

CLERK OF THE COURT

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8 **DISTRICT COURT OF NEVADA**  
9 **COUNTY OF CLARK**

10 -000-

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

21 Plaintiffs,

22 vs.

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

29 Defendants,

30 and

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

34 Nominal Defendants. )

CASE NO. 08A558629

DEPT. XI

**REPLY TO PLAINTIFFS'  
OPPOSITION TO DEFENDANT  
LARRY L. HAHN AND HAHN'S  
WORLD OF SURPLUS, INC.'S  
MOTION FOR PARTIAL  
SUMMARY JUDGMENT**

DATE: 3/30/2010

TIME: 9:00 a.m.

1 Defendants LARRY L. HAHN ("HAHN") and HAHN'S WORLD OF SURPLUS, INC.  
2 ("HAHN'S WORLD")(HAHN and HAHN'S WORLD sometimes referred to herein as "HAHN  
3 DEFENDANTS"), by and through their attorney, M NELSON SEGEL, ESQUIRE ("SEGEL"),  
4 hereby file their Reply to Plaintiffs' Opposition to Defendant Larry Hahn and Hahn's World of  
5 Surplus, Inc.'s Motion for Partial Summary Judgment ("REPLY"). The declarations of HAHN and  
6 SEGEL are attached hereto as Exhibits "A" and "B", respectively.

7 PLAINTIFFS HAVE HAD SUFFICIENT TIME FOR DISCOVERY

8 Plaintiffs' Opposition to Defendant Larry Hahn and Hahn's World of Surplus, Inc.'s Motion  
9 for Partial Summary Judgment ("Opposition") argues that they have not been able to obtain  
10 discovery from Defendants; therefore, the Court **must** deny Larry Hahn and Hahn's World of  
11 Surplus, Inc.'s Motion for Partial Summary Judgment ("MPSJ"). They cite the cases *Harrison v.*  
12 *Falcon Products, Inc.* 103 Nev. 558, 746 P.2d 642 (Nev. 1987), *Ameritrade, Inc. v. First Interstate*  
13 *Bank*, 105 Nev. 696, 699, 782 P.2d 1318 (1989) and *Summerfield v. Coca Cola Bottling Co.*, 113  
14 Nev. 1291, 948 P.2d 704 (197) to support their position.

15 However, they have failed to cite the most recent pronouncement by the Supreme Court on  
16 this issue; *Aviation Ventures, Inc. V. Joan Morris, Inc.*, 121 Nev. 113, 110 P.2d 59 (2005). Said  
17 case reversed Judge Gates, and sent the matter back to the District Court. However, the Court stated,  
18 at page 117:

19 NRCP 56(f) permits a district court to grant a continuance when a party opposing a  
20 motion for summary judgment is unable to marshal facts in support of its  
21 opposition.<sup>FN2</sup> A district court's decision to refuse such a continuance is reviewed for  
22 abuse of discretion. <sup>FN3</sup> **Furthermore, a motion for a continuance under NRCP  
23 56(f) is appropriate only when the movant expresses how further discovery will  
24 lead to the creation of a genuine issue of material fact.**<sup>FN4</sup> (Emphasis added).

23 FN2. *Ameritrade, Inc. v. First Interstate Bank*, 105 Nev. 696, 699, 782  
24 P.2d 1318, 1320 (1989). NRCP 56(f) provides:

25 Should it appear from the affidavits of a party opposing the motion  
26 that the party cannot for reasons stated present by affidavit facts  
27 essential to justify the party's opposition, the court may refuse the  
28 application for judgment or may order a continuance to permit  
affidavits to be obtained or depositions to be taken or discovery to be  
had or may make such other order as is just.

1 FN3. *Harrison v. Falcon Products*, 103 Nev. 558, 560, 746 P.2d 642, 643 (1987).

2 FN4. *Bakerink v. Orthopaedic Associates, Ltd.*, 94 Nev. 428, 431, 581 P.2d 9, 11  
3 (1978) (“Rule 56(f), NRCP, provides that a court may, in its discretion, refuse an  
4 application for summary judgment or order a continuance, ‘[s]hould it appear from  
5 the affidavits of a party opposing the motion that he cannot for reasons stated present  
6 by affidavit facts essential to justify his opposition....’ There is nothing in the record  
before this court which would support a finding that the district court abused its  
discretion in this instance. Appellant made no attempt to identify in his affidavit what  
facts might be obtained, in addition to the records, depositions, and affidavits already  
on file, that were essential to justify his opposition).

