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6
7 DISTRICT COURT
8 CLARK COUNTY, NEVADA

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

14 Plaintiffs,

15 vs.

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

20 Defendants,

21 and

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

24 Nominal Defendants.

Case No. *A558629*
Dept. *XIII*

**VERIFIED DERIVATIVE
COMPLAINT**

Exempt from Arbitration
(Shareholders Derivative Action-
Equitable Relief)

25
26 COMES NOW the Plaintiffs, derivatively on behalf of KOKOWEEF, INC., and
27 EXPLORATIONS INCORPORATED OF NEVADA, by and through their attorney of record, NEIL
28 J. BELLER, ESQ., of the law firm of NEIL J. BELLER, LTD, and for the Complaint against

588
LAW OFFICES
NEIL J. BELLER, LTD.
A PROFESSIONAL CORPORATION
7408 WEST SAHARA AVENUE
LAS VEGAS, NEVADA 89117
AREA CODE 702-368-7767

CLERK OF THE COURT

MAR 7 2008

1 Defendants, allege the following based upon the investigation of Plaintiffs and counsel:

2 I. INTRODUCTION

3 This is a shareholder derivative action on behalf of nominal Defendants, KOKOWEEF, INC
4 (hereafter "Kokoweef"), a Nevada corporation and EXPLORATIONS INCORPORATED OF
5 NEVADA (hereafter "EIN"), a dissolved Nevada corporation against LARRY L. HAHN,
6 individually, and as President and Treasurer of Kokoweef and former President and Treasurer of
7 EIN, and against DOES 1-X, and DOE OFFICERS, DIRECTORS, and PARTICIPANTS, and
8 against HAHN'S WORLD OF SURPLUS, INC.

9 Defendant Larry L. Hahn over the course of 25 years, abdicated his fiduciary obligations
10 to the shareholders of both Kokoweef and EIN. As a result, Hahn and others have been unjustly
11 enriched at the expense of Kokoweef and EIN shareholders.

12 II. PARTIES

13 1. Plaintiff, Ted Burke (hereafter "Burke"), at all times relevant to this action, was and
14 is a resident of Clark County, Nevada. During the relevant time period, at the time of the injurious
15 acts complained of herein, he held and continues to hold shares of Kokoweef stock, and did hold
16 shares of EIN stock, which were exchanged for Kokoweef shares of stock by the Plan of
17 Reorganization of August 31, 2006.

18 2. Plaintiffs, Michael R. Kehoe (hereafter "Kehoe") and Laretta L. Kehoe, at all times
19 relevant to this action, were and are residents of Clark County, Nevada. During the relevant time
20 period, at the time of the injurious acts complained of herein, they held and continue to hold shares
21 of Kokoweef stock, and did hold shares of EIN stock, which were exchanged for Kokoweef shares
22 of stock by the Plan of Reorganization of August 31, 2006.

23 3. Plaintiff, John Bertoldo, at all times relevant to this action, was and is a resident of
24 Clark County, Nevada. During the relevant time period, at the time of the injurious acts complained
25 of herein, he held and continues to hold shares of Kokoweef stock, and did hold shares of EIN stock,
26 which were exchanged for Kokoweef shares of stock by the Plan of Reorganization of August 31,
27 2006.

28 4. Plaintiff, Paul Barnard, at all times relevant to this action, was and is a resident of

1 Clark County, Nevada. During the relevant time period, at the time of the injurious acts complained
2 of herein, he held and continues to hold shares of Kokoweef stock, and did hold shares of EIN stock,
3 which were exchanged for Kokoweef shares of stock by the Plan of Reorganization of August 31,
4 2006.

5 5. Plaintiff, Eddy Kravetz, at all times relevant to this action, was and is a resident of
6 Clark County, Nevada. During the relevant time period, at the time of the injurious acts complained
7 of herein, he held and continues to hold shares of Kokoweef stock, and did hold shares of EIN stock,
8 which were exchanged for Kokoweef shares of stock by the Plan of Reorganization of August 31,
9 2006.

10 6. Plaintiffs, Jackie and Fred Kravetz, at all times relevant to this action, were and are
11 residents of Clark County, Nevada. During the relevant time period, at the time of the injurious acts
12 complained of herein, they held and continues to hold shares of Kokoweef stock, and did hold
13 shares of EIN stock, which were exchanged for Kokoweef shares of stock by the Plan of
14 Reorganization of August 31, 2006.

15 7. Plaintiff, Steven Franks, at all times relevant to this action, was and is a resident of
16 Clark County, Nevada. During the relevant time period, at the time of the injurious acts complained
17 of herein, he held and continues to hold shares of Kokoweef stock, and did hold shares of EIN stock,
18 which were exchanged for Kokoweef shares of stock by the Plan of Reorganization of August 31,
19 2006.

20 8. Plaintiff, Paula Maria Barnard, at all times relevant to this action, was and is a
21 resident of Clark County, Nevada. During the relevant time period, at the time of the injurious acts
22 complained of herein, she held and continues to hold shares of Kokoweef stock, and did hold shares
23 of EIN stock, which were exchanged for Kokoweef shares of stock by the Plan of Reorganization
24 of August 31, 2006.

25 9. Plaintiffs, Peter T. and Lisa A. Freeman, at all times relevant to this action, were and
26 are residents of Clark County, Nevada. During the relevant time period, at the time of the injurious
27 acts complained of herein, they held and continues to hold shares of Kokoweef stock, and did hold
28 shares of EIN stock, which were exchanged for Kokoweef shares of stock by the Plan of

1 Reorganization of August 31, 2006.

2 10. Plaintiff, Leon Golden, at all times relevant to this action, was and is a resident of
3 Clark County, Nevada. During the relevant time period, at the time of the injurious acts complained
4 of herein, he held and continues to hold shares of Kokoweef stock, and did hold shares of EIN stock,
5 which were exchanged for Kokoweef shares of stock by the Plan of Reorganization of August 31,
6 2006.

7 11. Plaintiff, C. A. Murff, at all times relevant to this action, was and is a resident of
8 Clark County, Nevada. During the relevant time period, at the time of the injurious acts complained
9 of herein, he held and continues to hold shares of Kokoweef stock, and did hold shares of EIN stock,
10 which were exchanged for Kokoweef shares of stock by the Plan of Reorganization of August 31,
11 2006.

12 12. Plaintiff Gerda Fern Billbe, at all times relevant to this action, was and is a resident
13 of Clark County, Nevada. During the relevant time period, at the time of the injurious acts
14 complained of herein, she held and continues to hold shares of Kokoweef stock, and did hold shares
15 of EIN stock, which were exchanged for Kokoweef shares of stock by the Plan of Reorganization
16 of August 31, 2006.

17 13. Plaintiffs, Bob and Robyn Treska, at all times relevant to this action, were and are
18 residents of Clark County, Nevada. During the relevant time period, at the time of the injurious acts
19 complained of herein, they held and continues to hold shares of Kokoweef stock, and did hold shares
20 of EIN stock, which were exchanged for Kokoweef shares of stock by the Plan of Reorganization
21 of August 31, 2006.

22 14. Plaintiff, Michael Randolph, at all times relevant to this action, was and is a resident
23 of Clark County, Nevada. During the relevant time period, at the time of the injurious acts
24 complained of herein, he held and continues to hold shares of Kokoweef stock, and did hold shares
25 of EIN stock, which were exchanged for Kokoweef shares of stock by the Plan of Reorganization
26 of August 31, 2006.

27 15. Plaintiff, Frederick Willis, at all times relevant to this action, was and is a resident
28 of Clark County, Nevada. During the relevant time period, at the time of the injurious acts

1 complained of herein, he held and continues to hold shares of Kokoweef stock, and did hold shares
2 of EIN stock, which were exchanged for Kokoweef shares of stock by the Plan of Reorganization
3 of August 31, 2006.

4 16. Defendant Hahn, at all times relevant to this action, is and was a resident of Clark
5 County, Nevada and is and has been the President and Treasurer of Kokoweef since its
6 incorporation in 2004 and was the President and Treasurer of EIN since its incorporation in 1984.

7 17. Nominal Defendant, EIN, a Nevada corporation, was incorporated on October 24,
8 1984 and was dissolved on November 15, 2007.

9 18. Nominal Defendant, Kokoweef, is a duly organized Nevada corporation in good
10 standing that was incorporated on May 25, 2004.

11 19. Defendant Hahn's World of Surplus, Inc. (hereafter "Hahn's World") is a Nevada
12 corporation doing business in North Las Vegas, Clark County, Nevada and is located at 2908 East
13 Lake Mead Blvd., North Las Vegas, Nevada. Hahn's World was incorporated in 1977 and Hahn was
14 the President of the corporation until the time when he transferred that office to his family
15 members, but he stills maintains control.

16 20. Plaintiffs are ignorant of the true names of Defendants sued as DOES I - X, inclusive,
17 DOE OFFICERS, DIRECTORS, and PARTICIPANTS I - XX, and therefore, Plaintiffs sue these
18 Defendants by such fictitious names. Following further investigations and discovery, Plaintiffs will
19 seek leave of this Court to amend this Complaint to allege their true names and capacities when
20 ascertained. These fictitiously named Defendants may be Kokoweef's shareholders, officers,
21 directors, other members of management, consultants, and other entities who were involved in the
22 wrongdoing detailed herein. These Defendants aided and abetted, participated with and/or conspired
23 with the named Defendants in the wrongful acts and course of conduct or otherwise caused damages
24 and injuries claimed herein and are responsible in some manner for the acts, occurrences and events
25 alleged in this Complaint.

26 III. DUTIES OF DEFENDANT HAHN

27 21. By virtue of his position of President and Treasurer at Kokoweef and formerly at EIN,
28 Hahn owes Kokoweef and EIN and its shareholders the duty to exercise a high degree of care, good

1 faith, loyalty, and diligence to manage and administer EIN and Kokoweef, in its best interest, to
2 preserve its property and assets, to fairly and accurately report on its operations to the shareholders,
3 and not to seek to personally profit at EIN and Kokoweef's expense. The conduct of Hahn, as
4 complained of herein, involves knowing, intentional, and culpable violation of his fiduciary duties
5 to EIN and Kokoweef, and Nevada and Federal securities laws.

6 22. Hahn, by virtue of his position of control and authority as President and Treasurer and
7 owner of the majority stock of both Kokoweef and EIN was able to and did exercise control over the
8 wrongful acts complained of herein.

9 23. To discharge his duties, Hahn was required to exercise reasonable and prudent
10 supervision over the management, policies, practices and controls of the Company. By virtue of
11 such duties, Hahn was required to, among other things:

12 a. exercise good faith in ensuring that the affairs of Kokoweef and EIN were
13 conducted in an efficient, business-like manner so as to make it possible to provide the highest
14 quality performance of its business;

15 b. exercise good faith in ensuring that Kokoweef and EIN were operated in a
16 diligent, honest and prudent manner and complies with all applicable federal and state laws, rules,
17 regulations and requirements; and

18 c. refrain from using the assets of Kokoweef and EIN to unduly benefit himself.

19 24. As alleged in detail below, Hahn breached his fiduciary duties by knowingly
20 conducting improper transactions with third parties to benefit himself to the detriment of the
21 shareholders of Kokoweef and EIN.

22 IV. FACTUAL ALLEGATIONS

23 A. History of EIN and Kokoweef

24 25. EIN was incorporated on October 24, 1984 for the purpose of exploration and
25 continuing the search for the underground caverns and Kokoweef River of Gold. The subject mine
26 is located 11 miles south of Stateline. Legend relates that three Indian brothers about 1903-1905
27 discovered an underground cavern and recovered gold. Others have searched the area for gold and
28 discovered gold and one provided an affidavit about his explorations. Mining claims were

1 established on the mountain. In 1940, zinc was discovered on Kokoweef Peak and mined during
2 World War II. After the War, others continued to search for the underground river and the secret
3 location to the Kokoweef River of Gold.

4 26. On November 10, 2005, EIN and Kokoweef entered into an Agreement and Plan of
5 Reorganization, which provides that EIN agrees to sell and assign to Kokoweef, inter alia, and
6 Kokoweef agrees to acquire from EIN, all of EIN's assets and liabilities, except for liabilities of EIN
7 stockholders, in exchange for voting shares of Kokoweef's common stock. A copy of the Agreement
8 is attached as **Exhibit 1** and incorporated herein by reference.

9 27. On August 31, 2006, the Closing Agreement, Assignment and Receipt was made
10 between EIN and Kokoweef whereby EIN assigned, transferred to Kokoweef all of EIN's assets,
11 trademarks, trade names, franchises, intellectual property rights, licenses, leases, contracts, goodwill,
12 name, and business and Kokoweef assumed all of the liabilities of EIN except liability of EIN to its
13 stockholders. Once Kokoweef received EIN's stockholders certificates, Kokoweef was to issue new
14 certificates for the same number of shares of Kokoweef. A copy of the Closing Agreement,
15 Assignment and Receipt is attached as **Exhibit 2** and incorporated herein by reference.

16 28. Corporate counsel for EIN and Kokoweef sent a letter dated October 12, 2006 to the
17 stockholders of EIN advising them to send their stock certificate to Kokoweef at 2908 East Lake
18 Mead Blvd., North Las Vegas, Nevada and it would be exchanged for a new Kokoweef stock
19 certificate. A copy of the letter is attached as **Exhibit 3** and incorporated herein by reference.

20 **B. Assay Report and Proposal for Production at Mine**

21 29. On or about September 16, 2006, an Assayer/Consultant provided to EIN and Hahn
22 an Analytical Report which indicated the percentage of gold and silver, etc. content found as a result
23 of the assay. A copy of that report is attached as **Exhibit 4** and incorporated herein by reference.

24 30. In the Spring of 2007, the President of Mayan Gold, Inc. met with Hahn and Burke
25 regarding a proposal of \$4,000,000 in investment capital to begin production of the mine in a joint
26 venture with Kokoweef. At the end of his presentation, the President requested a review of
27 Kokoweef's books and financials and stated he would provide the books of Mayan Gold. At that
28 point, Hahn thanked him for his presentation and informed Burke that Kokoweef did not need this

1 venture. A copy of the 3/11/07 letter from Mayan Gold is attached hereto as **Exhibit 5** and
2 incorporated herein by reference.

3 31. There is sufficient evidence of certain elements, including gold, such that mine
4 production would produce these elements for a profitable venture. Although EIN and Kokoweef
5 were formed for the purpose of mining exploration, Hahn has made no concentrated effort to begin
6 mining operations.

7 32. Based on information and belief, only one person is present at the mine site and that
8 is for the purpose of security and making certain the buildings are kept presentable for when
9 prospective investors visit the mine, which is only done on Sundays.

10 **C. Shareholders' Request for Audit**

11 33. Sometime in June, 2007, Burke and several other shareholders became aware of the
12 existence of the By-Laws of Kokoweef and had reason to believe that Kokoweef's operating
13 procedures as a mining operation were in conflict with several areas of the By-Laws. Burke inquired
14 of Hahn whether or not an annual audit of Kokoweef's books had ever been done. Hahn objected
15 to the audit subject being discussed. Burke made repeated efforts to request that Hahn produce the
16 books for an audit to no avail.

17 34. Burke then informed Hahn that he was going to request a board meeting to address
18 the audit issue. Burke also discussed the audit with corporate counsel, who informed Burke that the
19 board meeting could be held on August 28th at his office.

20 35. When Hahn became aware of the scheduled board meeting, Hahn then notified the
21 shareholders that a special shareholders meeting would be held on August 28th to vote on existing
22 board members. The time was two hours prior to the board meeting, but the meeting was to be held
23 at the mine location, which was 70 miles from the location of the board meeting, making it
24 impossible to attend both meetings.

