defendants Larry Hahn
13 and Hahn's World of Surplus, Inc.

11 CERTIFICATE OF MAILING

13 The undersigned hereby certifies that on the 16th day of May, 2008, she served the
14 foregoing AFFIDAVIT OF RETA VAN DA WALKER IN OPPOSITION TO SUPPLEMENT TO
15 MOTION TO STRIKE MOTION TO REQUIRE SECURITY FROM PLAINTIFFS OR, IN THE
16 ALTERNATIVE, OPPOSITION TO MOTION TO REQUIRE SECURITY FROM PLAINTIFFS
17 by causing true and correct copies to be placed in the United States Mail, postage fully prepaid
18 thereon and addressed as follows:

19 Neil Beller, Esquire 20 7408 West Sahara Avenue 21 Las Vegas, Nevada 89117	Patrick Clary, Esquire 7201 West Lake Mead Drive, Suite 503 Las Vegas, Nevada 89129
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22 By 
23 An employee of M NELSON SEGEL, CHARTERED
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AFFIDAVIT OF RETA L. VAN DA WALKER

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STATE OF NEVADA)
) ss:
COUNTY OF CLARK)

I, RETA L. VAN DA WALKER, being duly sworn, depose and state:

1. I am an independent, self employed bookkeeper and an enrolled agent with the Internal Revenue Service; I make this affidavit in support of the Motion to Require Security from Plaintiffs filed by Kokoweef, Inc. ("KOKOWEEF") and in response to the Supplement to Motion to Strike Motion to Require Security form Plaintiffs. or, in the Alternative, Opposition to Motion to Require Security from Plaintiffs which I am informed was received by Defendants' attorneys late in the afternoon of Thursday, May 15, 2008; this affidavit is made from my own knowledge, unless stated upon information and belief; and I am competent to testify to the matters set forth herein.

2. I have engaged in a bookkeeping and tax practice of accounting for the last seventeen (17) years. Prior to that time, I have worked as a Staff Accountant in a large CPA firm and as a Comptroller of a medium sized company. I have been a resident of the State of Nevada for Forty Four (44) years.

3. I was introduced to Explorations Incorporated of Nevada (EIN) in 2002 by Plaintiff Ted Burke ("BURKE") through a tax client of mine and a friend of BURKE's, Grover Graves. Mr. Graves' was a shareholder in EIN and I believe a current shareholder in KOKOWEEF.

4. In 2002, at the request of BURKE, I was retained by EIN to examine stockholder records. At that time, I verified stockholder ledgers against the receipts and made an accurate listing of all stock issued.

5. I had no contact with anyone in EIN from the time of completion of the stockholder ledgers until 2007.

6. In or about August 2007, I was contacted by Mr. Larry Hahn ("HAHN") and asked if I would be available to do an examination of the records of KOKOWEEF and EIN. I was informed, and knew, that all of the companies' records were hand written. I was informed that a decision was made to put all records into QuickBooks.

7. Upon review of the records, I noticed that not all entries were made pursuant to

1 generally accepted accounting principals. In my experience, it is not unusual for small businesses
2 to make errors in the entries of their books. However, I did not find anything that suggested to me
3 that improper conduct had taken place.

4 8. I reviewed various records of EIN and KOKOWEEF, including, but not limited to,
5 canceled checks, deposit slips and receipts. From this review, I made entries into Quickbooks.

6 9. In December 2007, a copy of the QuickBooks records, receipts journal, check records
7 and old check spreadsheets for the years 2005, 2006 and 2007, were delivered to Patrick Clary,
8 Esquire's ("CLARY") office for examination. CLARY was the attorney representing KOKOWEEF.

9 10. In late 2007, a meeting was held in CLARY's office, which meeting included Neil
10 Beller ("BELLER"), the attorney for Plaintiffs, and BURKE, among others. At that meeting, I was
11 instructed to provide copies of front and back of all checks and all receipts. It was demanded that
12 2003 and 2004 be prepared as well. As requested, I prepared entries into Quickbooks for the years
13 2003 and 2004.

14 11. Copies of the front and back of all checks for the years 2003 through 2007 and the
15 2003 and 2004 transactions set forth in QuickBooks, receipts journals, check records and old spread
16 sheets were also provided to CLARY. At that time, receipts 2003 and 2004 were not provided. I
17 have obtained those receipts, along with receipts for other years.

18 12. It is my understanding that the records compiled by me were provided to BELLER,
19 the attorney representing Plaintiffs, shortly after they were provided to CLARY in the Fall of 2007.