7 A review of the Opposition, as well as the exhibits attached thereto, fail to disclose any attempt to  
8 satisfy the requirements set forth in the *Aviation Ventures, Inc.* case. In fact, a review of the  
9 Opposition shows an attempt to obfuscate the issues, not set forth any legitimate basis to defeat the  
10 MPSJ. It should also be noted that none of the affidavits submitted by the Plaintiffs, including the  
11 affidavit of counsel, satisfy the requirements of NRCP 56; being on personal knowledge and setting  
12 for the their competency to testify.

13 As set forth below, since Plaintiffs have failed to present the Court with the requisite showing  
14 under the Nevada Rules of Civil Procedure and the existing case law that a viable cause of action  
15 exists under the negligent misrepresentation issue against HAHN, or the unjust enrichment theory  
16 against HAHN’S WORLD, the Court should deny any purported request for further time to conduct  
17 discovery and should rule on the MPSJ.

18 HAHN DEFENDANTS ARE ENTITLED TO PARTIAL SUMMARY JUDGMENT

19 Plaintiffs have spent approximately twenty five (25) pages to explain to the Court why the  
20 MPSJ should be denied. HAHN DEFENDANTS do not dispute the standards set forth in the  
21 Opposition. However, there is NO competent evidence presented by Plaintiffs that address the issue  
22 that is before the Court; does the existing pleading set forth a claim for relief against HAHN for  
23 negligent misrepresentation or against HAHN’S WORLD for unjust enrichment? HAHN  
24 DEFENDANTS do not believe the pleading, or the declarations that have been filed as part of the  
25 Opposition, support the finding that there is a fact in issue. Additionally, the facts support a finding  
26 that summary judgment should be issued in favor of HAHN DEFENDANTS herein.

27 Since Plaintiffs have set forth various bases for their position that summary judgment should  
28 not be granted, HAHN DEFENDANTS have addressed each section.

1 DEFENDANTS ARE NOT ESTOPPED

2 Plaintiffs argue, commencing on page 8, at line 15, that HAHN DEFENDANTS are estopped  
3 from seeking summary judgment because Judge Denton did not dismiss the Fourth Cause of Action  
4 against HAHN, nor did he dismiss the Eighth Cause of Action against HAHN'S WORLD. This  
5 argument, like many prior arguments of Plaintiffs, is not based upon any rule or case law.

6 No one argues that Judge Denton had a Motion to Dismiss before him. No one argues that  
7 Judge Denton granted a portion of the Motion to Dismiss and denied other portions. Plaintiffs argue  
8 that the MPSJ is an attempt to "reconsider" Judge Denton's prior ruling. That is not the case as it  
9 relates to the portion of the MPSJ that seeks summary judgment relating to the Fourth and Eighth  
10 Claims for Relief.

11 Frankly, the HAHN DEFENDANTS are concerned about the propriety of such an argument.  
12 They believe that asserting such a claim is a violation of NRCP 11. It is common practice to seek  
13 to dismiss a complaint. The standards are extremely high and such motions are seldom granted. In  
14 this case, approximately one half of the "causes of action" were dismissed by Judge Denton.

15 The second method of dealing with a frivolous complaint is to seek summary judgment.  
16 There is nothing in the NRCP that precludes seeking a summary judgment after a motion to dismiss  
17 has been denied. Plaintiffs had the burden to show the propriety of this argument and have failed  
18 to do so. It is unreasonable to expect the HAHN DEFENDANTS to conduct the research necessary  
19 to show that Plaintiffs arguments have no merit. The HAHN DEFENDANTS are confident that the  
20 Court is well experienced and can see through the charades being thrown in the HAHN  
21 DEFENDANTS' path.<sup>1</sup>

22 HAHN DEFENDANTS HAVE NOT CITED PROPER AUTHORITY FOR  
23 NEGLIGENT MISREPRESENTATION

24 The Plaintiffs state that the HAHN DEFENDANTS utilized incorrect authority to support  
25 their MPSJ. They argue that HAHN DEFENDANTS relied upon *Bill Stremmel Motors, Inc. V.*

26 \_\_\_\_\_  
27 <sup>1</sup> The Supreme Court of Nevada has recognized the right to file multiple motions for summary judgment.  
28 See *Dictor v. Creative Management Services, LLC*, \_\_\_ Nev. \_\_\_, 223 P.3d 332 (2010). While the argument of Plaintiffs  
is that the HAHN DEFENDANTS are estopped from filing a motion for summary judgment after a motion to dismiss,  
*Dictor* should make it clear that this process is appropriate.