25 36. At the shareholders' meeting and without prior notice, five additional nominees for
26 the board of directors were made and accepted by Hahn and entered into the minutes. Hahn then
27 deferred the count of votes until after an audit of the books.

28 37. The audit was confined to include only the Kokoweef books and only for a period of

1 eight months. Records were provided to Burke, but the records were incomplete and inaccurate.

2 **D. Meeting of September 19, 2007**

3 38. On September 18, 2007, Burke was invited to attend a meeting with Hahn, corporate
4 counsel, and an investor that was a friend of Hahn's. What occurred at that meeting is summarized
5 as follows:

6 a. Burke inquired regarding his liability as an officer of Kokoweef. He stated he needed
7 the expense log for years 2005 and 2006, which were not provided to him per his request to review
8 the books. There was discussion regarding why an annual stockholders meeting has not been held.

9 b. When the question was asked as to why Kokoweef was formed, the answer was that
10 it was for cleaning up the securities violations of EIN. Corporate counsel stated that probably 90%
11 of the securities transactions weren't conducted lawfully in EIN, but the statute of limitations has
12 run. Burke then suggested he might go to the SEC to report what he believed to be improper
13 operations. Derogatory comments were made regarding the SEC and that the idea of going to the
14 SEC was insane. The discussion was then continued regarding SEC rules, and the statute of
15 limitations for filing suit for SEC violations. Corporate counsel stated they did a Rule 504
16 Regulation D because the stock that was exchanged isn't worth more than a million dollars to the
17 aggregate in a 12 month period and this was done subsequent to the reorganization and also they had
18 to find a state exemption and they are limited to 25 Nevada residents. Hahn stated there are 19
19 people from Nevada. Corporate counsel stated they need to do some clean up work on the out of
20 state ones, but that most states have an exemption for isolated transactions. Hahn stated they have
21 1200 shareholders. Corporate counsel said Nevada had an exemption for reorganizations and that
22 is what he filed. The discussion then turned to shareholders suing the corporation and its officers
23 and directors for securities fraud. Corporate counsel stated that would be an uphill battle because of
24 the provision in the agreement with the shareholders that they acknowledge they have complied with
25 the securities rules.

26 c. Burke expressed concern that something may be in the books that may be found and
27 would result in being sued. The answer given was that if something is wrong it would be corrected
28 or make it go away. That is being done for Kokoweef and the statute of limitations has expired for

1 EIN. Burke was told that his only concern would be for the past two years.

2 d. The discussion turned to the matter of money being collected under Kokoweef and
3 that representations were made that the money was used for investment and it was actually used for
4 something else. When they were taking money in for Kokoweef, they were also taking in money for
5 EIN and Burke was concerned of the EIN transactions and that's why he wants the EIN books.

6 e. Discussion regarding the purchase of two rigs. Burke paid \$40,000 personally for one
7 rig and has a contract with Hahn that the rig could be used for drilling, but the bill of sale shows a
8 50% interest for him for both rigs and he wants it corrected. Hahn stated the money came from
9 Hahn's Surplus and he needs to have clear title to one right for drilling.

10 f. The discussion concerned the number of investors and the list is incomplete because
11 there are 1200 investors and Burke doesn't have the complete list of investors he brought in and even
12 back to EIN. Burke wants to make certain he brought them in properly. According to the By-Laws
13 as Secretary he is to be in possession of the names and addresses of the stockholders. He is
14 disclosing to his investors what he knows and there has been no audit in 25 years. He wants 2 years
15 of records.

16 g. Topic changed back to the rigs. Discussion regarding the \$17,000 that Bill
17 Simshauser gave Burke for 1/2 of one of the rigs and that did not work out and Hahn's wants to figure
18 out how to get the money back to Bill, Burke said the money went back into Kokoweef in paying
19 for claims made and the money was accounted for and its documented in the ledger. Argument over
20 a \$4500 alleged balance.

21 h. Discussion regarding board minutes. Burke said he signed them, but didn't want to
22 sign the minutes of the board meeting on 7/11 he didn't attend. Corporate counsel stated the item
23 approving stock awards for 13 stockholders doesn't say the number of shares or what the
24 consideration was for. Burke said because the awards were already issued and he wasn't there when
25 they were issued and he was only notified of who gets the awards. The consideration was for
26 moneys put in the project or work performed over a period of time. There was an agreement Burke
27 would bring in shareholders and assist Hahn to bring in shareholders until about 40,000 shares were
28 brought in for money for a core drilling program that was never started. Burke says he is doing his

1 own investigation to cover himself since Hahn doesn't care about them and he is not going to be
2 interrogated and browbeaten. At this point, the discussion became heated. Burke says he got stock
3 for putting up a \$68,000 building and buying a rig and any stock reward he got had nothing to do
4 with the 70,000 undocumented shares. Hahn argues the Burke didn't spend that much on the
5 building. Burke says he has the receipts.

6 I. Argument: 70,000 undocumented shares of stock. Corporate counsel says it is illegal
7 to sell stock if you're not a registered brokers of securities. Burke says four other board members
8 voted on it and they didn't know about it and the awards were already issued. Hahn is the person
9 who gave them out. Burke says he is signing stock certificates and has no idea if they are valid.
10 Burke says Hahn should answer why that was done. Discussion regarding income tax on stock
11 awards. Burke stated that the stock certificates were already issued - some months and maybe even
12 years before this and he wasn't at the meeting. He is going to get this resolved.

13 j. Discussion re: Burke is going to seek an attorney.

14 k. Burke says four or five years ago he asked Hahn regarding the liability of board
15 members and none of the board members have been advised by Hahn that they could be liable; he
16 checked the By-Laws and realized Kokoweef is not in compliance. Management and control is to
17 be conducted by the board and for 25 years it's been all yes men on the board.

18 l. The audit report is to be prepared by the CPA.

19 A copy of the transcript of the above referenced meeting is attached as **Exhibit 6** and
20 incorporated herein by reference.

21 **E. Breaches of Fiduciary Duties by Hahn**

22 **1. Summary of Breaches of Fiduciary Duties**

23 39. Based on information and belief, during the time period of 2003 to the current time,
24 Defendant Hahn has been writing checks from the Kokoweef and EIN bank accounts to the same
25 individuals on a monthly basis. These individuals include family members, business associates and
26 personal friends. Some of these checks were deposited into one of two accounts for Hahn's World.

27 40. Based on information and belief, Hahn has loaned money to individuals from the
28 Kokoweef and EIN bank accounts and also made payments or gave monies to individuals for

1 personal use from these accounts.

2 41. Based on information and belief, Hahn is attempting to dispose of Kokoweef's assets
3 by the method of moving equipment used for mining, vehicles, etc. to unknown location.

4 42. Hahn called a special meeting of the Kokoweef shareholders for August 28, 2007 and
5 only notified those shareholders he wanted to be present at the meeting.

6 2. Specific Breaches of Fiduciary Duties

7 43. Plaintiff Michael R. Kehoe reviewed the financial records, including copies of
8 ledgers, bank statements, canceled checks and receipt for Kokoweef for the years 2004 (June -
9 December), 2005, 2006 and January through October 2007, and for EIN for the years 2003, 2004,
10 2005, 2006 and 2007 as provided by Hahn at the office of corporate counsel.

11 44. During his review of these records, he noticed a common scheme and design, and
12 repeated pattern of behavior by Hahn.

13 45. During the years stated above, Hahn wrote several checks to individuals, which were
14 then signed and deposited into one of two accounts for Hahn's World. Many of the same checks
15 were written to the same individuals on a monthly basis, including family members, business
16 associates and personal friends. In addition, several of these checks were marked as "Return of
17 Investments" to alleged investors. Finally, several of these checks were written to "Cash". The total
18 number and amount of checks written and deposited to Hahn's account are as follows:

19	a.	EIN 2003	94 checks totaling	\$17,423.51
	b.	EIN 2004	66 checks totaling	\$11,239.89
20	c.	EIN 2005	69 checks totaling	\$12,187.44
	d.	EIN 2006	79 checks totaling	\$15,476.41
21	e.	Kokoweef 2006	22 checks totaling	\$5,529.71
	f.	Kokoweef 2007	72 checks totaling	\$12,691.79
22		<u>TOTAL</u>	<u>402 checks totaling</u>	<u>\$74,433.45</u>

23
24 46. Kehoe noticed that several of the above-referenced checks were written to an
25 individual named Skip Wynia and were titled "interest on loan" and then the checks were deposited
26 into one of two accounts for Hahn's World.

27 47. Hahn would write large checks entitled loan payments to several individuals as
28 indicated below. These checks were not deposited into Hahn's World and appear to have gone for

the principal of the loan. Kehoe could only find one loan agreement dating back to 1998 in the amount of \$10,000 with Mr. Wynia. The other checks referred to as "loan payments" have no supporting documentation and are listed below. At the time when these payments were being made, the account balance was in excess of \$100,000.

a.	EIN 2003	\$1,080.00	Skip Wynia
b.	EIN 2004	\$1,000.00	Skip Wynia
c.	EIN 2005	\$1,000.00	Skip Wynia
d.	EIN 2006	\$1,080.00	Skip Wynia
e.	Kokoweef	\$7,070.00	Skip Wynia
	TOTAL SKIP WYNIA		\$11,230.00
f.	EIN 2003	\$2,000.00	Bill Simshouser
g.	EIN 2004	\$ 500.00	Bill Simshouser
h.	EIN 2005	\$1,000.00	Bill Simshouser
i.	EIN 2006	\$1,000.00	Bill Simshouser
	TOTAL BILL SIMSHOUSER		\$4,500.00
j.	EIN 2003	\$5,445.29	Hahn's Surplus
k.	EIN 2004	\$3,400.00	Hahn's Surplus
	TOTAL HAHN'S SURPLUS		\$8,845.29

TOTAL LOAN PAYMENTS: \$26,075.29

48. In Kehoe's review of the bank records, Hahn at times lent money to individuals from the EIN account totaling \$2,120.00, and Hahn would make payments or give money to individuals for their personal use from the EIN and/or Kokoweef accounts and these payments totaled \$2,944.70.

49. Kehoe noticed regarding the checks written to individuals referenced above, that Hahn would note these checks were for food and supplies for the camp. Hahn would then write himself another check at the end of the year using the same receipts. (Receipts for Check No. 5156 for \$6,548.10 dated June 5, 2006.) Hahn wrote several checks to Hahn's World totaling:

a.	EIN 2006	\$13,334.09
b.	Kokoweef 2007	\$14,385.70

50. Hahn wrote several checks in 2006 to EIN at the time that EIN was supposed to have been dissolved and reformed into the new corporation Kokoweef. These checks totaled \$20,000.00.

51. Kehoe notice that Hahn was sending monthly payments overseas to the Ukraine, via Western Union, to an individual named "Brad Hoemann" from January, 2006 through August 2007. The page from Western Union showing the transfers contained a note at the bottom "LH Personal."

1 Mr. Hoemann also received \$1,200 as a return of his investment from EIN back in 2003.

2 52. In November, 2004 through May 2006, Hahn wrote checks from Kokoweef starting
3 with the number 1001 through 1011. Then starting in August, 2006, new checks appeared for the
4 same account and same company, starting over again at #1001. One of these duplicate checks was
5 #1002. The first Check #1002 was written on May 2, 2005 and contained bank markings to show
6 that it was processed through a bank. The second check #1002 was for \$10,000 to Redding Drilling,
7 but did not contain the same printing to show that it had cleared the bank, nor was it signed or
8 stamped on the back, just handwritten "for deposit only Redding Drilling."

9 53. Kehoe observed in Hahn's own ledger several deposits that were indicated as "Split"
10 deposits. There was no indication of the disposition of the portion that was split.

11 54. Based on information and belief and the repeated pattern of behavior by Hahn, it is
12 believed by Plaintiffs that Hahn will further dissipate the assets of Kokoweef.

13 The Affidavit of Michael R. Kehoe with supporting documentation is attached as **Exhibit**
14 7 and incorporated herein by reference.

15 55. Additionally, on or about August 25, 2004, Plaintiff Michael Randolph personally
16 handed Hahn the amount of \$6,000.00 in cash as an investment in EIN. Mr. Randolph was given
17 a receipt for the money, but no stock certificate was ever issued to Mr. Randolph and a review of the
18 books does not show the \$6,000 was ever deposited in Kokoweef's account. Ted Burke witnessed
19 the exchange of the \$6,000.00 in cash. Larry Hahn personally contacted Ted Burke and said they
20 are out of money, do you have anybody willing to invest . . . "we need a whale."

21 **F. Sale of Unregistered Securities**

22 56. During the time period of October 1984 and November 2007, when EIN was a
23 corporation in good standing with the State of Nevada and was the corporation conducting mining
24 explorations and seeking investors to purchase stock in EIN, based on information and belief, Hahn
25 was engaged, directly and indirectly in the offer and sale of securities to the general public in Nevada
26 (and other states) in violation of the Nevada and other state statutes, if any, regarding the registering
27 of securities.

28 ///

V. DERIVATIVE AND DEMAND EXCUSED ALLEGATIONS

57. Plaintiffs bring this derivative action for the benefit of Kokoweef and EIN to redress injuries suffered and to be suffered by Kokoweef and EIN as a result of the breaches of fiduciary duty and unjust enrichment of Hahn and other Defendants.

58. Plaintiffs will adequately and fairly represent the interest of Kokoweef and EIN and its shareholders in enforcing and prosecuting its rights.

59. At all times relevant to this action, Plaintiffs are shareholders of Kokoweef stock and were owners of EIN stock until EIN stock was exchanged for Kokoweef stock in August of 2006.

60. As a result of the facts set forth herein, Plaintiffs have not made any demand on the Kokoweef Board of Directors to institute this action against Hahn. Such demand would be a futile and useless act because the Board is incapable of making an independent and disinterested decision to institute and vigorously prosecute this action for the following reasons:

a. Due to Hahn's positions as President and Treasurer, and holding almost a majority of the shares, he is in a position to and does control the Board and the company and its operations. There are seven board members, two of which are controlled by Hahn. However, a quorum of five is required to hold a board meeting.

b. Hahn will not permit a board meeting to occur unless he institutes it for matters he wants discussed. This was evident when Burke scheduled a board meeting for August 28, 2007 to discuss an audit and also to request Hahn to step down, and Hahn then scheduled a shareholders meeting for that same date to be held 70 miles from the place of the board meeting and it was impossible to attend both meetings.

b. Based on the summary of the September 19, 2007 meeting provided above and the attached Transcript of the meeting among Burke, Hahn, corporate counsel, and other officers, it is obvious Hahn controls Kokoweef and that he would find ways to obstruct a board meeting regarding the filing of a shareholders' derivative complaint.

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///

FIRST CLAIM FOR RELIEF

Breach of Fiduciary Duty

(Against Hahn)

61. Plaintiffs incorporate by reference the allegations set forth above as though fully restated herein.

62. By reason of his position as President and Treasurer of Kokoweef and formerly of EIN, and because of his ability to control the business and corporate affairs of Kokoweef and formerly of EIN, Defendant Hahn owes Kokoweef and EIN and its shareholders the fiduciary obligations of good faith, trust, loyalty, and due care, and he is required to use his utmost ability to control and manage Kokoweef and formerly EIN in a fair, just, honest, and equitable manner. Hahn was and is required to act in furtherance of the best interests of Kokoweef and formerly EIN and its shareholders equally and not in furtherance of his personal interests or benefit. Hahn owes Kokoweef and EIN and its shareholders the fiduciary duty to exercise good faith and diligence in the administration of those companies and in the use and preservation of its property and assets, and the highest obligations of fair dealing.