20 13. I have gone through the records as to the claims set forth in the Complaint. My
21 findings are as follows:

22 a. Based upon my review of the books and records of EIN and KOKOWEEF,
23 it is my opinion that, although they have been run as small businesses, their records are exceptionally
24 clean and complete. Although the records were available, they were not kept in a manner that I
25 would have liked to have seen.

26 b. Based upon the records that I have reviewed, it is my belief that no self-
27 dealing transactions have taken place by HAHN or any of his family. Hahn's World of Surplus
28 ("SURPLUS") had loaned EIN money and bought supplies for it on an ongoing basis. However, the

1 records indicated a need for funds to continue the business operations of EIN.

2 14. I have reviewed the allegations of the Complaint as it relates to Schedule 4 that is
3 attached and have found the following:

- 4 a. Receipts are available for most of the items listed;
- 5 b. The majority of the transactions are for Larry Butler ("BUTLER") and Joan
6 Latz. I understand they are residents of the mining area. It is my understanding that the checks made
7 payable to BUTLER were for parts, supplies, gas and other items he purchased for KOKOWEEF's
8 mine. He provided KOKOWEEF with copies of receipts for these purchases.

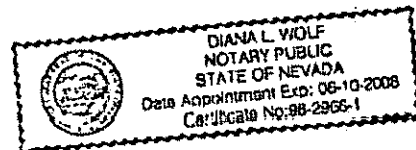
9 15. Prior to the commencement of this lawsuit, I informed BURKE that my review of
10 KOKOWEEF's financial transactions showed that, except for some small, insignificant, and
11 immaterial matters, it appeared that they were complete and accurate. It was my understanding that
12 BURKE intended to have a complete audit of the records of KOKOWEEF and EIN performed in or
13 about October 2007. I have not been advised that this has been completed.

14 DATED this 16 day of May, 2008.

15
16 *Reta L. Van Dae Walker*
17 RETA L. VAN DA WALKER

18 Subscribed and sworn to before me
19 this 16 day of May, 2008.

20 *Diana Wolf*
21 NOTARY PUBLIC





Attachment "2"

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DECLARATION OF JAMES SERRILL
DECLARATION OF JAMES SERRILL

STATE OF CALIFORNIA)
) ss:
COUNTY OF SAN BERNARDINO)

I, JAMES SERRILL, state, under oath, as follows:

1. I have voluntarily worked without compensation at the Kokoweef mine project for Explorations Incorporated of Nevada ("EIN") and Kokoweef, Inc. ("KOKOWEEF"); make this Declaration in response to allegations set forth in the case known as *Burke, et al. v. Hahn, et al.*, presently pending in the Eighth Judicial District Court of Nevada, located in Las Vegas, Nevada, Case Number A558629 ("the Litigation"); this Declaration is made on my personal knowledge; and I am competent to testify to the matters set forth herein.

2. I have been advised that the Plaintiffs in the Litigation have made allegations that checks were made payable to me and the money was taken by Hahn's World of Surplus, Inc. ("SURPLUS"). Defendant Larry Hahn ("HAHN") has shown me a copy of Plaintiffs' Opposition to Defendants Larry Hahn and Hahn's World of Surplus, Inc.'s Motion to Quash Subpoenas ("OPPOSITION"). Exhibit "2" to the OPPOSITION is the Affidavit of Talon Stringham ("STRINGHAM"). I reviewed Exhibit "A" to Stringham's affidavit, consisting of fourteen (14) pages.

3. Pages 7 though 12 of Exhibit "A" are titled, "EIN Checks Deposited to Hahn's World of Surplus but not Made Payable to Hahn's World of Surplus" and further identified as "Schedule 4" ("EIN Checks"). Pages 13 and 14 of Exhibit "A" are titled, "Kokoweef Checks Deposited to Hahn's World of Surplus but not Made Payable to Hahn's World of Surplus" and further identified as "Schedule 5" ("Kokoweef Checks").

4. My name appears as the person to whom checks were payable on both Schedule 4 and Schedule 5. I have reviewed the checks and can testify that I received the funds from each one of the checks.

5. The checks were cashed at SURPLUS as a convenience for me. If it had been my

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desire, I could have cashed the checks at some other place.

I declare under the penalty of perjury that the above and foregoing is true and correct to the

I declare under the penalty of perjury that the above and foregoing is true and correct to the

best of my knowledge.

DATED this 7th day of June, 2009.