1 *First Nat'l Bank of Nevada*, 94 Nev. 131, 575 P.2d 938 (1987) and *Nelson v. Herr*, 123 Nev. 217,  
2 163 P.3d 420 (2007), with the use of *Nelson* being improper.

3 Upon review of the *Nelson* case and the language of the MPSJ, a reference was made to  
4 *Nelson* and “negligent misrepresentation.” However, the quoted language from the opinion made  
5 it clear that “intentional misrepresentation” was being discussed.

6 The MPSJ clearly cited to *Bill Stremmel Motors*, as well as *Eikelberger v. Rogers*, 92 Nev.  
7 282, 549 P.2d 748 (1976) and *Goodrich & Pennington Mortgage Fund, Inc. V. J.R. Woolard, Inc.*,  
8 120 Nev. 777, 101 P.3d 792 (2004). The *Stremmel* case set forth the requirement that a party rely  
9 upon the misstatement to have a valid cause of action. The *Goodrich* case made it clear that the  
10 measure of damages in a negligent misrepresentation case is not “benefit of the bargain”, but the  
11 out-of-pocket formula. No competent evidence has been provided that any Plaintiff relied upon a  
12 misrepresentation made by HAHN nor that any damage occurred.

13 While the reference to *Nelson* may not be directly on point, the other cases cited by the  
14 HAHN DEFENDANTS clearly set forth the standard that must be reviewed by the Court.

15 PLAINTIFFS HAVE NOT ADEQUATELY PLEAD THEIR  
16 NEGLIGENT MISREPRESENTATION CLAIM

17 Commencing on page 10, at line 20, Plaintiffs run through an argument that “notice pleading”  
18 is all that is necessary. This may be true for the purposes of a complaint and that is likely the reason  
19 that Judge Denton refused to dismiss the Fourth Cause of Action pursuant to the Motion to Dismiss.

20 The standard for granting summary judgments was addressed in the case of *Wood v. Safeway*,  
21 121 Nev. 724, 121 P.3d 1026 (2005), where the Court stated, at page 729:

22 Summary judgment is appropriate and “shall be rendered forthwith” when the  
23 pleadings and other evidence on file demonstrate that no “genuine issue as to any  
24 material fact [remains] and that the moving party is entitled to a judgment as a matter  
25 of law.” This court has noted that when reviewing a motion for summary judgment,  
26 the evidence, and any reasonable inferences drawn from it, must be viewed in a light  
27 most favorable to the nonmoving party. (Citation omitted).

28 The Supreme Court went further and discussed what was necessary to defeat a motion for summary  
judgment and stated, commencing on page 732:

While the pleadings and other proof must be construed in a light most favorable to  
the nonmoving party, that party bears the burden to “do more than simply show that

1 there is some metaphysical doubt” as to the operative facts in order to avoid summary  
2 judgment being entered in the moving party's favor. *The nonmoving party “must,*  
3 *by affidavit or otherwise, set forth specific facts demonstrating the existence of a*  
4 *genuine issue for trial or have summary judgment entered against him.”* The  
5 nonmoving party “ ‘is not entitled to build a case on the gossamer threads of whimsy,  
6 speculation, and conjecture.’ (Footnotes omitted, emphasis added).

7 In this case, Plaintiffs are attempting to “build a case on the gossamer threads of whimsy, speculation  
8 and conjecture.” They have no basis for their claim that any representation was made, negligent or  
9 otherwise. The failure to provide the Court with competent evidence of material misrepresentations  
10 that purportedly occurred must result in a finding that Plaintiffs have not provided adequate evidence  
11 to defeat the Motion for Partial Summary Judgment.

12 PLAINTIFFS FAILED TO CARRY THEIR BURDEN THAT ANY DAMAGES OCCURRED

13 On page 11, commencing on line 20, Plaintiffs assert that the HAHN DEFENDANTS have  
14 misstated the standard of damages in a negligent misrepresentation case. They also allege that the  
15 Plaintiffs have been damaged because the stock of Kokoweef has been illegally issued. Finally, they  
16 allege that the stock is worthless because it is illegally issued!

17 The problem with Plaintiffs’ argument is that it is “build a case on the gossamer threads of  
18 whimsy, speculation and conjecture.” There is no competent evidence to support the arguments set  
19 forth in the Opposition. There is no evidence, competent or otherwise, to support the position that  
20 stock of Kokoweef was illegally issued. There is no evidence, competent or otherwise, to support  
21 the position that illegally issued stock has no value. In fact, the only “evidence” that exists is that  
22 Plaintiffs do not want to rescind their stock even though this is a demand set forth in the prayer of  
23 the Amended Complaint!