63. Hahn violated and breached these duties by his actions described herein.

64. As a direct and proximate result of Hahn's breaches of fiduciary duties, Kokoweef and EIN has sustained damages in excess of \$10,000.

65. To remedy Hahn's breaches of fiduciary duties, the court should order Hahn to permanently disgorge to Kokoweef and EIN, all proceeds and profits derived from his illegal activities.

66. It has been necessary for Plaintiffs retain legal counsel to commence this action and Plaintiffs are entitled to reasonable attorneys' fees and costs of suit to pursue this action.

SECOND CLAIM FOR RELIEF

Aiding and Abetting

(Against Hahn's World of Surplus and DOES I - X, and

DOE OFFICERS, DIRECTORS, and PARTICIPANTS I - XX)

67. Plaintiffs incorporate by reference the allegations set forth above as though fully

1 restated herein.

2 68. Hahn's World and DOES I - X, and DOE OFFICERS, DIRECTORS, and
3 PARTICIPANTS I - XX are sued as participants and as aiders and abettors herein alleged. At all
4 times herein mentioned, each of these Defendants was the agent, servant, partner, aider and abettor,
5 co-conspirator, and/or joint venturer of Defendant Hahn herein. They were at all times operating and
6 acting within the purpose and scope of said agency, service, employment, partnership, conspiracy,
7 and/or joint venture and rendered substantial assistance and encouragement to Defendant Hahn.

8 69. As a result of the foregoing conduct, Hahn's World and DOES I - X and DOE
9 OFFICERS, DIRECTORS, and PARTICIPANTS I - XX participated in and facilitated the breach
10 of fiduciary duties described herein.

11 70. The acts of the Defendants named herein, and each of them, were done maliciously,
12 oppressively, and with intent to defraud. Plaintiffs, on behalf of Kokoweef and EIN, are entitled to
13 punitive and exemplary damages in an amount to be shown according to proof at the time of trial.

14 71. It has been necessary for Plaintiffs retain legal counsel to commence this action and
15 Plaintiffs are entitled to reasonable attorneys' fees and costs of suit to pursue this action.

16 **THIRD CLAIM FOR RELIEF**

17 **Unjust Enrichment**

18
19 (Against Hahn , Hahn's World of Surplus, DOES I - X, and
DOE OFFICERS, DIRECTORS, and PARTICIPANTS I - XX)

20 72. Plaintiffs incorporate by reference the allegations set forth above as though fully
21 restated herein.

22 73. All alleged herein, Defendants Hahn, Hahn's World, Does I - X, and Doe Officers,
23 Directors, and Participants I - XX were unjustly enriched by the illegal transactions and activities
24 of Hahn.

25 74. It would be unjust and inequitable for these Defendants to retain the proceeds of the
26 illegal transactions and activities of Hahn.

27 75. To remedy these Defendants unjust enrichment, the Court should order them to
28 disgorge to Kokoweef and EIN all proceeds and profits derived from their illegal transactions and

1 activities.

2 76. It has been necessary for Plaintiffs retain legal counsel to commence this action and
3 Plaintiffs are entitled to reasonable attorneys' fees and costs of suit to pursue this action.

4 **FOURTH CLAIM FOR RELIEF**

5 **Constructive Fraud**

6 (Against Hahn, DOE OFFICERS, DIRECTORS, and PARTICIPANTS I - XX)

7 77. Plaintiffs incorporate by reference the allegations set forth above as though fully
8 restated herein.

9 78. As fiduciaries to Kokoweef and EIN, Defendant Hahn and DOE OFFICERS,
10 DIRECTORS and PARTICIPANTS I - XX owed Kokoweef and EIN and its shareholders a duty
11 of candor and full accurate disclosures regarding the true state of Kokoweef and EIN's business and
12 assets and their conduct with regard thereto.

13 79. As described above, these Defendants made, or aided and abetted the making of,
14 misrepresentations and concealment of material facts despite their duties to, inter alia, disclose the
15 true facts regarding Kokoweef and EIN.

16 80. As a result of these Defendants' constructive fraud, Kokoweef and EIN have
17 sustained and will continue to sustain damages and injuries for which it has no adequate remedy at
18 law.

19 81. The acts of the Defendants named herein, and each of them, were done maliciously,
20 oppressively, and with intent to defraud. Plaintiffs, on behalf of Kokoweef and EIN, are entitled to
21 punitive and exemplary damages in an amount to be shown according to proof at the time of trial.

22 82. It has been necessary for Plaintiffs retain legal counsel to commence this action and
23 Plaintiffs are entitled to reasonable attorneys' fees and costs of suit to pursue this action.

24 **FIFTH CLAIM FOR RELIEF**

25 **Corporate Waste and Gift**

26 (Against Hahn and DOE OFFICERS, DIRECTORS, and PARTICIPANTS I - XX)

27 83. Plaintiffs incorporate by reference the allegations set forth above as though fully
28 restated herein.

84. By failing to properly consider the interest of Kokoweef and EIN and its shareholders, Hahn and DOE OFFICERS, DIRECTORS, and PARTICIPANTS I - XX, without any valid corporate purpose, have caused Kokoweef and EIN to waste valuable corporate assets solely for the financial gain of these Defendants.

85. In return for such wrongful diversion of corporate assets, Kokoweef received no consideration, rendering the transactions in effect a gift to these Defendants.

86. The conduct of these Defendants, and each of them, was not in good faith. Defendants intentionally and directly diverted Kokoweef and EIN's assets to their own use or benefit.

87. As a result of these Defendants' wrongful conduct, and the wrongful conduct of each of them, Kokoweef and EIN have suffered and continue to suffer economic losses and non-economic losses, all in an amount to be determined according to proof at the time of trial. Kokoweef and EIN is also entitled to a disgorgement of the monies obtained by these Defendants.

88. It has been necessary for Plaintiffs retain legal counsel to commence this action and Plaintiffs are entitled to reasonable attorneys' fees and costs of suit to pursue this action.

SIXTH CLAIM FOR RELIEF

Gross Mismanagement

(Against Hahn and DOE OFFICERS, DIRECTORS, and PARTICIPANTS)

89. Plaintiffs incorporate by reference the allegations set forth above as though fully restated herein.

90. By their actions alleged herein, the Defendants abandoned and abdicated their responsibilities and fiduciary duties with regard to prudently managing the assets and business of Kokoweef and EIN in a manner consistent with the operations of a mining company.

91. As a direct and proximate result of these Defendants gross mismanagement and breaches of duty alleged herein, Kokoweef and EIN have sustained and will continue to sustain significant damages and injuries in excess of \$10,000.

92. The acts of Defendants were done maliciously, oppressively, and with intent to defraud. Plaintiffs, on behalf of Kokoweef and EIN, are entitled to punitive and exemplary damages

1 in an amount to be shown according to proof at the time of trial.

2 93. It has been necessary for Plaintiffs retain legal counsel to commence this action and
3 Plaintiffs are entitled to reasonable attorneys' fees and costs of suit to pursue this action.

4 **EIGHTH CLAIM FOR RELIEF**

5 Violation of Securities Laws

6 94. Plaintiffs incorporate by reference the allegations set forth above as though fully
7 restated herein.

8 95. At all times mentioned herein the EIN securities were securities within the definition
9 of NRS 90.295.

10 96. At all times mentioned herein, the EIN securities were neither registered pursuant to
11 NRS 90.460, nor exempt from registration pursuant to NRS 90.520.

12 97. At all times relevant to this action, regarding EIN, Hahn sold unregistered securities
13 in Nevada in violation of NRS 90.310 and NRS 90.460.

14 98. At all times relevant to this action, regarding EIN, Hahn failed to disclose to potential
15 investors in EIN that he was not licensed to sell securities and that EIN had not registered said
16 securities, nor filed an exemption for said securities.

17 99. By reason of the conduct alleged herein, Hahn knowingly violated provisions of
18 NRS Ch. 90.

19 100. By reason of the conduct alleged herein, Hahn knowingly violated provision of the
20 U. S. Securities and Exchange Commission, Rule 504 of Regulation D by not filing for an exemption
21 and therefore not filing "Form D" after he sold the first securities.

22 101. As a result of Hahn's conduct alleged herein, Kokoweef and EIN have sustained and
23 will continue to sustain damages and injuries in excess of \$10,000.

24 102. It has been necessary for Plaintiffs retain legal counsel to commence this action and
25 Plaintiffs are entitled to reasonable attorneys' fees and costs of suit to pursue this action.

26 WHEREFORE, Plaintiffs, on behalf of EIN and Kokoweef, pray for judgment as follows:

27 1. Awarding damages against all Defendants, jointly and severally, and in favor of
28 Kokoweef and EIN for the amount of damages sustained by them as a result of the Defendants'

1 breaches of fiduciary duties;

2 2. Awarding restitution, disgorgement of all illicit proceeds generated as a result of the
3 wrongful conduct alleged herein, and punitive damages;

4 3. Awarding appropriate equitable relief to remedy Defendants' breaches of fiduciary
5 duties and unjust enrichment;

6 4. Awarding appropriate equitable relief to remedy Defendant Hahn's violations of
7 Nevada and Federal securities laws.

8 4. Awarding pre-judgment interest, as well as reasonable attorneys' fees and other costs;

9 5. Granting such other and further relief as the Court deems just and proper.

10 DATED this 7 day of March, 2008.

11 NEIL J. BELLER, LTD.

12
13
14 By: 

15 NEIL J. BELLER, ESQ.
16 Nevada Bar No. 2360
17 7408 W. Sahara Avenue
18 Las Vegas, Nevada 89117
19 (702)368-7767
20 Attorney for Plaintiffs
21
22
23
24
25
26
27
28

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NEIL J. BELLER, LTD.
A PROFESSIONAL CORPORATION
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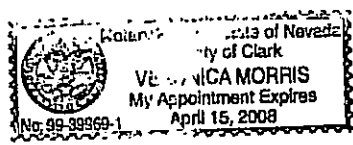
STATE OF NEVADA)
COUNTY OF CLARK) ss:

VERIFICATION

Under penalties of perjury, the undersigned declares that he a Plaintiff named in the foregoing VERIFIED DERIVATIVE COMPLAINT and knows the contents thereof, that the pleading is true of his own knowledge, except as to those matters stated on information and belief, and that as to such matters he believes it to be true, and that during all relevant time periods referenced in the VERIFIED DERIVATIVE COMPLAINT, he held and continues to hold shares of Kokoweef, Inc., stock, and did hold shares of Explorations Incorporated of Nevada stock, which were exchanged for Kokoweef, Inc., shares of stock by the Plan of Reorganization of August 31, 2006.


TED R. BURKE

SIGNED AND SWORN TO before me on this 4th day of March 2008, by TED R. BURKE.




NOTARY PUBLIC

[seal]

STATE OF NEVADA)
COUNTY OF CLARK) ss:

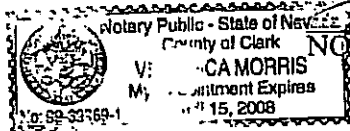
VERIFICATION

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Michael R. Kehoe
MICHAEL R. KEHOE

Lauretta L. Kehoe
LAURETTA L. KEHOE

SIGNED AND SWORN TO before me on this 4th day of March 2008, by MICHAEL R. KEHOE and LAURETTA L. KEHOE.



Veronica Morris
NOTARY PUBLIC

[seal]

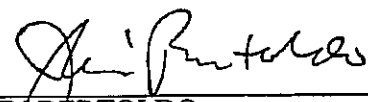
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LAS VEGAS, NEVADA 89117
AREA CODE 702-368-7767

STATE OF NEVADA)
) ss:
COUNTY OF CLARK)

VERIFICATION

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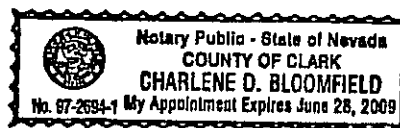
JOHN BERTOLDO

SIGNED AND SWORN TO before me on this 6 day of March 2008, by JOHN BERTOLDO.



NOTARY PUBLIC

[seal]



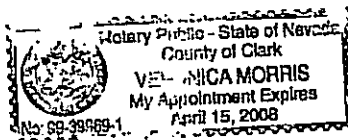
STATE OF NEVADA)
COUNTY OF CLARK) ss:

VERIFICATION

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Paul Barnard
PAUL BARNARD

SIGNED AND SWORN TO before me on this 4th day of March 2008, by PAUL BARNARD.



Veronica Morris
NOTARY PUBLIC

[seal]

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NEIL J. BELLER, LTD.
A PROFESSIONAL CORPORATION
7408 WEST SAHARA AVENUE
LAS VEGAS, NEVADA 89117
AREA CODE 702-368-7767

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

3 VERIFICATION

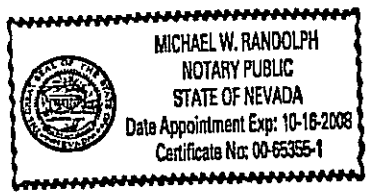
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9 stock, and did hold shares of Explorations Incorporated of Nevada stock, which were exchanged for
10 Kokoweef, Inc., shares of stock by the Plan of Reorganization of August 31, 2006.

11
12
13 *Eddy Kravetz*
14 EDDY KRAVETZ

15
16 SIGNED AND SWORN TO before me on this 5 day of March 2008, by EDDY
17 KRAVETZ.

18
19 *Michael W. Randolph*
20 NOTARY PUBLIC

21 [seal]



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

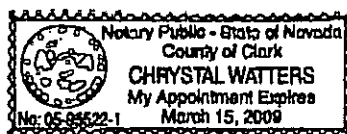
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 9 Inc., stock, and did hold shares of Explorations Incorporated of Nevada stock, which were exchanged
 10 for Kokoweef, Inc., shares of stock by the Plan of Reorganization of August 31, 2006.

11
 12 
 13 JACKIE KRAVETZ

14 
 15 FRED KRAVETZ

16
 17 SIGNED AND SWORN TO before me on this 5th day of March 2008, by JACKIE
 18 KRAVETZ and FRED KRAVETZ.



22 [seal]
 23
 24
 25
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 27
 28

29 
 30 NOTARY PUBLIC

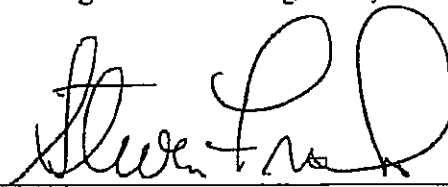
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STATE OF NEVADA)
) ss:
COUNTY OF CLARK)

VERIFICATION

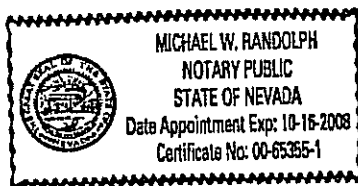
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STEVEN FRANKS

SIGNED AND SWORN TO before me on this 5 day of March 2008, by STEVEN FRANKS.


NOTARY PUBLIC

[seal]



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AREA CODE 702-368-7767

STATE OF NEVADA)
COUNTY OF CLARK) ss:

VERIFICATION

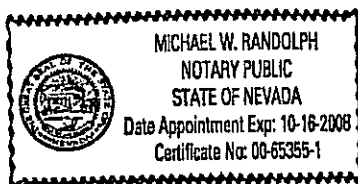
Under penalties of perjury, the undersigned declares that ^she a Plaintiff named in the foregoing VERIFIED DERIVATIVE COMPLAINT and knows the contents thereof, that the pleading is true of ^{her} ~~his~~ own knowledge, except as to those matters stated on information and belief, and that as to such matters ^she believes it to be true, and that during all relevant time periods referenced in the VERIFIED DERIVATIVE COMPLAINT, ^she held and continues to hold shares of Kokoweef, Inc., stock, and did hold shares of Explorations Incorporated of Nevada stock, which were exchanged for Kokoweef, Inc., shares of stock by the Plan of Reorganization of August 31, 2006.