James Serrill
JAMES SEBRILL

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DECLARATION OF JOAN LATZ
DECLARATION OF JOAN LATZ

STATE OF CALIFORNIA)
) ss:
COUNTY OF SAN BERNARDINO)

I, JOAN LATZ, state, under oath, as follows:

1. I have voluntarily worked without compensation at the Kokoweef mine project for Explorations Incorporated of Nevada ("EIN") and Kokoweef, Inc. ("KOKOWEEF"); make this Declaration in response to allegations set forth in the case known as *Burke, et al. v. Hahn, et al.*, presently pending in the Eighth Judicial District Court of Nevada, located in Las Vegas, Nevada, Case Number A558629 ("the Litigation"); this Declaration is made on my personal knowledge; and I am competent to testify to the matters set forth herein.

2. I have been advised that the Plaintiffs in the Litigation have made allegations that checks were made payable to me and the money was taken by Hahn's World of Surplus, Inc. ("SURPLUS"). Defendant Larry Hahn ("HAHN") has shown me a copy of Plaintiffs' Opposition to Defendants Larry Hahn and Hahn's World of Surplus, Inc.'s Motion to Quash Subpoenas ("OPPOSITION"). Exhibit "2" to the OPPOSITION is the Affidavit of Talon Stringham ("STRINGHAM"). I reviewed Exhibit "A" to Stringham's affidavit, consisting of fourteen (14) pages.

3. Pages 7 though 12 of Exhibit "A" are titled, "EIN Checks Deposited to Hahn's World of Surplus but not Made Payable to Hahn's World of Surplus" and further identified as "Schedule 4" ("EIN Checks"). Pages 13 and 14 of Exhibit "A" are titled, "Kokoweef Checks Deposited to Hahn's World of Surplus but not Made Payable to Hahn's World of Surplus" and further identified as "Schedule 5" ("Kokoweef Checks").

4. My name appears as the person to whom checks were payable on both Schedule 4 and Schedule 5. I have reviewed the checks and can testify that I received the funds from each one of the checks.

5. The checks were cashed at SURPLUS as a convenience for me. If it had been my

1 desire, I could have cashed the checks at some other place.

2 I declare under the penalty of perjury that the above and foregoing is true and correct to the

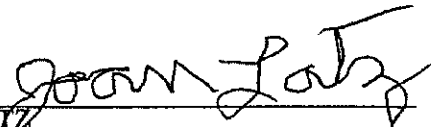
2 I declare under the penalty of perjury that the above and foregoing is true and correct to the

3 best of my knowledge.

4 DATED this 7 day of June, 2009.

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JOAN LATZ

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DECLARATION OF LARRY BUTLER
DECLARATION OF LARRY BUTLER

STATE OF CALIFORNIA)
) ss:
COUNTY OF SAN BERNARDINO)

I, LARRY BUTLER, state, under oath, as follows:

1. I have voluntarily worked without compensation at the Kokoweef mine project for Explorations Incorporated of Nevada ("EIN") and Kokoweef, Inc. ("KOKOWEEF"); make this Declaration in response to allegations set forth in the case known as *Burke, et al. v. Hahn, et al.*, presently pending in the Eighth Judicial District Court of Nevada, located in Las Vegas, Nevada, Case Number A558629 ("the Litigation"); this Declaration is made on my personal knowledge; and I am competent to testify to the matters set forth herein.

2. I have been advised that the Plaintiffs in the Litigation have made allegations that checks were made payable to me and the money was taken by Hahn's World of Surplus, Inc. ("SURPLUS"). Defendant Larry Hahn ("HAHN") has shown me a copy of Plaintiffs' Opposition to Defendants Larry Hahn and Hahn's World of Surplus, Inc.'s Motion to Quash Subpoenas ("OPPOSITION"). Exhibit "2" to the OPPOSITION is the Affidavit of Talon Stringham ("STRINGHAM"). I reviewed Exhibit "A" to Stringham's affidavit, consisting of fourteen (14) pages.

3. Pages 7 though 12 of Exhibit "A" are titled, "EIN Checks Deposited to Hahn's World of Surplus but not Made Payable to Hahn's World of Surplus" and further identified as "Schedule 4" ("EIN Checks"). Pages 13 and 14 of Exhibit "A" are titled, "Kokoweef Checks Deposited to Hahn's World of Surplus but not Made Payable to Hahn's World of Surplus" and further identified as "Schedule 5" ("Kokoweef Checks").

4. My name appears as the person to whom checks were payable on both Schedule 4 and Schedule 5. I have reviewed the checks and can testify that I received the funds from each one of the checks.