24 Defendant Patrick C. Clary has set forth in an affidavit that was submitted to the Court as part  
25 of his Motion for Partial Summary Judgment relating to the Fourth Cause of Action as Exhibit “1”,  
26 that the stock issued while he has been counsel for Kokoweef has been done in compliance with the  
27 securities laws of the State of Nevada and the United States of America. As addressed later herein,  
28 Plaintiffs argue that unspecified stock was issued illegally, but do not have any evidence to support

1 their position<sup>2</sup>. They allege that the Defendants, including the HAHN DEFENDANTS, have  
2 thwarted efforts to obtain discovery by refusing to turnover the shareholders' lists. However, they  
3 never express how obtaining possession of the shareholders' list will enable them to show that the  
4 stock issued was done illegally. More importantly, they have no competent evidence to show how  
5 this will enable them to prove their damages.

6 Plaintiffs assert on page 12, commencing on line 18 ½:

7 Thus, if the Plaintiffs prove the stock was sold in violation of the securities laws the  
8 stock is worthless and Plaintiffs have suffered the loss of the consideration they paid  
9 for their shares, as well as, "consequential damages", defined as an independent  
factual analysis of damages "of a kind that might reasonably be expected to result  
from reliance upon the misrepresentation."

10 There are a number of problems with the arguments of Plaintiffs. First, the nonmoving party "must,  
11 by affidavit or otherwise, set forth specific facts demonstrating the existence of a genuine issue for  
12 trial or have summary judgment entered against him." Plaintiffs have failed to provide any evidence  
13 to the Court demonstrating the existence of a genuine issue for trial relating to the negligent  
14 misrepresentation claim!

15 Secondly, Nevada law provides an exclusive remedy in NRS §90.660, which provides, in  
16 pertinent part:

17 1. A person who offers or sells a security in violation of any of the following  
18 provisions:

19 (d) Subsection 2 of NRS 90.570;

20 is liable to the person purchasing the security. Upon tender of the security, the  
21 purchaser may recover the consideration paid for the security and interest at the legal  
22 rate of this State from the date of payment, costs and reasonable attorney's fees, less  
the amount of income received on the security.

23 The statutory damage provided for in NRS §90.660 is rescission. Plaintiffs have rejected the concept  
24 of rescission. Therefore, there is no damage to which they are entitled.

25 It should also be noted that if the securities were issued improperly, KOKOWEEF is the only  
26

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27 <sup>2</sup> The Court should be aware that Plaintiffs identified a purported securities expert, Edward Apenbrink, but have  
28 not provided any report from Mr. Apenbrink. More importantly, Plaintiffs did not submit an affidavit from Mr.  
Apenbrink to support their allegations of securities violations herein.

1 “party” that could allow rescission and reissue shares of stock. However, as set forth in the  
2 Opposition, KOKOWEEF is only a nominal party; therefore, no such remedy is available!

3 Throughout their pleadings, Plaintiffs assert that HAHN and CLARY issued the stock, they  
4 must cancel the stock and reissue “legal” stock. However, as pointed out by Judge Denton in his  
5 January 29, 2009, Decision and Order (“2009 Order”), which was Attachment “2” to the Declaration  
6 of M Nelson Segel, Esquire, submitted as Exhibit “1” to the MOTION, Judge Denton stated, at page  
7 2, line 8, “Defendants Hahn and Clary did not “issue” securities. The issuer would be the  
8 corporation.”

9 The key is that Plaintiffs cannot show the Court that they have suffered any pecuniary loss.  
10 Without such a loss, there is no right to damages under their negligent misrepresentation theory.  
11 While the HAHN DEFENDANTS are confident that they have shown the Court that the Plaintiffs  
12 do not have a claim for relief under said theory, even if they did, without the damages, they take  
13 nothing. Summary Judgment should be granted in favor of HAHN on the Fourth Cause of Action.

14 PLAINTIFFS HAVE NOT PROVIDED ANY EVIDENCE OF UNJUST ENRICHMENT

15 The HAHN DEFENDANTS have sought summary judgment on behalf of HAHN’S WORLD  
16 under the Eighth Cause of Action. To support the propriety of their action, Plaintiffs cite a provision  
17 of the Amended Complaint that states, “Plaintiffs are informed and believe, and therein allege, that  
18 Defendants HAHN, HAHN’S WORLD and DOES I through 100, inclusive, were unjustly enriched  
19 by the illegal transactions and activities of HAHN in the sale of unregistered securities and the  
20 diversion of corporate funds and assets for the personal use of HAHN and HAHN’S WORLD.” This  
21 appears to be the total basis for the Plaintiffs’ position that HAHN’S WORLD has been unjustly  
22 enriched. It is hard to imagine something that would be more of the gossamer threads of whimsy,  
23 speculation, and conjecture.