PAULA M. BARNARD

SIGNED AND SWORN TO before me on this 5 day of March 2008, by PAULA M. BARNARD.


NOTARY PUBLIC

[seal]



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LAS VEGAS, NEVADA 89117
AREA CODE 702-368-7767

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

3 VERIFICATION

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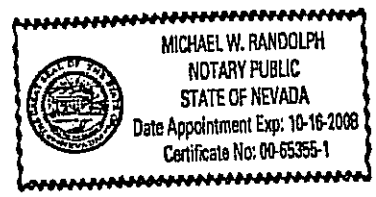
11
12 
13 PETER T. FREEMAN

14 
15 LISA A. FREEMAN

16
17 SIGNED AND SWORN TO before me on this 5 day of March 2008, by PETER T.
18 FREEMAN or LISA A FREEMAN.

19
20 
21 NOTARY PUBLIC

22 [seal]



VERIFICATION

LEON GOLDEN


NOTARY PUBLIC

 MICHAEL W. RANDOLPH
NOTARY PUBLIC
STATE OF NEVADA
Date Appointment Exp: 10-16-2008
Certificate No: 00-65355-1

VERIFICATION


C.A. Murff

Loren Couz
NOTARY PUBLIC

 **LORENA CORNEJO**
Notary Public State of Nevada
No. 05-96827-1
My appt. exp. May 16, 2009

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

VERIFICATION

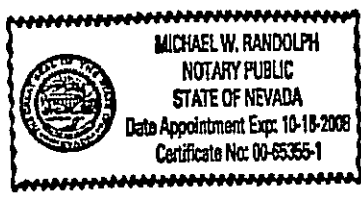
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9 of Kokoweef, Inc., stock, and did hold shares of Explorations Incorporated of Nevada stock, which
10 were exchanged for Kokoweef, Inc., shares of stock by the Plan of Reorganization of August 31,
11 2006.

12
13 Gerda Fern Billbe
14 GERDA FERN BILLBE
15

16
17 SIGNED AND SWORN TO before me on this 5 day of March 2008, by GERDA
18 FERN BILLBE.

19
20 Michael W. Randolph
21 NOTARY PUBLIC

22 [seal]



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LAS VEGAS, NEVADA 89117
AREA CODE 702-368-7767

1 STATE OF NEVADA }
 2 COUNTY OF CLARK } ss:

3 VERIFICATION

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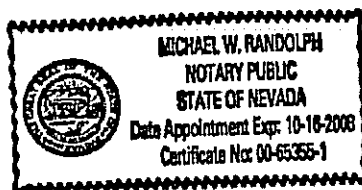
11
 12 Bob Treska
 13 BOB TRESKA

14 Robyn Treska
 15 ROBYN TRESKA

16
 17 SIGNED AND SWORN TO before me on this 5 day of March 2008, by BOB
 18 TRESKA and ROBYN TRESKA.

19
 20 Michael W. Randolph
 21 NOTARY PUBLIC

22 [seal]



LAW OFFICES
 NEIL J. BELLER, LTD.
 A PROFESSIONAL CORPORATION
 7408 WEST SAHARA AVENUE
 LAS VEGAS, NEVADA 89117
 AREA CODE 702-358-7767

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NEIL J. BELLER, LTD.
A PROFESSIONAL CORPORATION
7408 WEST SAHARA AVENUE
LAS VEGAS, NEVADA 89117
AREA CODE 702-368-7767


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

3 VERIFICATION

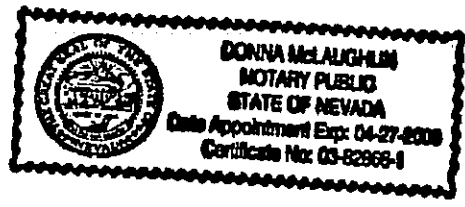
4 Under penalties of perjury, the undersigned declares that he a Plaintiff named in the foregoing
5 VERIFIED DERIVATIVE COMPLAINT and knows the contents thereof, that the pleading is true
6 of his own knowledge, except as to those matters stated on information and belief, and that as to such
7 matters he believes it to be true, and that during all relevant time periods referenced in the
8 VERIFIED DERIVATIVE COMPLAINT, he held and continues to hold shares of Kokoweef, Inc.,
9 stock, and did hold shares of Explorations Incorporated of Nevada stock, which were exchanged for
10 Kokoweef, Inc., shares of stock by the Plan of Reorganization of August 31, 2006.

11
12 
13 MICHAEL RANDOLPH

14
15
16 SIGNED AND SWORN TO before me on this 4th day of March 2008, by MICHAEL
17 RANDOLPH.

18
19 
20 NOTARY PUBLIC

21 [seal]

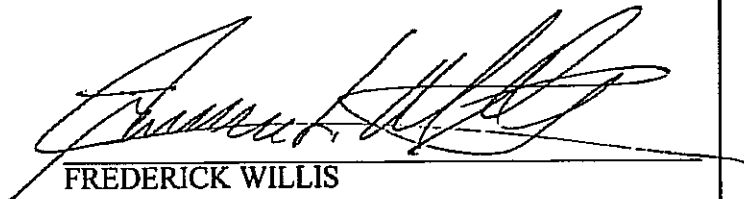


LAW OFFICES
NEIL J. BELLER, LTD.
A PROFESSIONAL CORPORATION
7408 WEST SAHARA AVENUE
LAS VEGAS, NEVADA 89117
AREA CODE 702-368-7767

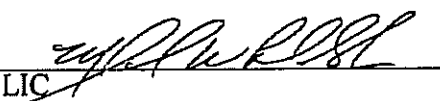
STATE OF NEVADA)
) ss:
COUNTY OF CLARK)

VERIFICATION

Under penalties of perjury, the undersigned declares that he a Plaintiff named in the foregoing VERIFIED DERIVATIVE COMPLAINT and knows the contents thereof, that the pleading is true of his own knowledge, except as to those matters stated on information and belief, and that as to such matters he believes it to be true, and that during all relevant time periods referenced in the VERIFIED DERIVATIVE COMPLAINT, he held and continues to hold shares of Kokoweef, Inc., stock, and did hold shares of Explorations Incorporated of Nevada stock, which were exchanged for Kokoweef, Inc., shares of stock by the Plan of Reorganization of August 31, 2006.


FREDERICK WILLIS

SIGNED AND SWORN TO before me on this 5 day of March 2008, by FREDERICK WILLIS.


NOTARY PUBLIC

[seal]

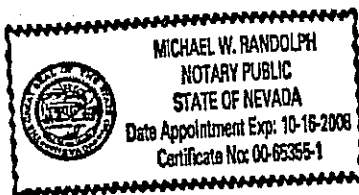


EXHIBIT "1"

AGREEMENT

THIS AGREEMENT is made the 19th day of March, 2007 by and between KOKOWEEF, INC., a Nevada corporation (hereinafter called "the Company"), and Clifford E. and Marjorie L. Keys (hereinafter called "the Purchaser.")

WITNESSETH:

WHEREAS the Company, which was incorporated on May 25, 2004, pursuant to its Articles of Incorporation has an authorized capitalization of 75,000,000 shares of common stock having a part value of \$.001 per share;

WHEREAS the Purchaser wishes hereby to purchase 2000 shares of the common stock of the Company having a par value of \$.01 per share (hereinafter called "the Shares"), representing not less than 0.0027 % of the issued and outstanding shares of the common stock of the Company, on the other terms and conditions hereinafter set forth; and

WHEREAS, the transactions involving the offer and sale by the Company to the Purchase of the Shares are intended to be in accordance with the exemption or exemptions from registration under the Securities Act of 1933, as amended (hereinafter called "the Act"), under Section 3(b) and/or 4(2) of the Act and/or Regulation D (hereinafter called "Regulation D") promulgated thereunder by the United States Securities and Exchange Commission (hereinafter called "the Commission") and /or Section 4(6) of the Act as well as the exemption from qualification pursuant to Subdivision (f) of Section 25102 of the California Corporate Securities Law of 1968, as amended;

NOW, THEREFORE, IT IS HEREBY AGREED by and between the parties hereto as follows:

1. Offer and Sale of the Shares. The Company hereby offers and sells to the Purchaser, and the Purchaser hereby purchases from the Company the Shares in consideration of the sum of \$12,000.00 receipt of which the Company hereby acknowledges, on the other terms and conditions hereinafter set forth.

2. Representations of the Purchaser. The Purchaser represents and warrants to the Company and to other purchasers of securities of the Company as follows:

- a. The Purchaser is a resident of the State of California and has no intention of becoming a resident or citizen of any other state or jurisdiction.
- b. The Purchaser has adequate means of providing for his current needs and possible personal contingencies, no need for liquidity of his investment in the Company hereunder, and a net worth and anticipates that he will

continue to have in the future income sufficient to bear the economic risk of losing his entire investment in the Company.

- c. The Shares have not been registered under the Act in reliance upon an exemption or exemptions from registration as hereinabove stated. The Purchaser is purchasing the Shares without being furnished any offering literature or prospectus.
- d. The Shares are being acquired solely for the Purchaser's own account, for investment, and are not being purchased with a view to or for resale, distribution, subdivision, or fractionalization thereof, and the Purchaser has no present plans to enter into any such contract, undertaking, agreement, or arrangement or otherwise to act as an "underwriter" as defined in Section 2(11) of the Act.
- e. The Purchaser acknowledges and is aware of the following:
 - (1) The Company is a new Nevada corporation having been incorporated on May 25, 2004. The Company has no operating history. Neither the Purchaser nor any past or present affiliates of the Purchaser has any experience in the business of the Company.
 - (2) The Shares constitute an extremely speculative investment which involves a very high degree of risk of loss by the Purchaser.
 - (3) There are substantial restrictions on the transferability of the Shares. The Shares will not be, and any holders of the Shares have no right to require that the Shares be, registered under the Act. There will be no public market for the Shares, and the Purchaser may not be able to avail himself of the provisions of Rule 144 promulgated by the Commission under the Act with respect to the resale of the Shares. Accordingly, it may be possible for the Purchaser to liquidate his investment in the Shares.

3. Representations of the Company. The Company represents and warrants to the Purchaser as follows:

- a. The Company was duly organized and is and shall be validly existing under and pursuant to the laws of the State of Nevada with full power to conduct the business in which it intends to engage.
- b. This Agreement has been duly authorized, executed and delivered on behalf of the Company, enforceable in accordance with its terms, and the Company has full power and lawful authority to sell and issue the Shares on the terms and conditions set forth.
- c. The consummation of the transactions contemplated by this Agreement in compliance with the provisions hereof will not result in any breach of any

of the terms, conditions, or provisions of, or constitute a default under, or result in the creation of any lien, charge, or encumbrance on, any property or assets of the Company pursuant to any indenture, mortgage, deed of trust, agreement, articles of incorporation, bylaws, contract, or other instrument to which the Company is a party or by which the Company may be bound.

- d. The Company is a new Nevada corporation which was incorporated on May 25, 2004, is in the developmental stage, has only recently commenced its business and, therefore, has no operating history.
- e. There is no litigation presently pending or threatened against the Company.
- f. The total number of shares of stock which the Company is authorized to issue, pursuant to the adoption of the aforesaid amendment to the Articles of Incorporation of the Company, is 75,000,000 shares of common stock having a par value of one cent (\$.001) per share.
- g. The Shares all have voting rights and are fully paid and nonassessable.
- h. Without limiting the Company's reliance on the exemption under Section 4(2) of the Act, the offer and sale of the Shares, including any transaction which may be deemed included as a part of such offer and sale are now being made and will be made in conformity with all the applicable conditions of Rule 504 of Regulation D, and it is understood and agreed that the Company is not supplying the Purchaser with any offering memorandum or other disclosure documentation under subparagraph (b) (2) of Rule 502 of Regulation D other than as set forth herein. As used herein the terms "offer" and "sale" have the meanings specified in Section 2(3) of the Act. The Company will not hereafter offer or sell any securities of the same or similar class as the Shares which offer or sale would cause the offer and sale of the Shares hereunder to fail to comply with the applicable conditions of Rule 504 of Regulation D.
- i. Neither the Company nor any person acting on behalf has offered or sold or will offer or sell securities of the Company by means of any form of general solicitation or general advertising as those terms are used in paragraph (c) of Rule 502 of Regulation D. No advertisement, article, notice, or other communication which could be deemed to be related to an offer or sale of any such securities has been or will be published in any newspaper, magazine, or similar medium or has been or will be broadcast over television or radio. No seminar or meeting will be held in connection with the offer and sale of any such securities the attendees of which shall have been invited by any general solicitation or general advertising. No letter, circular, notice or other written communication from the Company

or any person acting on its behalf in connection with the offer and sale of any such securities is being or will be used by the Company.

- j. The aggregate sales price of all sales of any such securities will not exceed the monetary limitations of Rule 504 of Regulation D.
- k. The Company and any person or persons acting on its behalf have exercised and will exercise reasonable care to assure that the purchasers of such securities of the Company are not underwriters in the transactions under this Agreement within the meaning of Section 2(11) of the Act.
- l. The agreements with all purchasers of such securities will contain a representation by each purchaser that such purchaser is purchasing such securities for his own account pursuant to the requirements of paragraph (d) of Rule 502 of Regulation D.
- m. The transactions involving the offer and sale of the Shares is part of an issue in which there are no more than twenty-five (25) purchasers in the State of Nevada during any twelve (12) consecutive months.
- n. No general solicitation or general advertising has been or will be used in connection with the offer to sell or sale of the Shares or any other shares of the common stock of the Company.
- o. No commission or other similar compensation has been or will be paid or given, directly or indirectly, to a person other than a broker-dealer licensed or not required to be licensed under Chapter 90 of Nevada Revised Statutes for soliciting a prospective purchaser in the State of Nevada.

4. Survival of Representations. The representations, warranties, and agreements of the parties hereto contained in this Agreement shall not be discharged or dissolved upon but shall survive the closing hereunder and shall be unaffected by any investigation made by any party at any time.

5. Business of the Company. The Company is the successor to Explorations Incorporated of Nevada, a Nevada corporation (hereinafter called "EIN"), which was incorporated on October 24, 1984 primarily for the purpose of engaging in mineral exploration and mining business activities. Since EIN has engaged in exploration by drilling, tunneling, and other mining procedure for minerals and water upon 85 patented acres of real property owned by Crystal Cave Mining, a Nevada corporation, under a lease with Crystal Cave Development Company, Inc., a California corporation, which, in turn leased the said property to EIN for \$500 per month until 2039 with an option to renew for twenty years on the same terms and conditions. EIN was, and the Company still is, in the exploratory stage.

6. Plan of Reorganization. On November 10, 2005, the Company entered into an Agreement and Plan of Reorganization ("the Agreement") with EIN. The Agreement provides that all of the assets, trademarks, trade names, franchises, intellectual property rights, licenses, leases, contracts, goodwill, name, and business ("the Assets") of EIN are to be exchanged for shares of the voting common stock of the Company, which is intended to be a Type "C" tax-free exchange under Section 368 of the Internal Revenue Code. Each shareholder of EIN is receiving one share of the common stock of the Company for and in lieu of each one share of EIN. The closing of the transactions under the Agreement was as of August 31, 2006. Upon completion of the exchange and the delivery of certificates of the Company's common stock in complete liquidation of EIN, the Company will be dissolved.