5. The checks were cashed at SURPLUS as a convenience for me. If it had been my

1 desire, I could have cashed the checks at some other place.

2 I declare under the penalty of perjury that the above and foregoing is true and correct to the

2 I declare under the penalty of perjury that the above and foregoing is true and correct to the

3 best of my knowledge.

4 DATED this 7 day of June, 2009.

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LARRY BUTLER

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1 desire, I could have cashed the checks at some other place.

2 I declare under the penalty of perjury that the above and foregoing is true and correct to the

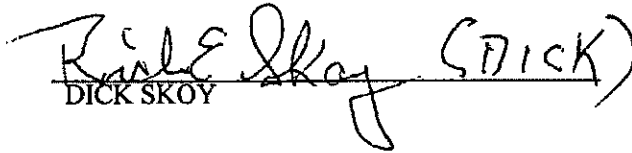
2 I declare under the penalty of perjury that the above and foregoing is true and correct to the

3 best of my knowledge.

4 DATED this 17 day of June, 2009.

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DECLARATION OF BRAD JOHNSON
DECLARATION OF BRAD JOHNSON

STATE OF CALIFORNIA)
) ss:
COUNTY OF SAN BERNARDINO)

I, BRAD JOHNSON, state, under oath, as follows:

1. I have voluntarily worked without compensation at the Kokoweef mine project for Explorations Incorporated of Nevada ("EIN") and Kokoweef, Inc. ("KOKOWEEF"); make this Declaration in response to allegations set forth in the case known as *Burke, et al. v. Hahn, et al.*, presently pending in the Eighth Judicial District Court of Nevada, located in Las Vegas, Nevada, Case Number A558629 ("the Litigation"); this Declaration is made on my personal knowledge; and I am competent to testify to the matters set forth herein.

2. I have been advised that the Plaintiffs in the Litigation have made allegations that checks were made payable to me and the money was taken by Hahn's World of Surplus, Inc. ("SURPLUS"). Defendant Larry Hahn ("HAHN") has shown me a copy of Plaintiffs' Opposition to Defendants Larry Hahn and Hahn's World of Surplus, Inc.'s Motion to Quash Subpoenas ("OPPOSITION"). Exhibit "2" to the OPPOSITION is the Affidavit of Talon Stringham ("STRINGHAM"). I reviewed Exhibit "A" to Stringham's affidavit, consisting of fourteen (14) pages.

3. Pages 7 though 12 of Exhibit "A" are titled, "EIN Checks Deposited to Hahn's World of Surplus but not Made Payable to Hahn's World of Surplus" and further identified as "Schedule 4" ("EIN Checks"). Pages 13 and 14 of Exhibit "A" are titled, "Kokoweef Checks Deposited to Hahn's World of Surplus but not Made Payable to Hahn's World of Surplus" and further identified as "Schedule 5" ("Kokoweef Checks").

4. My name appears as the person to whom checks were payable on both Schedule 4 and Schedule 5. I have reviewed the checks and can testify that I received the funds from each one of the checks.

5. The checks were cashed at SURPLUS as a convenience for me. If it had been my

1 desire, I could have cashed the checks at some other place.

2 I declare under the penalty of perjury that the above and foregoing is true and correct to the


2 I declare under the penalty of perjury that the above and foregoing is true and correct to the

3 best of my knowledge.

4 DATED this 15th day of June, 2009.

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BRAD JOHNSON

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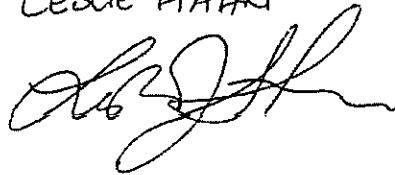
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WITNESS

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LESLIE HAHN

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Exhibit "B"

1 SURPLUS received no portion of the money.

2 6. I do not understand why Plaintiffs, who have set forth allegations that have no
3 support, should be able to intrude into my business and review all of the financial records of my
4 business. There does not appear to be a reasonable basis for the request of Plaintiffs which should
5 be denied.

6 DATED this 18 day of June, 2009.

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Christina Hahn
CHRISTINA HAHN

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10 Subscribed and sworn to before me
11 this 18 day of June, 2009.

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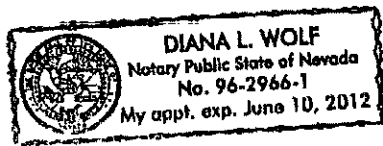
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Diana L. Wolf
NOTARY PUBLIC

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