24 Plaintiffs argue that they need the payroll records and all bank statements of HAHN’S  
25 WORLD to prove their case against it. However, they fail to set forth any basis to support this  
26 position.

27 Plaintiffs do not advise the Court that the original complaint in this matter contained  
28 numerous references to specific checks that they alleged showed misappropriation of funds from



1 KOKOWEEF to HAHN'S WORLD. They also fail to advise the Court that Reta Van Da Walker,  
2 the woman hired by Plaintiff Ted Burke to computerize and organize the records of KOKOWEEF,  
3 testified at the evidentiary hearing that she was able to locate the records to support the transactions  
4 which "raised red flags" for Plaintiffs' expert witness, Talon Stingham, and were set forth in the  
5 original complaint.

6 Plaintiffs had an obligation to provide the Court with evidence to show that they had a  
7 legitimate claim against HAHN'S WORLD. They have failed to present said evidence and summary  
8 judgment should be rendered in favor of HAHN'S WORLD.

9 A review of the affidavit of Laretta Kehoe belies their claims. She states, at page 1 ,  
10 paragraph 4, line 19 of her affidavit which was submitted as Exhibit "2" to the OPPOSITION:

11 I have reviewed the checks and receipts provided by Defendants for the years 1999  
12 through 2008. During my review, I found checks and receipts for items that were not  
13 related to the mine, checks with no receipts or receipts that do not match receipts for  
14 personal purchases, i.e. groceries, dental work, beer, dvds, cell phones, comic books,  
15 traffic tickets, golf memberships, vet bills, food for various animals from birds to  
16 horses, checks simply written for "cash" and large cash advances with no explanation  
17 or supporting documentation.

18 It should be noted that not one of these allegedly improper payments has been presented to the Court.  
19 It should also be noted that nothing contained in the affidavit shows that moneys paid to HAHN'S  
20 WORLD were improper. It appears that Plaintiffs are comfortable with the allegation, but have no  
21 need to provide support for their position.

22 KOKOWEEF provided volumes of financial documents to Plaintiffs long before this case  
23 was filed. The purported purpose was to enable them to prepare an audit. Although these documents  
24 were provided to Plaintiff Ted Burke, he failed to have the audit completed.

25 The allegations that Plaintiffs have not been provided with documents is disingenuous! They  
26 were provided with at least twelve inches of documents; before and after the litigation. They have  
27 everything they should need to defend the present motion. However, they have failed to provide  
28 anything to the Court because they do not have a valid claim. The HAHN DEFENDANTS have  
provided the Court with competent evidence that no unjust enrichment occurred from KOKOWEEF  
to HAHN'S WORLD. Plaintiffs have failed to provide evidence of unjust enrichment. They have  
had adequate time to conduct their discovery and they should not be provided any further time.

1 Summary judgment should be granted in favor of HAHN'S WORLD on the Eighth Cause of Action.

2 HAHN DEFENDANTS ARE ENTITLED TO SUMMARY JUDGMENT THAT  
3 THIS IS NOT A DERIVATIVE ACTION

4 Plaintiffs, in an effort to prevent the Court from addressing material issues in this case, argue  
5 that the HAHN DEFENDANTS are not entitled to bring a summary judgment motion due to their  
6 having sought dismissal of the case previously. The HAHN DEFENDANTS have addressed this  
7 argument above, and will not waste the Court's time with further argument.

8 While the Plaintiffs argue that the purpose of this action is to benefit all of the shareholders  
9 of KOKOWEEF, the pleadings do not bear out that story. This issue was raised with Judge Denton  
10 during the Motion to Dismiss that he heard in January 2009. While the HAHN DEFENDANTS do  
11 not believe Judge Denton addressed that issue, it was part of a motion to dismiss. The present  
12 motion is for summary judgment and the HAHN DEFENDANTS are entitled to summary judgment  
13 that this is not a derivative litigation under NRCP 23.1.