7. Attorneys' Fees. If any litigation is commenced between or among the parties or their representatives concerning any provisions of this Agreement or the rights and duties of any person or entity in relation to it, the party or parties prevailing in such litigation shall be entitled to, in addition to such other relief as may be granted, to a reasonable sum as and for his, its or their attorneys' fees in such litigation.

8. Counterparts. This Agreement may be executed in several counterparts, and as executed shall constitute one Agreement, binding on all of the parties to it, notwithstanding that all the parties are not signatory to the original or to the same counterpart.

9. Binding Effect. Except as otherwise provided to the contrary, this Agreement shall be binding upon and inure to the benefit of the parties signatory to this Agreement, their personal representatives, heirs, successors and assigns.

10. Headings. The headings of the paragraphs of this Agreement in no way define, limit, extend or interpret the scope of this Agreement or of any particular paragraph or section.

11. Additional Documents. Each of the parties hereto agrees to execute with acknowledgement or affidavit, if required, any and all additional documents which may be necessary or expedient in the consummation of this Agreement and the achievement of its purposes.

12. Validity. If any provisions of this Agreement is held to be invalid, the same shall not affect in any respect whatsoever the validity of the remainder of this Agreement.

13. Interpretation. When the context in which words are used in this Agreement indicates that such is the intent, words in the singular number shall include the plural and in the masculine gender shall include the feminine and neuter, and vice versa.

14. Applicable Law. It is the intention of the parties that the laws of the State of Nevada govern the validity of this Agreement, the construction of its terms and conditions, and the interpretation of the rights and duties of the parties.

15. Integrated Agreement. This Agreement constitutes the entire understanding and agreement between the parties hereto with respect to the subject matter of it, and there are no agreements, understandings, restrictions, representations or warranties between the parties hereto other than those set forth or provided in this Agreement.

16. Notices. All notices, requests, demands, and other communications hereunder shall be in writing and shall be deemed to have been duly given if personally delivered or transmitted by postage-prepaid registered or certified mail with return receipt requested, facsimile machine, Federal Express, United Parcel Service, Express Mail, or other overnight mail delivery service, as follows:

If to the Company: KOKOWEEF, INC.
C/o Larry Hahn, President
2008 East Lake Mead Blvd.
North Las Vegas, Nevada 89030

With copy to: Clary, Kostiw & Larmore, LLP
7201 W. Lake Mead Blvd., Suite 503
Las Vegas, Nevada 89128

If to the Purchaser: NAME OF PURCHASER
STREET NAME AND NUMBER
CITY, STATE AND ZIP CODE

or with respect to either of the parties hereto to such other address as may be provided in a written notice satisfying the conditions of this paragraph 16.

IN WITNESS WHEREOF the parties hereto have executed this Agreement the day and year first hereinabove written.

KOKOWEEF, INC.

By: _____
President
"The Company"

"The Purchaser"

EXHIBIT "2"

CLOSING AGREEMENT, ASSIGNMENT AND RECEIPT

THIS CLOSING AGREEMENT, ASSIGNMENT AND RECEIPT ("this Agreement") is made as of the 31st day of August, 2006 by and between EXPLORATIONS INCORPORATED OF NEVADA, a Nevada corporation ("the Old Company"), and KOKOWEEF, INC., a Nevada corporation ("the New Company").

W I T N E S S E T H :

WHEREAS on November 10, 2005 the Old Company and the New Company entered into that certain Agreement and Plan of Reorganization ("the Reorganization Agreement"), whereby, *inter alia*, the Old Company agreed to sell and assign to the New Company, and the New Company agreed to acquire from the Old Company, all of the Old Company's assets, and the New Company agreed to assume all of the liabilities of the Old Company excepting liabilities to the Old Company's stockholders solely in exchange for voting shares of the New Company's common stock; and

WHEREAS the Old Company and the New Company wish to close the transactions as provided in the Reorganization Agreement as of the date of this Agreement;

NOW, THEREFORE, in consideration of the mutual promises and covenant contained in the Reorganization Agreement and in this Agreement, the parties hereto agree as follows:

1. The Old Company hereby assigns, transfers and conveys to the New Company all of the Old Company's assets, trademarks, trade names, franchises, intellectual property rights, licenses, leases, contracts goodwill, name, and business ("the Assets"). Receipt of the Assets from the Old Company is hereby acknowledged by the New Company. The Old

Company shall execute all such other documents as may be necessary to effectuate the assignment and transfer of the Assets to the New Company including but not limited to a written assignment of that certain Agreement dated January 1, 1985 between the Cave Development Company, Inc., a corporation.

2. The New Company hereby assumes all of the liabilities of the Old Company excepting liability of the Old Company to its stockholders.

3. Upon receipt by the New Company from the Old Company's stockholders of certificates representing the issued and outstanding shares of the common stock of the Old Company, the New Company shall issue and transmit to such stockholders certificates for the same number of shares of the common stock of the New Company. The new certificates will contain an appropriate restrictive legend in compliance with the securities laws as provided in the Reorganization Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement the day and year first hereinabove written.

EXPLORATIONS INCORPORATED OF NEVADA

By Larry L. Hahn
President

KOKOWEEF INC.

By Larry L. Hahn
President

EXHIBIT "3"

PATRICK C. CLARY
DIRECT 702.212.0223

VINCENT J. KOSTIW
DIRECT 702.736.7774

THOMAS A. LARMORE
(Also admitted in CA)
DIRECT 702.243.0014

OF COUNSEL

JOE E. COLVIN

PETER J. PARENTI
(Admitted only in TX)

LAW OFFICES OF

CLARY, KOSTIW & LARMORE, LLP

CITY CENTER WEST

7201 WEST LAKE MEAD BOULEVARD, SUITE 503

LAS VEGAS, NEVADA 89128

T. 702.382.0813 F. 702.382.7277

www.NevadaSecurities.com

BRANCH OFFICES

543 PLUMAS ST.

RENO, NV 89509

T. 775.348.0099

F. 775.348.1738

9901 1H 10 W, SUITE 800

SAN ANTONIO, TX 78230

T. 210.558.2829

F. 210.558.8204

700 5TH ST. NW, SUITE 300

WASHINGTON, DC 20001

T. 202.789.8000

F. 202.371.1825

October 12, 2006

To the Stockholders of
EXPLORATIONS INCORPORATED OF NEVADA
A Nevada Corporation

Ladies and gentlemen:

I am counsel to both Explorations Incorporated of Nevada, a Nevada corporation ("Explorations Inc. of NV"), which was incorporated on October 24, 1984, and Kokoweef, Inc., a Nevada corporation ("Kokoweef"), which was incorporated on May 25, 2004.

On November 10, 2005 the Explorations and Kokoweef entered into that certain Agreement and Plan of Reorganization ("the Reorganization Agreement"), whereby, among other things, Explorations Inc. Of NV agreed to sell and assign to Kokoweef, and Kokoweef agreed to acquire from Explorations Inc. Of NV, all of Explorations Inc. of NV's assets, and Kokoweef agreed to assume all of the liabilities of Explorations Inc. of NV (except for liabilities to Explorations Inc. of NV's stockholders) solely in exchange for voting shares of the Kokoweef's common stock. As provided for in the Reorganization Agreement, holders of Explorations Inc. of NV's shares are entitled to exchange one share of the common stock of Explorations Inc. of NV for one share of the common stock of Kokoweef. The transactions under the Reorganization Agreement were closed as of August 31, 2006.

Accordingly, each stockholder of Explorations Inc. of NV should send his or her stock certificate to Kokoweef at 2908 East Lake Mead Boulevard, North Las Vegas, Nevada 89030, and it will be exchanged for a new Kokoweef stock certificate, which will then be issued and transmitted back.

Very truly yours,

Patrick C. Clary

PCC:bhc

EXHIBIT "4"

Rx Date/Time MAR-04-2008(TUE) 08:47
03/03/2008 21:05 4355862039
01/14/2008 14:53 7022555374

4355862039

P. 008

PAGE 07

PRE:PAID LEGAL ASSOC

PAGE 02

ROGER J. SMID
ASSAYER/CONSULTANT

1204 NORTH MOJAVE ROAD
LAS VEGAS, NEVADA, 89101-1672

Telephone (702)399-5706
FAX (702)399-1541
E-MAIL rogsmid@aol.com

ANALYTICAL REPORT

DATE: Sep. 16, 2006

CUSTOMER: Exploration Inc. of Nevada/Mr. Larry hahn

CUSTOMER ID # 1445 - 1700

ASSAY # 060932

ELEMENT

GOLD(Au)	0.202 oz/t
SILVER(Ag)	0.019 oz/t
PLATINUM(Pt)	0.012 oz/t
PALLADIUM(Pd)	0.016 oz/t
RHODIUM(Rh)	nil
RUTHENIUM(Ru)	nil
IRIDIUM(Ir)	0.002 oz/t
OSMIUM(Os)	n/a
INSOLUBLE/UNK.	

The above results are based upon the received/submitted sample(s) and accepted analytical methods. No warranty is made as to the reproducibility or the extractability of the sample(s), and no liability is assumed whatsoever as to the accuracy or the usefulness of any information contained within this report. This report is for **CONTROL PURPOSES ONLY**, and does not constitute a Certificate of Analysis or a Certificate of Assay. Any alteration of this report constitutes a null and void report. Unless prior arrangements are made, all samples, if any part is left, will be discarded after thirty(30) days.

ROGER J. SMID
ASSAYER/CONSULTANT

Ted & Olga Burke

From: "Richard Dutchik" <Richard-Dutchik@kokoweef.com>
To: "Ted ((Kokoweef)) Burke" <tedburke@cox.net>; "Hardin Charles" <Consolidated-Industries@usa.net>; "Ralph Lewis" <cocoweepah@gmail.com>; "Powers Charlie" <6231948@yahoo.com>; "Hanhardt James" <henhardt@hotmail.com>; "Lewis Ralph" <Cocoweep@aol.com>
Sent: Thursday, September 28, 2006 9:58 PM
Subject: Latest Assy report as of 28 Sept 2006

ROGER J. SMID

ASSAYER/CONSULTANT TELEPHONE (702)999-8706
1204 N. MOJAVE ROAD FAX (702)999-1641
LAS VEGAS, NEVADA, 89101-1672 E-MAIL rmid@aol.com

Sept. 28, 2006

To: Exploration Inc. of NV

Attn: Mr. Larry Hahn

Subject: Pulverized Samples

Mr. Hahn:

Based upon the submitted samples, the following information is furnished.

Three (3) samples labeled 740 - 100 (#1); 1105 - 1440 (#2); and 1405 - 1700 (#3) were pulverized to a Tyler mesh size of 325 using a ball mill. The purpose of this pulverization was to determine if a difference occurred between the assay of mesh sizes. The original assay of the samples was based upon a mesh size of 150 mesh (Tyler). Results are as follows:

Original Sample Assay Pb Zn Cu Fe

#1 0.110 0.007 0.002 0.003 0.0005 nil 0.001

#2 0.135 0.013 0.008 0.010 0.0005 nil 0.001

#3 0.202 0.019 0.012 0.016 nil nil 0.002

325 Mesh

#1 0.119 0.010 0.003 0.005 0.0006 nil 0.002

#2 0.207 0.019 0.008 0.008 0.0006 nil 0.003

#3 0.219 0.026 0.018 0.014 nil nil 0.005

The material from the three samples appears to be a carbonate, Dolomite (Dolomite Calcite). Crystals of Calcite, Silica, and Sph were observed. Crystals of Aragonite were also observed. This type of material is associated with Copper, Iron Sulfides, and Galena and possibly Zinc and in turn can be associated with Gold and Silver.

Respectfully Submitted;

Roger J. Smid
Assayer/Consultant

10/1/2006

EXHIBIT "5"



Mayan Gold, Inc.

7881 W. Charleston Blvd. #220
Las Vegas, NV 89117
www.mayangold.net

March 11, 2007

Kokoweef, Inc.
Attn: Mr. Ted Burke
Via electronic mail:
tedburke@cox.net

Dear Ted;

I want to thank you again for your time in showing me a little about the operations and history of your very interesting project near Mtn. Pass, CA. As I indicated to you after the visit, I was interested as a potential individual investor initially, but now I see that there may be a fit with my current gold company, Mayan Gold.

I probably mentioned that our Company currently has one mine in production with positive cash flows and a second mine which is about to be commissioned within the next few months which will double our revenues. We have invested over \$4,000,000 in those mines and 8 additional mining concessions, all in Honduras. We do have additional funding specifically set aside for US based projects and I am actively seeking such opportunities right now.

I know we didn't talk about that possibility, but if you and your board of directors have any interest in discussing how we might bring value to your project, I can say that we would be interested. I understand a little about the history of your company and I believe that any participation by Mayan Gold would have to respect that history and your goals. We typically rely on existing management to continue to run the projects we invest in but within certain guidelines, budgets and goals that we would jointly establish.

I look forward to your response.

Best Personal Regards,

Mark Zobrist, President

cc. John Bertoldo

EXHIBIT "6"

1
2 LAS VEGAS, NEVADA
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4

5 In re: Kokoweef Audit)
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TRANSCRIPT OF RECORDED CONVERSATION

September 18, 2007

Las Vegas, Nevada

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

1 (Recording began.)

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

3 UNIDENTIFIED SPEAKER: Hello.

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

5 UNIDENTIFIED SPEAKER: Yeah, it looks like it.

6 MR. BURKE: Yeah.

7 UNIDENTIFIED SPEAKER: Hi, guys.

8 MR. BURKE: Hey.

9 UNIDENTIFIED SPEAKER: Hi.

10 MR. BURKE: All right.

11 UNIDENTIFIED SPEAKER: Hey, Ted.

12 MR. BURKE: Hi, you guys.

13 UNIDENTIFIED SPEAKER: Hi, Ted.

14 MR. BURKE: Hi.

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

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

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

1 MR. BURKE: Sure.

2 MR. HAHN: Never (indiscernible) --

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

5 MR. BURKE: Pardon me?

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

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

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

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

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

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

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

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

22 MR. BURKE: Yeah.

23 MR. HAHN: Oh, the big journal?

24 MR. BURKE: Yeah.

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

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

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

7 MR. BURKE: Yeah, I know.

8 MR. HAHN: Maybe the --

9 UNIDENTIFIED SPEAKER: (Indiscernible).

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

13 MR. BURKE: Okay.

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

15 MR. BURKE: Yeah.

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

17 MR. BURKE: Yeah.

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

19 MR. BURKE: Yeah.

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

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

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

1 MR. BURKE: That's fine.

2 MR. CLARY: -- examination.

3 MR. BURKE: Okay.

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

6 UNIDENTIFIED SPEAKER: Yeah.

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

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

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

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

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

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

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

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

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

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

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

5 MR. BURKE: Well --

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

8 MR. BURKE: Right.

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

11 UNIDENTIFIED SPEAKER: (Indiscernible).

12 MR. BURKE: Right. I understand.

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

15 MR. BURKE: Yeah.

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

18 MR. BURKE: Yeah.

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

20 MR. BURKE: Yeah.

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

23 MR. BURKE: Yeah.

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

1 and I can.

2 MR. BURKE: Yeah, yeah.

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

5 MR. BURKE: Well --

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

8 MR. BURKE: Yeah.

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

12 MR. BURKE: Um-h'm.

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

15 MR. BURKE: Um-h'm.

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

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

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

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

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

2 MR. BURKE: Okay.

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

5 MR. BURKE: Yeah.

6 MR. CLARY: But I think --

7 MR. BURKE: But --

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

9 MR. BURKE: Here --

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

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

18 UNIDENTIFIED SPEAKER: (Indiscernible).

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

20 UNIDENTIFIED SPEAKER: (Indiscernible).

21 MR. HAHN: -- he and --

22 MR. BURKE: Yeah.

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

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

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

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

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

12 UNIDENTIFIED SPEAKER: Because we had --

13 UNIDENTIFIED SPEAKER: Well, supposed to do --

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

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

18 MR. BURKE: Okay.

19 UNIDENTIFIED SPEAKER: -- every year.

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

22 MR. CLARY: Okay.

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

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

1 MR. BURKE: Oh.

2 MR. CLARY: It's been postponed.

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

4 MR. CLARY: Sure.

5 MR. BURKE: Sure. Okay.

6 MR. HAHN: Absolutely.

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

8 MR. CLARY: And, so -- I mean -- so I -- I -- I
9 think, basically, my -- my advice to you would be -- basically,
10 I think Larry's kind of complied with everything, but maybe
11 this one document --

12 MR. BURKE: Yeah, yeah.

13 MR. CLARY: -- the journal, so-called journal. I
14 think it's pretty (indiscernible) --

15 MR. BURKE: Now, here's the, you know, as Richard and
16 I talked about the whole purpose of forming that new
17 corporation was for what purpose?

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

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

20 MR. CLARY: Cleaning up the securities violations.

21 MR. BURKE: Okay. So we had securities violations
22 that we could possibly be held liable for as it's board
23 members?

24 MR. CLARY: Yes.

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

1 what we need to look at and why.

2 MR. CLARY: I did what I did.

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

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

7 MR. BURKE: Okay.

8 MR. HAHN: Right?

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

10 MR. BURKE: Okay.

11 UNIDENTIFIED SPEAKER: (Indiscernible).

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

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

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

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

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

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

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

5 MR. BURKE: I understand.

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

8 MR. BURKE: Yeah.

9 UNIDENTIFIED SPEAKER: Yeah.

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

11 UNIDENTIFIED SPEAKER: Right.

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

14 MR. HAHN: Right.

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

16 MR. BURKE: Yeah.

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

19 MR. BURKE: Yeah.

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

21 MR. HAHN: Right.

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

24 MR. HAHN: That's right.

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

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

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

3 MR. BURKE: Well --

4 MR. CLARY: Does mean I -- and why anybody would go

5 talk to the them -- I mean, if they're going come -- if they're

6 going to take some action and -- and file --

7 MR. BURKE: That's not -- that's not what I'm after.

8 You know, I saw you at --

9 MR. CLARY: What are you after?

10 MR. BURKE: I told you at the gas station. What I'm

11 after is to make sure I'd don't get hung out to dry when an

12 action comes down by somebody else and I get put --

13 MR. CLARY: (Indiscernible) --

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

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

16 MR. BURKE: -- an attorney --

17 MR. CLARY: -- after the fact. You could do it

18 prospectively by not being an officer and director anymore.

19 MR. BURKE: That'd be --

20 UNIDENTIFIED SPEAKER: (Indiscernible) --

21 MR. BURKE: If I'm not an officer or director, then

22 I'm not liable for any past actions --

23 UNIDENTIFIED SPEAKER: (Indiscernible).

24 MR. BURKE: -- or inactions?

25 MR. CLARY: Did I say that?

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

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

4 MR. BURKE: Yeah.

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

6 MR. BURKE: My point --

7 MR. CLARY: What do you want --

8 MR. BURKE: My point --

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

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

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

15 MR. BURKE: Yeah.

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

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

21 MR. CLARY: Right.

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

23 MR. CLARY: No.

24 MR. BURKE: Okay. Just corporation then?

25 MR. CLARY: Right.

1 MR. HAHN: Corporation.

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

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

6 MR. BURKE: Well --

7 MR. CLARY: -- the SEC --

8 UNIDENTIFIED SPEAKER: Oh, you bet.

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

11 MR. BURKE: Yeah.

12 MR. HAHN: That's right.

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

15 MR. BURKE: Yeah.

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

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

20 MR. CLARY: Well, I --

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

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

23 MR. BURKE: Yeah.

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

1 MR. BURKE: Yeah.

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

3 MR. BURKE: Yeah.

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

8 MR. BURKE: Yeah.

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

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

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

15 MR. BURKE: Yeah. Intent here.

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

18 MR. BURKE: Right.

19 MR. CLARY: Scienter means criminal intent.

20 MR. BURKE: Let me ask you --

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

22 MR. BURKE: Let me ask you --

23 MR. CLARY: Let me finish.

24 MR. BURKE: All right.

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

1 the SEC -- the powers of the SEC has. The SEC and the state
2 agents here in Nevada has the right to bring -- get a cease and
3 desist order. It's in the form -- like an injunction.

4 The SEC has the right to go to court as a plaintiff in a
5 civil case not a criminal case, and sue people that violate the
6 securities law, get injunctions, get orders of disgorgement,
7 all kinds of things.

8 If the injunctions are violated, the person that violates
9 the injunction could actually go to jail. Then we have a jury
10 trial, then you go to jail anyway. I mean, it's a -- it's
11 not -- sound very American to me, but that's the way it works.

12 MR. BURKE: Not -- not --

13 MR. CLARY: That's not likely --

14 MR. BURKE: -- (indiscernible).

15 MR. CLARY: -- to happen.

16 MR. BURKE: Right.

17 MR. CLARY: I just finished settling a settlement,
18 getting it resolved, after two years or more of my -- what I
19 say is going to be my last SEC enforcement action.

20 My client owes me over \$100,000 for that and hasn't been
21 able to pay me yet.

22 MR. BURKE: Um-h'm.

23 MR. CLARY: I will not -- I'm not -- I'm 65 years
24 old, and I'm not going to do that anymore.

25 MR. BURKE: No problem.

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

2 MR. BURKE: Right.

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

4 MR. BURKE: It's law.

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

7 MR. BURKE: Yeah.

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

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

12 MR. CLARY: (Indiscernible) --

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

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

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

23 MR. BURKE: Um-h'm.

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

1 MR. BURKE: Um-h'm.

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

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

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

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

22 MR. BURKE: Yeah.

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

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

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

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

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

18 MR. BURKE: Um-h'm.

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

20 MR. BURKE: Um-h'm.

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

24 MR. BURKE: Um-h'm.

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

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

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

8 UNIDENTIFIED SPEAKER: A year.

9 MR. CLARY: Okay.

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

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

12 MR. BURKE: Yeah.

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

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

17 MR. BURKE: Um-h'm.

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

20 UNIDENTIFIED SPEAKER: Yeah.

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

22 UNIDENTIFIED SPEAKER: Right.

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

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

1 MR. HAHN: Yeah. Exactly.

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

6 MR. BURKE: Right.

7 MR. CLARY: The lawyers and the accountants.

8 MR. HAHN: Right.

9 MR. BURKE: Well --

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

12 MR. HAHN: CPA. Right.

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

15 MR. BURKE: Yeah.

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

17 MR. BURKE: Yeah.

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

20 MR. BURKE: (Indiscernible) right.

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

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

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

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

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

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

8 MR. HAHN: You're right.

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

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

18 UNIDENTIFIED SPEAKER: Oh, heavens no.

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

21 MR. BURKE: Right.

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

1 exemption.

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

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

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

8 MR. BURKE: Yeah.

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

11 UNIDENTIFIED SPEAKER: Yeah. Right.

12 MR. BURKE: Yeah.

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

15 MR. HAHN: (Indiscernible) --

16 MR. SIMSHAUSER: Yeah.

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

19 MR. CLARY: Number of individuals.

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

21 UNIDENTIFIED SPEAKER: Yeah.

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

24 UNIDENTIFIED SPEAKER: Yeah.

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

1 Arizona.

2 MR. CLARY: Yeah. Okay.

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

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

7 MR. HAHN: Okay.

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

11 MR. BURKE: Okay.

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

15 MR. HAHN: 1,200.

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

18 MR. BURKE: Yeah.

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

22 MR. BURKE: Yeah.

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

1 UNIDENTIFIED SPEAKER: Right.

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

4 UNIDENTIFIED SPEAKER: (Indiscernible).

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

8 MR. BURKE: Um-h'm.

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

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

17 MR. BURKE: Um-h'm.

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

20 MR. BURKE: It's probable.

21 MR. HAHN: Yeah.

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

24 MR. BURKE: Right.

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

1 MR. BURKE: Weighing the evidence, yeah.

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

4 MR. BURKE: Yeah.

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

7 UNIDENTIFIED SPEAKER: Yeah.

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

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

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

19 MR. HAHN: Right.

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

1 the Goddamn thing --

2 MR. HAHN: Right.

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

4 MR. BURKE: Yeah.

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

6 MR. BURKE: Yeah.

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

9 MR. BURKE: Yeah.

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

11 UNIDENTIFIED SPEAKER: (Indiscernible).

12 MR. CLARY: Fuzzy (indiscernible).

13 MR. BURKE: I have those senior moments.

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

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

18 UNIDENTIFIED SPEAKER: -- (indiscernible) --

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

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

25 MR. BURKE: Okay.

1 UNIDENTIFIED SPEAKER: (Indiscernible).

2 UNIDENTIFIED SPEAKER: (Indiscernible) CPA.

3 MR. BURKE: Yeah.

4 MR. CLARY: If there's something wrong there, we'll
5 correct it or make it go away.

6 MR. BURKE: That's my point, but if we --

7 UNIDENTIFIED SPEAKER: (Indiscernible).

8 MR. BURKE: Yeah. What we're doing for the --

9 UNIDENTIFIED SPEAKER: (Indiscernible).

10 MR. BURKE: We're doing that for the -- for Kokoweef,
11 right?

12 UNIDENTIFIED SPEAKER: Yeah.

13 MR. BURKE: Are we not liable further back?

14 MR. CLARY: I just got done explaining the statute of
15 limitations.

16 MR. BURKE: Yeah, I know.

17 MR. CLARY: Do I need to --

18 MR. BURKE: You said the two to five?

19 MR. CLARY: -- explain it again?

20 MR. BURKE: Two to five?

21 MR. CLARY: Two and five for things occurring since
22 that was amended. You go back further than the amendment and
23 the -- the -- (indiscernible) law which is maybe a year or two
24 old now with one and three, those are all gone.

25 MR. BURKE: So I'm not concerned about anybody making

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

3 MR. CLARY: Right.

4 MR. BURKE: That's right?

5 MR. HAHN: Yeah.

6 MR. BURKE: Two years ago?

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

10 MR. BURKE: Yeah.

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

18 MR. BURKE: Um-h'm.

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

24 MR. BURKE: Um-h'm.

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

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

5 MR. BURKE: Um-h'm.

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

7 MR. BURKE: So --

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

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

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

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

15 MR. CLARY: Two years --

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

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

19 MR. BURKE: Okay.

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

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

23 MR. SIMSHAUSER: Yeah.

24 MR. BURKE: Two years.

25 UNIDENTIFIED SPEAKER: Two years.

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

5 MR. HAHN: Until about April --

6 MR. BURKE: Yeah.

7 MR. HAHN: -- of last year.

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

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

13 MR. BURKE: May of --

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

16 MR. BURKE: Yeah.

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

18 MR. BURKE: Okay.

19 MR. CLARY: What (indiscernible) --

20 MR. BURKE: Well, I --

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

23 MR. BURKE: Yeah.

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

1 guys --

2 MR. BURKE: Yeah, yeah.

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

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

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

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

9 UNIDENTIFIED SPEAKER: Neither do I.

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

11 UNIDENTIFIED SPEAKER: (Indiscernible).

12 MR. BURKE: Yeah.

13 UNIDENTIFIED SPEAKER: (Indiscernible).

14 MR. BURKE: And so --

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

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

21 MR. CLARY: -- misrepresentations.

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

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

25 UNIDENTIFIED SPEAKER: But --

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

2 MR. HAHN: To upgrade the camp --

3 (Phone ringing in background.)

4 MR. BURKE: What --

5 (Colloquy not on the record.)

6 MR. BURKE: Okay.

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

8 MR. BURKE: We have to finish this (indiscernible).
9 It's an incomplete list.

10 (Colloquy not on the record.)

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

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

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

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

17 MR. BURKE: Yeah.

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

23 MR. BURKE: Um-h'm.

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

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

5 MR. BURKE: Whatever.

6 MR. SIMSHAUSER: Yeah.

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

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

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

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

14 UNIDENTIFIED SPEAKER: Yeah.

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

17 UNIDENTIFIED SPEAKER: EIN is the --

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

20 UNIDENTIFIED SPEAKER: (Indiscernible), right.

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

23 MR. HAHN: Ledger?

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

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

1 MR. BURKE: All right.

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

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

4 MR. HAHN: She's got everything there, but I -- I got
5 copies, so I'll -- yeah.

6 MR. BURKE: Get us --

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

8 MR. BURKE: Get us to a point where we can sleep at
9 night and we can -- we're okay. Yeah. I don't think I'm going
10 to be around much longer anyway, so in terms of being a officer
11 so -- it's -- if I'm reading some of the rumors right.

12 MR. HAHN: Well, one other thing I'm concerned about
13 today, Pat, is we got two drill rigs here.

14 MR. BURKE: Um-h'm.

15 MR. HAHN: They were bought at the same time from a
16 guy in -- up in the -- up in the -- Idaho. Idaho. By the name
17 of Doug Kettle for \$70,000, and a couple of weeks ago Ted
18 brought me in the -- (indiscernible) title to these.

19 Here's the two checks. I sent one for \$35,000, and Olga
20 sent one for 35,000, and he presented me with a title, but
21 unfortunately on the back side of this title is -- he signed
22 off, and that's on the rig that is apparently mine because he
23 chose which one he wanted, so I said, fine, no problem.
24 Whatever you want to do --

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

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

4 UNIDENTIFIED SPEAKER: (Indiscernible) --

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

10 MR. CLARY: You paid personally for that?

11 MR. BURKE: Yeah. Yeah.

12 (Cell phone ringing in background.)

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

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

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

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

23 UNIDENTIFIED SPEAKER: Who's --

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

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

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

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

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

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

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

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

20 MR. CLARY: Go with the agreement.

21 MR. BURKE: Yeah.

22 MR. HAHN: Okay.

23 MR. BURKE: Assignment. Reassignment.

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

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

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

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

6 UNIDENTIFIED SPEAKER: (Indiscernible).

7 MR. BURKE: Okay. Could --

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

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

13 UNIDENTIFIED SPEAKER: Yeah.

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

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

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

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

22 UNIDENTIFIED SPEAKER: (Indiscernible) --

23 MR. BURKE: A partial list, yeah.

24 MR. CLARY: Partial list of stockholders.

25 MR. BURKE: Right.

1 UNIDENTIFIED SPEAKER: But not --

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

4 Do you dispute the accuracy of that?

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

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

7 MR. HAHN: No.

8 MR. BURKE: I'm not --

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

10 MR. BURKE: Yeah.

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

13 MR. BURKE: Right. And so --

14 UNIDENTIFIED SPEAKER: (Indiscernible) --

15 MR. BURKE: Hence, the --

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

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

19 MR. BURKE: I --

20 UNIDENTIFIED SPEAKER: -- on Kokoweef only.

21 MR. BURKE: (Indiscernible) --

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

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

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

3 UNIDENTIFIED SPEAKER: Um-h'm.

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

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

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

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

12 MR. CLARY: As far as I know.

13 MR. BURKE: All right. Okay.

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

15 MR. BURKE: Okay. All right.

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

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

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

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

1 MR. HAHN: You've --

2 MR. BURKE: -- phone numbers.

3 MR. HAHN: You've got all the addresses of his
4 people.

5 MR. BURKE: What about the ones that are not?

6 MR. HAHN: What? All 1,200?

7 MR. BURKE: Well --

8 MR. HAHN: Yeah.

9 MR. BURKE: Yeah.

10 MR. HAHN: Does he need those?

11 MR. BURKE: Well, that's what the bylaws say.

12 MR. CLARY: Give him copy of it.

13 MR. BURKE: That's my point.

14 MR. CLARY: Okay.

15 MR. BURKE: You know. That's the thing that --

16 MR. HAHN: These are people -- even half of we can't
17 find or I told you.

18 MR. BURKE: That's fine.

19 UNIDENTIFIED SPEAKER: That's fine?

20 MR. BURKE: That's the stuff that made my sphincter
21 muscle jump. that's says, hey, you know, I'm responsible for
22 this and I don't even have their names and addresses?