14 JUDGE DENTON DID NOT RULE THAT THIS IS A DERIVATIVE ACTION

15 Plaintiffs assert in a heading at page 15, line 20, "Judge Denton has already determined that  
16 Plaintiffs' have a proper derivative action." This is not true. Judge Denton stated in his 2009 Order  
17 at page 3:

18 The Motion is DENIED as to the Seventh, Eighth, Ninth, and Tenth Causes of  
19 Action, as they do not fail to state claims upon which relief can be granted. (FN2)

20 (FN2) The Eighth and Tenth Cause of Action are the only ones that appear to be  
21 derivative. In this regard, all of the other causes of action seek monetary recovery by  
22 the Plaintiffs themselves for their own benefit; and, although the alternative remedy  
of rescission is sought in the Third, Fourth, Fifth, and Sixth Causes of Action, the  
subject corporations are named only as "Nominal Defendants."

23 No determination has been made regarding whether the present action may continue as a derivative  
24 action. The issues raised by the HAHN DEFENDANTS were two; the lack of a prayer for the  
25 benefit of KOKOWEEF and the fact that the Plaintiffs cannot represent the other shareholders due  
26 to their conflict in seeking damages for their benefit, not KOKOWEEF.

27 It cannot be disputed that the prayer of a complaint controls the relief that is available.  
28 Plaintiffs do not contest this position. The mantra of Plaintiffs is set forth on page 18, line 9 ½ and

1 provides:

2 First, in regard to Defendants' arguments that Plaintiffs' interests are different than  
3 the other Kokoweef shareholders, Defendants fail to appreciate that no direct cause  
4 of action has been alleged by the Plaintiffs against the corporation. Plaintiffs have  
5 prayed for rescission because the Defendants illegally issued Kokoweef stock to ALL  
shareholders, not just the Plaintiffs. This request is not to simply obtain damages for  
the individual Plaintiffs, but to provide a benefit to Kokoweef and all its  
shareholders.

6 It is Plaintiffs, not Defendants, who "fail to appreciate" what is happening!

7 First, the prayer simply seeks damages for Plaintiffs. Unlike the original complaint which  
8 sought damages for Kokoweef, the Amended Complaint only requests damages for Plaintiffs.  
9 Additionally, since Plaintiffs want the existing stock to be rescinded and reissued, only  
10 KOKOWEEF can do so!

11 The issue of the "prayer" is so basic that few cases exist. NRCP 8(a) sets forth the basic  
12 requirements for a pleading and states:

13 A pleading which sets forth a claim for relief, whether an original claim,  
14 counterclaim, cross-claim or third-party claim, shall contain (1) a short and plain  
statement of the claim showing that the pleading is entitled to relief, and (2) a  
15 **demand for judgment for the relief the pleader seeks.** (Emphasis added).

16 While no cases have been located by the HAHN DEFENDANTS since the adoption of the Nevada  
17 Rules of Civil Procedure, the Nevada Supreme Court addressed the issue regarding the prayer and  
18 stated, in *Keyes v. Nevada Gas Co.*, 55 Nev. 431 38 P.2d 661 (1934), at page 663:

19 The first proposition is that the prayer of a complaint is not to be considered on  
20 general demurrer. Section 8594, N. C. L., states what a complaint must contain. It  
21 requires, among other things, that the complaint shall contain "a demand for the relief  
which the plaintiff claims. If the recovery of money or damages be demanded, the  
amount thereof shall be stated." Hence it appears that a complaint without a prayer  
for relief is incomplete.

22  
23 The key is that the damages demanded are set forth in the prayer. If it is not in the prayer, Plaintiffs  
24 are not entitled to the damage.

25 Here, only the "Request and Prayer for Relief" states, "WHEREFORE, Plaintiffs respectfully  
26 request that this Court enter **judgment in their favor** and against Defendants as follows." (Emphasis  
27 added). This is the Plaintiffs' demand. Nothing contained in said demand seeks damages for anyone  
28 other than the Plaintiffs. Since KOKOWEEF is not a "real party", only a "nominal defendant", no

1 relief can be obtained against it. Therefore, all that is being sought in this case is damages for  
2 Plaintiffs, against the HAHN DEFENDANTS and CLARY. Therefore, this is not a derivative action  
3 under NRCP 23.1, but a damage action for the benefit of Plaintiffs.

4 The HAHN DEFENDANTS have provided the Court with competent evidence to show that  
5 the present action is not a derivative action under NRCP 23.1. Plaintiffs have not presented any  
6 evidence, or case law, to support their arguments that this is an action for the benefit of all  
7 shareholders of KOKOWEEF or that they do not have a conflict in acting as the Plaintiffs herein.