23 MR. HAHN: Wow. What are you going to do with it?
24 What are you going to do with it?

25 MR. BURKE: Well, I'm just saying my point is to do

1 my job, for one thing.

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

3 MR. BURKE: No. What for?

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

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

8 UNIDENTIFIED SPEAKER: I asked --

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

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

16 UNIDENTIFIED SPEAKER: (Indiscernible).

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

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

21 UNIDENTIFIED SPEAKER: (Indiscernible).

22 UNIDENTIFIED SPEAKER: Right.

23 MR. BURKE: Yeah. Okay.

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

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

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

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

6 MR. CLARY: (Indiscernible) --

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

8 MR. CLARY: Let me explain --

9 MR. BURKE: When I read --

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

12 MR. BURKE: Yeah. I understand that.

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

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

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

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

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

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

20 UNIDENTIFIED SPEAKER: (Indiscernible) two years --

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

23 MR. BURKE: Yeah.

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

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

3 MR. BURKE: Put it into a what?

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

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

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

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

16 MR. BURKE: Okay. All right.

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

18 MR. BURKE: Okay.

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

20 MR. BURKE: Okay.

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

23 MR. BURKE: Okay.

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

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

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

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

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

6 MR. HAHN: (Indiscernible).

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

9 MR. HAHN: (Indiscernible) --

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

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

14 MR. BURKE: I --

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

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

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

21 UNIDENTIFIED SPEAKER: Okay.

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

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

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

3 MR. HAHN: Right.

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

6 UNIDENTIFIED SPEAKER: Yeah.

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

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

9 MR. BURKE: Yeah.

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

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

13 MR. HAHN: Right.

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

15 MR. HAHN: Sure.

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

18 MR. BURKE: Yeah.

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

20 MR. BURKE: Yeah.

21 MR. CLARY: -- the agreement.

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

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

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

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

4 MR. BURKE: Um-h'm.

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

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

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

10 MR. HAHN: We had a little -- we had \$20,000 --
11 (Colloquy not on the record.)

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

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

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

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

21 UNIDENTIFIED SPEAKER: So Kokoweef --

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

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

24 MR. BURKE: Kokoweef's --

25 MR. CLARY: -- (indiscernible).

1 MR. BURKE: -- got the 17 grand.

2 MR. CLARY: Well, that needs to --

3 MR. BURKE: He knows that.

4 MR. CLARY: -- put on the company book as a loan then
5 I guess.

6 MR. HAHN: I don't there. I -- because he has never
7 given me any documentation.

8 UNIDENTIFIED SPEAKER: (Indiscernible) --

9 MR. HAHN: I don't have it. All I got is this
10 ledger. He says he has it. He says (indiscernible).

11 MR. BURKE: Yeah. I did.

12 MR. HAHN: And whatever the balance is he should be
13 able to close out the account and give it back to Bill, and
14 then I need something --

15 MR. BURKE: (Indiscernible) --

16 MR. HAHN: -- to say, hey, (indiscernible).

17 MR. BURKE: We closed if out by writing a check to
18 Kokoweef --

19 MR. CLARY: Okay. I understand.

20 MR. BURKE: And he deposited it.

21 MR. CLARY: Well, Let's get that -- let's get the
22 evidence of that and then we can -- we can close this
23 (indiscernible). If there's a balance.

24 MR. BURKE: (Indiscernible). What do you mean,
25 balance?

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

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

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

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

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

13 UNIDENTIFIED SPEAKER: (Indiscernible)?

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

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

18 UNIDENTIFIED SPEAKER: (Indiscernible).

19 MR. BURKE: Pardon me?

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

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

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

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

1 have a problem with that.

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

5 MR. HAHN: Yeah.

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

8 MR. HAHN: Right.

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

11 MR. HAHN: That's right.

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

15 UNIDENTIFIED SPEAKER: Sure.

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

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

21 UNIDENTIFIED SPEAKER: (Indiscernible).

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

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

1 UNIDENTIFIED SPEAKER: (Indiscernible).

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

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

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

10 UNIDENTIFIED SPEAKER: The only (indiscernible) --

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

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

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

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

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

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

24 MR. BURKE: Yeah, yeah.

25 MR. CLARY: Bylaws.

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

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

4 MR. BURKE: Um-h'm.

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

7 MR. BURKE: Um-h'm.

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

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

11 MR. CLARY: Why?

12 MR. BURKE: Because they were already issued.

13 Some issued to people --

14 MR. CLARY: Well, --

15 MR. BURKE: -- like LB.

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

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

23 Is that an impropriety?

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

1 the number of shares and the consideration.

2 MR. HAHN: Right.

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

6 MR. CLARY: What was the consideration?

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

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

12 MR. BURKE: Yeah.

13 UNIDENTIFIED SPEAKER: I agree.

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

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

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

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

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

25 UNIDENTIFIED SPEAKER: (Indiscernible) --

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

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

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

6 MR. CLARY: Who?

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

9 MR. CLARY: No. Sit down.

10 MR. BURKE: Screw you guys. No.

11 MR. CLARY: Come on, Ted.

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

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

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

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

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

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

21 UNIDENTIFIED SPEAKER: -- (indiscernible).

22 UNIDENTIFIED SPEAKER: Yeah.

23 MR. BURKE: To keep myself covered.

24 UNIDENTIFIED SPEAKER: (Indiscernible).

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

1 care about ourselves.

2 MR. HAHN: I do.

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

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

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

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

11 MR. BURKE: What's that?

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

13 MR. BURKE: (Indiscernible) --

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

15 MR. BURKE: I understand that.

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

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

18 MR. CLARY: -- interrogate you --

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

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

22 MR. BURKE: Yes.

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

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

1 put up a \$68,000 building up on (indiscernible). I purchased a
2 rig out of my pocket which I'm getting nothing out of except
3 get my own rig back, and I lost --

4 UNIDENTIFIED SPEAKER: (Indiscernible).

5 MR. BURKE: Give me a break.

6 MR. HAHN: You just went up and painted it. You're
7 ready to sell it.

8 MR. BURKE: I am. I do. I do.

9 MR. HAHN: Okay. So what's the problem, Pard? I
10 had --

11 MR. BURKE: So the point is -- that the -- any stock
12 award I got had nothing to do with that.

13 MR. HAHN: He was awarded stock back in the 90's for
14 putting the building up. 5,000 shares we gave him.

15 MR. BURKE: \$30,000 dollars for a \$68,000 building,
16 right.

17 MR. HAHN: He only brought some Mexican guys up to
18 help build. We spent \$8,000, and I have the book -- I have the
19 receipts -- for the trusses. The -- everything else was given.

20 MR. BURKE: Given?

21 MR. HAHN: Randy -- yeah. Given to us by other
22 people. Randy Stenberg put in all the lumber. He had -- he's
23 got --

24 MR. BURKE: He put in all the lumber?

25 MR. HAHN: Yeah.

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

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

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

7 MR. HAHN: What have you got?

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

9 MR. CLARY: Have you got the receipts?

10 MR. BURKE: Yes, I do.

11 MR. CLARY: (Indiscernible) --

12 MR. BURKE: I told you keep --

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

14 MR. BURKE: Yes, yes.

15 MR. HAHN: Of what?

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

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

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

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

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

22 MR. CLARY: -- about liability.

23 MR. BURKE: Yeah.

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

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

3 MR. BURKE: It's cancelled.

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

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

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

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

11 MR. CLARY: All right.

12 MR. BURKE: None.

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

14 That's good --

15 MR. BURKE: Okay.

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

18 MR. BURKE: I know.

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

20 MR. BURKE: That is --

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

24 MR. BURKE: Um-h'm.

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

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

5 MR. BURKE: Um-h'm.

6 MR. CLARY: So I like --

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

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

10 UNIDENTIFIED SPEAKER: Right.

11 MR. BURKE: Yeah.

12 UNIDENTIFIED SPEAKER: Because this --

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

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

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

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

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

25 MR. BURKE: Yeah. All right.

1 MR. CLARY: It's very simple.

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

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

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

8 UNIDENTIFIED SPEAKER: Here?

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

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

11 MR. CLARY: Is this the vote?

12 MR. BURKE: Pardon me?

13 MR. CLARY: Is this the vote?

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

16 UNIDENTIFIED SPEAKER: (Indiscernible) --

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

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

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

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

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

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

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

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

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

7 MR. BURKE: I was --

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

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

12 MR. HAHN: Right.

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

15 MR. HAHN: Exactly.

16 MR. BURKE: Um-h'm.

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

19 MR. BURKE: That's an issue?

20 MR. CLARY: (Indiscernible) --

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

22 MR. CLARY: -- probably --

23 MR. BURKE: I'm signing --

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

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

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

5 MR. BURKE: You answer that.

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

7 MR. BURKE: I'm asking him.

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

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

11 UNIDENTIFIED SPEAKER: Yeah.

12 UNIDENTIFIED SPEAKER: All the (indiscernible) --

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

15 UNIDENTIFIED SPEAKER: Sure.

16 MR. BURKE: Yeah.

17 MR. HAHN: Shelby.

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

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

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

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

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

5 MR. HAHN: Right.

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

8 MR. HAHN: No. Well --

9 MR. BURKE: It was issued for services?

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

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

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

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

17 UNIDENTIFIED SPEAKER: (Indiscernible).

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

20 UNIDENTIFIED SPEAKER: Right.

21 MR. BURKE: Um-h'm.

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

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

25 MR. CLARY: Well, what part?

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

3 UNIDENTIFIED SPEAKER: (Indiscernible) --

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

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

8 MR. BURKE: Um-h'm.

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

11 MR. BURKE: Right.

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

14 MR. BURKE: Yeah.

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

16 MR. BURKE: Yeah.

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

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

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

22 MR. BURKE: Okay. All right.

23 MR. CLARY: Separate.

24 MR. BURKE: Okay.

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

1 MR. BURKE: Right.

2 MR. CLARY: -- they have a value --

3 MR. BURKE: Right.

4 MR. CLARY: -- and you get credit for that.

5 MR. BURKE: Yeah.

6 MR. CLARY: What -- what do you think was just --

7 MR. BURKE: Well, you could ask (indiscernible) --

8 you're sitting there asking me to relate -- give you --

9 MR. CLARY: I'm just asking --

10 MR. BURKE: I'm -- I'm -- I know but I'm --

11 MR. CLARY: -- you to take a guess.

12 MR. BURKE: I know, but I'm --

13 MR. CLARY: I'm not --

14 MR. BURKE: (Indiscernible), you know, scientific

15 wild-ass guess. Excuse my French.

16 MR. CLARY: Okay. That's fine.

17 MR. BURKE: Yeah.

18 MR. CLARY: Just give me a guess.

19 MR. BURKE: In terms of value, cash value?

20 MR. CLARY: No. In terms of services of --

21 MR. BURKE: Services or what the work services are

22 worth?

23 MR. CLARY: What number of shares of the 70,000 do

24 you think -- as a wild-ass guess -- is the number that was for

25 services?

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

3 MR. HAHN: No.

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

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

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

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

9 MR. BURKE: All right.

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

12 MR. HAHN: \$6 a share.

13 MR. CLARY: \$6 a share?

14 MR. HAHN: \$6 a share.

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

16 MR. BURKE: Okay.

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

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

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

23 MR. BURKE: Okay.

24 MR. CLARY: I tell my clients --

25 MR. BURKE: Um-h'm.

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

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

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

12 MR. CLARY: I --

13 MR. BURKE: Not only that --

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

15 MR. BURKE: Yeah. Not only --

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

17 MR. BURKE: Yeah, yeah.

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

20 UNIDENTIFIED SPEAKER: Yeah.

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

25 MR. BURKE: Well, no.

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

3 MR. BURKE: Yeah.

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

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

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

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

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

14 MR. BURKE: Yeah.

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

18 UNIDENTIFIED SPEAKER: Yeah.

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

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

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

25 MR. HAHN: Okay.

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

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

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

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

7 MR. BURKE: Yeah.

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

9 MR. BURKE: Yeah.

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

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

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

15 MR. BURKE: Right.

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

18 MR. BURKE: Um-h'm.

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

21 MR. BURKE: Most of those --

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

24 MR. BURKE: Um-h'm.

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

1 MR. BURKE: Um-h'm.

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

3 MR. BURKE: It does, Pat, but I got to tell you those

4 stock certificates were already issued. Some of them months

5 maybe even years before we -- that I've (indiscernible) --

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

7 certificates.

8 UNIDENTIFIED SPEAKER: The --

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

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

11 MR. BURKE: Yeah.

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

13 right now.

14 MR. BURKE: Yeah.

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

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

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

18 MR. BURKE: Yeah. I'm going to get -- I'm going

19 myself in a defensive position, but I'll deal with it. I'll

20 find somehow, some way.