8 Based upon the foregoing, the Court should enter summary judgment against Plaintiffs and  
9 rule that the present action is not one brought under NRCP 23.1. After granting the summary  
10 judgment as requested herein, Plaintiffs will be able to continue their litigation against HAHN.  
11 However, KOKOWEEF and HAHN'S WORLD will no longer be burdened with the fight between  
12 Plaintiff Ted Burke and HAHN.

13 DATED this 23<sup>rd</sup> day of March, 2010.

14 M NELSON SEGEL, CHARTERED

15  
16 By 

17 M NELSON SEGEL, ESQUIRE

18 Nevada Bar No. 0530

19 624 South 9<sup>th</sup> Street

20 Las Vegas, Nevada 89101

21 *Attorneys for Defendants Larry L. Hahn and*  
22 *Hahn's World of Surplus, Inc.*

1 **CERTIFICATE OF SERVICE**

2 The undersigned hereby certifies that on the 23<sup>rd</sup> day of March, 2010, she served the  
3 foregoing document by causing true and correct copies to be placed in the United States Mail,  
4 postage fully prepaid thereon and addressed as follows:

5

6 Jennifer Taylor, Esquire 7 ROBERTSON & VICK, LLP 8 401 North Buffalo Drive, Suite 202 9 Las Vegas, Nevada 89145	Patrick Clary, Esquire 7201 West Lake Mead Drive, Suite 410 Las Vegas, Nevada 89128
--	---

10 /s/ Diana Wolf  
11 An employee of MNELSON SEGEL, CHARTERED

**EXHIBIT A**

**DECLARATION OF LARRY HAHN**

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STATE OF NEVADA        )  
                                  ) ss:  
COUNTY OF CLARK        )

I, LARRY HAHN, being duly sworn, declares under oath:

1. I am the President of nominal defendant Kokoweef, Inc. ("KOKOWEEF") and a defendant in this matter; I make this declaration in support of the Reply to Plaintiffs' Opposition to Defendant Larry L. Hahn and Hahn's World of Surplus, Inc.'s Motion for Partial Summary Judgment ("REPLY"); and this declaration is made on personal knowledge and I am competent to testify to the matters stated herein.

2. Plaintiff Ted Burke ("Burke") has filed an affidavit with the Opposition to Defendant Larry L. Hahn and Hahn's World of Surplus, Inc.'s Motion for Partial Summary Judgment ("OPPOSITION") as Exhibit "4" alleging various actions by him and moneys due and owing from KOKOWEEF to him. The affidavit does not address any of the issues before the Court.

3. I believe that the purpose of the affidavit was simply to put me in bad light with the Court and attempt to create an issue of fact regarding the pending Motion for Partial Summary Judgment ("MOTION").

4. While I dispute the substance of the affidavit, nothing in the affidavit affect whether I made any negligent misrepresentation or whether Hahn's World of Surplus, Inc. was unjustly enriched at the expense of KOKOWEEF. Therefore, I will not address any specific allegation contained in said affidavit.

5. I have also reviewed the affidavit of Michael Kehoe that was attached to the OPPOSITION as Exhibit "3". Like the affidavit of Burke, Mr. Kehoe's affidavit contains allegations do not accurately reflect what transpired. Also, like Burke's affidavit, they do not address the issues before the Court. Therefore, I have not addressed any specific allegation contained in said affidavit.

6. The last affidavit for which I feel a response is necessary is that of Loretta Kehoe, attached to the OPPOSITION as Exhibit "2". Ms. Kehoe's affidavit does contain language that needs to be addressed.

7. In paragraph 4, she states that both my wife, Chris, and I state that all funds received

1 by me and/or Hahn's World of Surplus, Inc. ("HAHN'S WORLD") were from Explorations  
2 Incorporated of Nevada, Inc. ("EIN") or KOKOWEEF were for goods and materials supplied or  
3 reimbursement. Ms. Kehoe's affidavit then alleges, without showing any documentation, that  
4 numerous payments were for items that she alleges, without support, were not for the mine.

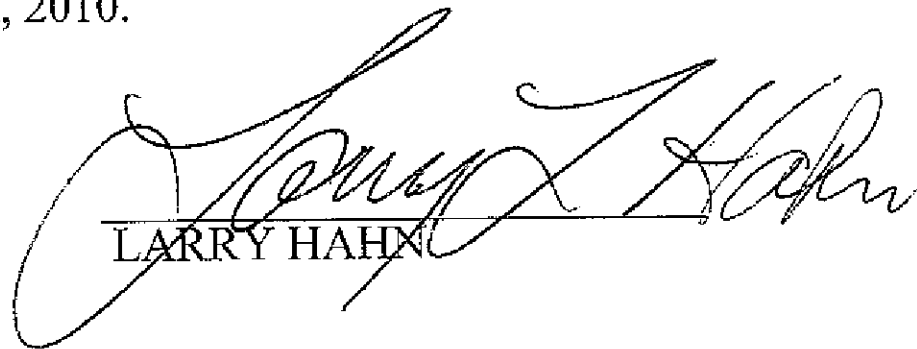
5 8. While the allegations are untrue, I have not sought summary judgment on the unjust  
6 enrichment allegation for myself. The MOTION only seeks summary judgment on behalf of  
7 HAHN'S WORLD. I have done so because there is clear documentation to show when HAHN'S  
8 WORLD received payment and why. Therefore, this was an appropriate basis for filing a motion  
9 for summary judgment.

10 9. The OPPOSITION suggests that the present action is for the benefit of all  
11 shareholders and KOKOWEEF. However, the action has required the resources of KOKOWEEF  
12 to be devoted to this action and has interfered with its ability to continue the exploration process  
13 which is the purpose of the company.

14 10. While I am confident that I have done nothing improper and all financial transactions  
15 between myself and KOKOWEEF or EIN were proper, I understand that there may be a basis for  
16 dispute which I choose not to raise at this time. I did not seek summary judgment for myself to  
17 enable the Court to evaluate the pending matter, grant partial summary judgment and reduce the  
18 scope of this case to what it is - a dispute between me and Plaintiff Ted Burke.

19 **I declare under penalty of perjury that the foregoing is true and correct.**

20 DATED this 23 day of March, 2010.

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23 LARRY HAHN  
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## **EXHIBIT B**

DECLARATION OF M NELSON SEGEL

STATE OF NEVADA            )  
  ) ss:  
COUNTY OF CLARK         )

I, M NELSON SEGEL, being first duly sworn, declare under oath:

1. I am an attorney at law duly licensed to practice in this Court; make this declaration in support of the Reply to Plaintiffs' Opposition to Defendant Larry Hahn and Hahn's World of Surplus, Inc.'s Motion for Partial Summary Judgment ("REPLY"); this declaration is made from my own knowledge; and I am competent to testify to the matters set forth herein.

2. I was retained by Larry Hahn and Hahn's World of Surplus, Inc. to represent them in this manner. I participated in all hearings that have been held, as well as the evidentiary hearing held on or about the 29<sup>th</sup> day of July, 2008.

3. I have spoken to Reta Van Da Walker ("RETA"), a woman who was hired by Kokoweef, Inc. at the request of Plaintiff Ted Burke ("Burke"). RETA was hired to computerize the books and records of Kokoweef, Inc., as well as those of its predecessor, Explorations Incorporated of Nevada ("EIN").

4. RETA testified at the hearing held on or about the 29<sup>th</sup> day of July, 2008, that she had reviewed the books and records and was comfortable that she had a complete accounting of the funds of the entities. She also testified that she did not believe funds had been misappropriated.

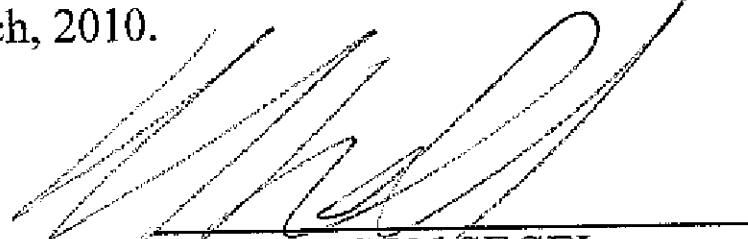
5. Prior to this litigation commencing, Burke requested documentation from Kokoweef. Although I was not present when these documents were produced, Plaintiffs' expert, Talon Stringham, testified at the hearing held on on or about the 29<sup>th</sup> day of July, 2008, that he had reviewed numerous books of documents that were provided to Burke by Kokoweef prior to the commencement of this litigation.

6. I have been involved in the production of reams of documentation in response to requests made by Plaintiffs. While I do not believe the requests were properly made, in an effort to move this case forward, Kokoweef provided documents to Plaintiffs on computer disks. At a

1 deposition, Plaintiffs had two stacks of documents which there counsel stated had been what was  
2 produced. Said stacks were approximately twelve (12) inches tall.

3 I declare under the penalty of perjury that the foregoing is true and correct.

4 DATED this 23<sup>rd</sup> day of March, 2010.

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