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

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

23 MR. HAHN: All you have to do is give back the 70,000

24 shares, and we'll give him what he -- what he has involved in

25 the money, which if he's got --

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

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

5 MR. BURKE: Yeah.

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

8 MR. BURKE: Yeah. Well --

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

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

11 MR. CLARY: You would --

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

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

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

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

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

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

23 MR. BURKE: Yeah.

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

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

1 of --

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

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

8 MR. CLARY: Yeah.

9 MR. BURKE: So --

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

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

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

15 MR. BURKE: Yeah.

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

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

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

23 MR. BURKE: Yeah.

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

25 MR. BURKE: Yeah.

1 MR. CLARY: -- is anybody wanting?

2 MR. BURKE: Yeah, yeah. Yeah.

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

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

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

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

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

12 MR. BURKE: Yeah. Somebody.

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

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

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

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

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

20 MR. BURKE: Knows what their talking.

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

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

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

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

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

6 MR. BURKE: Who -- Mark Seagal?

7 MR. CLARY: Nelson Seagal.

8 MR. BURKE: Nelson Seagal.

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

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

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

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

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

17 MR. BURKE: Yeah.

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

20 MR. BURKE: Yeah, yeah.

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

23 MR. BURKE: Okay. Well --

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

25 MR. BURKE: Okay.

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

3 MR. BURKE: Yeah.

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

6 MR. HAHN: Yeah.

7 MR. BURKE: Right.

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

10 MR. BURKE: Right.

11 MR. CLARY: -- before it explodes.

12 MR. BURKE: I understand.

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

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

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

20 MR. BURKE: Um-h'm.

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

25 MR. BURKE: No, no, no.

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

6 MR. BURKE: Your people complaining.

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

8 MR. BURKE: Okay.

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

11 MR. BURKE: You seen this before?

12 UNIDENTIFIED SPEAKER: Yeah.

13 MR. BURKE: Oh.

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

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

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

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

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

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

25 MR. BURKE: (Indiscernible) return?

1 MR. HAHN: And I said, Ted, how do I promise guys
2 anything --

3 MR. BURKE: Wait a minute. I didn't --

4 MR. HAHN: -- in the mining business other than that
5 you'll keep going. He (indiscernible) --

6 MR. BURKE: This is not what I come here to listen
7 to, okay?

8 MR. CLARY: Oh, no, no.

9 MR. BURKE: I don't want to listen to him complaining
10 about how bad --

11 MR. HAHN: (Indiscernible) --

12 MR. BURKE: -- I do.

13 MR. HAHN: -- telling you what happened at the
14 meeting, and I was sitting there and all the board members are
15 sitting there, and 50 other people are sitting there listening
16 to this. I think to myself, Goddamn, how can he promise people
17 --

18 MR. BURKE: How do you know I promised anybody
19 anything?

20 MR. HAHN: Because --

21 MR. BURKE: How?

22 MR. HAHN: -- you told them.

23 MR. BURKE: How do you I know promised?

24 MR. HAHN: You have told me a dozen times that you'd
25 find --

1 MR. BURKE: Bull shit.

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

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

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

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

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

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

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

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

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

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

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

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

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

7 MR. CLARY: That's correct.

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

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

11 MR. BURKE: Still --

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

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

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

17 MR. BURKE: You --

18 MR. HAHN: All the books are in.

19 MR. BURKE: It's great.

20 MR. HAHN: All the money is done.

21 MR. BURKE: All right.

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

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

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

3 MR. BURKE: Yeah.

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

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

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

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

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

13 MR. BURKE: Right.

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

15 MR. BURKE: Right, yeah.

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

18 MR. BURKE: For Kokoweef.

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

20 MR. BURKE: Okay. For Kokoweef?

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

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

1 UNIDENTIFIED SPEAKER: (Indiscernible) --
2 MR. BURKE: I'm no CPA.
3 UNIDENTIFIED SPEAKER: I haven't heard him turn down
4 any (indiscernible) --
5 MR. BURKE: All right.
6 MR. HAHN: 2005 was the --
7 MR. BURKE: All right.
8 MR. HAHN: -- lowest year we ever had in spending
9 money out there. We spent only \$76,000, roughly.
10 MR. BURKE: Um-h'm.
11 MR. HAHN: We had -- we took very little in, in 2005.
12 Which is fine. He's got it all. I'll give him -- send him
13 another copy of it and --
14 MR. BURKE: (Indiscernible), yeah. Just, you know,
15 your expense log for both years.
16 UNIDENTIFIED SPEAKER: Exactly.
17 MR. BURKE: That's all I need.
18 UNIDENTIFIED SPEAKER: (Indiscernible) --
19 MR. BURKE: All right. Then we're -- we're through.
20 UNIDENTIFIED SPEAKER: (Indiscernible) --
21 MR. BURKE: I'm done.
22 MR. CLARY: I got no argument, but I think that --
23 that, you know, we're going to get a report from the CPA. If
24 there's some irregularities, she's going to find them --
25 MR. BURKE: Yeah.

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

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

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

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

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

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

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

13 MR. BURKE: Yeah.

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

16 MR. BURKE: Sure.

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

18 MR. BURKE: Sure.

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

20 MR. BURKE: Okay.

21 MR. CLARY: -- what you wanted.

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

25 MR. CLARY: That's fine.

1 MR. BURKE: All right. Okay. And then you get me
2 one for '05, and I'll finish it, and we'll be done with it.
3 MR. CLARY: I think -- does she --
4 MR. BURKE: But I --
5 MR. CLARY: -- have that, '05?
6 MR. HAHN: I don't know. I don't know for sure. She
7 never asked for it. I -- we made that up special just for Ted.
8 MR. BURKE: It's a sale of stocks for '05. It's
9 not -- it's not --
10 MR. CLARY: (Indiscernible) --
11 MR. BURKE: -- it's is not an expense log.
12 MR. CLARY: (Indiscernible) -- income. Don't call it
13 income, no. It's not income. (Indiscernible) -- stock
14 sales --
15 MR. BURKE: Stock sales.
16 MR. HAHN: The expense that we spent and what came
17 in.
18 MR. BURKE: And stock sales, yeah.
19 MR. CLARY: (Indiscernible) income (indiscernible).
20 MR. BURKE: Yeah.
21 MR. CLARY: None whatsoever.
22 MR. BURKE: Yeah, yeah.
23 UNIDENTIFIED SPEAKER: Never.
24 MR. BURKE: Okay.
25 MR. HAHN: So you get \$76,000 we spent in '05, and

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

3 MR. BURKE: Okay.

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

6 UNIDENTIFIED SPEAKER: That's fine.

7 MR. BURKE: Yeah.

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

13 UNIDENTIFIED SPEAKER: Okay.

14 MR. BURKE: Okay. All right.

15 MR. CLARY: But I think that you should feel as
16 though your -- your demands have been complied with --

17 MR. BURKE: Yeah.

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

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

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

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

1 MR. HAHN: Because it's --

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

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

6 MR. BURKE: Okay.

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

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

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

14 MR. BURKE: Yeah, yeah.

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

16 MR. BURKE: Um-h'm.

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

19 MR. BURKE: Yeah.

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

22 MR. BURKE: Yeah.

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

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

2 MR. BURKE: Yeah.

3 UNIDENTIFIED SPEAKER: That's right.

4 MR. BURKE: Well --

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

6 MR. BURKE: That is exactly why I'm doing it

7 now, Pat.

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

9 situation.

10 MR. BURKE: That's right. That's exactly why I'm

11 doing it now because the dog fights are going to come later.

12 If somebody wants to come up and bite us, that's when it's

13 going to happen. I want to be prepared for that.

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

15 about it --

16 MR. BURKE: Yeah, yeah.

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

18 MR. BURKE: Yeah.

19 MR. CLARY: And then -- and what you have demanded is

20 what's happening.

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

22 MR. CLARY: And it -- I feel much more comfortable

23 with what she's going to say about looking at the books then

24 what any of you guys say.

25 MR. BURKE: Yeah.

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

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

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

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

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

13 MR. BURKE: Well --

14 UNIDENTIFIED SPEAKER: I have to --

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

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

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

20 UNIDENTIFIED SPEAKER: Um-h'm.

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

25 MR. BURKE: Um-h'm.

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

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

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

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

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

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

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

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

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

22 MR. HAHN: That's fine --

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

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

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

1 it back?

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

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

6 MR. BURKE: Okay.

7 UNIDENTIFIED SPEAKER: (Indiscernible) --

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

11 UNIDENTIFIED SPEAKER: (Indiscernible) --

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

14 MR. CLARY: Right.

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

16 UNIDENTIFIED SPEAKER: Okay.

17 MR. BURKE: You know --

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

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

21 MR. HAHN: Yeah.

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

23 UNIDENTIFIED SPEAKER: Exactly.

24 MR. BURKE: Yeah, yeah.

25 MR. CLARY: So, you know --

1 MR. BURKE: Okay.

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

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

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

7 MR. BURKE: Document it.

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

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

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

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

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

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

19 MR. BURKE: Um-h'm.

20 UNIDENTIFIED SPEAKER: (Indiscernible) --

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

23 UNIDENTIFIED SPEAKER: Not going work.

24 MR. BURKE: Okay.

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

1 liability and get sued?

2 MR. HAHN: Yeah.

3 MR. BURKE: Okay.

4 MR. CLARY: Waive this little mother around.

5 MR. SIMSHAUSER: Right, right.

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

8 MR. CLARY: I can --

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

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

11 MR. BURKE: Okay.

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

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

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

20 MR. BURKE: What's that?

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

1 MR. BURKE: Well --

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

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

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

6 (Indiscernible) counter signature.

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

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

9 MR. BURKE: Yeah.

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

12 MR. BURKE: I know.

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

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

15 MR. CLARY: -- that own all the offices, but the
16 bylaws -- now as far as I know, no one person has ever held --

17 UNIDENTIFIED SPEAKER: You got them right there.

18 MR. CLARY: -- both president -- yeah.

19 (Indiscernible).

20 MR. BURKE: But if you read the --

21 MR. CLARY: Because the (indiscernible) --

22 MR. BURKE: If you read the bylaws --

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

24 MR. BURKE: If you read --

25 MR. CLARY: (Indiscernible) --

1 MR. BURKE: -- it reads --

2 MR. CLARY: -- 20, 30 years ago.

3 UNIDENTIFIED SPEAKER: -- years ago.

4 MR. CLARY: And that's the only --

5 MR. BURKE: Read -- read it.

6 MR. CLARY: I don't think that's -- I reread them.

7 That --

8 MR. BURKE: Okay. All right.

9 UNIDENTIFIED SPEAKER: -- (indiscernible).

10 MR. BURKE: Okay. All right. I'm not going to argue
11 with you. Okay.

12 UNIDENTIFIED SPEAKER: (Indiscernible).

13 MR. BURKE: I'm not going to argue with you about it,
14 okay? Okay. I'm just --

15 UNIDENTIFIED SPEAKER: (Indiscernible) --

16 MR. BURKE: And I -- I came up with a different
17 interpretation. You're an attorney.

18 MR. CLARY: Well --

19 MR. BURKE: Okay.

20 MR. CLARY: -- I've looked at it. I looked at it --

21 MR. BURKE: Yeah.

22 MR. CLARY: -- the last time you were here because
23 you raised the issue.

24 UNIDENTIFIED SPEAKER: I asked you, am I reading this
25 wrong? I mean, I could show you right now. Let me show it to

1 you. I wanted to be sure I was right about this because he
2 keeps raising this issue.

3 MR. CLARY: An officer. Article 5, section 1
4 (phonetic), it's the option of the corporation there will be a
5 president, a vice president, a treasurer, and a secretary, and
6 such others blah, blah, blah.

7 One person may hold one or more offices and perform the
8 duties of one or more of said offices except those of president
9 and secretary.

10 MR. BURKE: Yeah.

11 MR. CLARY: Clear enough?

12 MR. BURKE: Except -- except those -- except those of
13 president and secretary. They can only -- they can only have
14 one, right? Is that the what I'm reading this?

15 MR. CLARY: That means that you can't -- a person
16 can't be both president and secretary.

17 MR. BURKE: Right.

18 MR. CLARY: But you can be everything else.

19 MR. BURKE: Well, and it says --

20 MR. CLARY: You could be president, treasurer.

21 MR. BURKE: -- can hold one or more --

22 MR. CLARY: Could be vice president --

23 MR. BURKE: -- offices --

24 MR. CLARY: -- a treasurer --

25 MR. BURKE: Wait. I'm reading this, and maybe I --

1 maybe I misunderstood it then. Good. And that's possible,
2 that the other board members can hold other offices except for
3 the -- the president and --

4 MR. CLARY: No, it doesn't say that. You don't need
5 to be a director to be an officer.

6 MR. BURKE: No, I'm not reading that part. That's
7 not a -- yeah. Yeah.

8 MR. HAHN: He just said no officer need be a member
9 of the board of directors.

10 MR. BURKE: Yeah.

11 MR. CLARY: So what are you -- what are you
12 misreading?

13 MR. BURKE: But I'm read --

14 MR. CLARY: It just says (indiscernible).

15 MR. BURKE: Except a president -- except a president
16 and secretary.

17 MR. CLARY: Except one person may hold one --

18 MR. BURKE: Okay.

19 MR. CLARY: -- or more offices --

20 MR. BURKE: Okay.

21 MR. CLARY: -- and perform the duties of one or --

22 MR. BURKE: Okay.

23 MR. CLARY: -- more of said offices --

24 MR. BURKE: Okay.

25 MR. CLARY: -- except those of president and

1 secretary, so you can't be both president and secretary.

2 MR. BURKE: Oh, okay. I misread that. I misread it
3 as you were holding two offices and we're not supposed to be.

4 MR. CLARY: No, it doesn't say that.

5 MR. BURKE: Oh. Well, that was my concern when I --

6 MR. CLARY: It says --

7 MR. BURKE: You're asking me what I concerned about.
8 That was one of the things I was concerned --

9 MR. CLARY: Well, I hope that's straightened now.

10 MR. BURKE: It helps. Um-h'm. Not -- okay. Well,
11 that's -- we're past that, anyway. We never even brought that
12 up as an issue, so --

13 MR. CLARY: Well, it's never been violated, as far as
14 I know of.

15 MR. BURKE: All right. Okay. Because I had a
16 concern about it at the time, so I said well, maybe I ought to
17 start looking at what else we have missed. That's my point.

18 MR. CLARY: Well, you were wrong about that.

19 MR. BURKE: Yeah. Okay. Well, I'm wrong about a lot
20 of things. (Indiscernible) -- I can screw up --

21 MR. CLARY: Well, I've been --

22 MR. BURKE: I screw up regularly.

23 MR. CLARY: I've been wrong, too, you know. Hey --

24 MR. BURKE: Yeah.

25 MR. CLARY: -- every once in a while I have to go to

1 court --

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

3 MR. CLARY: -- and when the judge says I'm wrong,
4 I'm wrong.

5 MR. BURKE: All right.

6 MR. CLARY: I mean, I'd be wrong --

7 UNIDENTIFIED SPEAKER: He's -- he's
8 (indiscernible) --

9 MR. CLARY: -- you don't think I'm wrong, but --

10 MR. BURKE: Yeah. Yeah, yeah.

11 MR. CLARY: -- I don't want to be a judge, so --

12 MR. BURKE: Yeah.

13 MR. CLARY: -- I'm not going to be in the position of
14 fixing that --

15 MR. BURKE: That's right.

16 MR. CLARY: -- anytime real soon.

17 MR. BURKE: Yeah. But that's what got -- that's what
18 got me looking, so that's all.

19 MR. CLARY: Well, it's unfortunate that --

20 MR. BURKE: Yeah, it is.

21 MR. CLARY: -- you didn't talk to me about it before
22 you --

23 MR. BURKE: Well --

24 MR. CLARY: -- (indiscernible). It's pretty clear to
25 me.

1 MR. BURKE: Well, you were in Thailand at the time.
2 It's very difficult to -- or wherever. Vietnam.

3 MR. CLARY: Well, in both places, actually.

4 MR. BURKE: Yeah.

5 MR. CLARY: But not at the same time.

6 UNIDENTIFIED SPEAKER: (Indiscernible).

7 MR. BURKE: Yeah.

8 MR. CLARY: The statute says --

9 MR. BURKE: Yeah.

10 MR. CLARY: -- a natural person may hold one or more
11 offices.

12 MR. BURKE: Okay. But you're asking me what -- what
13 got me looking. That's what got me looking.

14 MR. CLARY: Well, it's just too bad --

15 MR. BURKE: Okay. And I'm saying -- and then I'm
16 thinking when's the last time we did an audit. That's a normal
17 thing for anybody to ask, right? And it was no big deal at the
18 time, you know, so --

19 MR. CLARY: Well, I -- well, it's -- I don't want to
20 it's a normal thing. Generally, when you have a company like
21 this that is in the developmental state and it's been there
22 for --

23 MR. BURKE: 25 years.

24 MR. CLARY: -- 25 years --

25 MR. BURKE: Surely, somewhere along --

1 MR. CLARY: -- (indiscernible) is to do an audit,
2 but --

3 MR. BURKE: Yeah.

4 MR. HAHN: I -- I don't --

5 MR. BURKE: It's reasonable, right?

6 MR. CLARY: Well, we're doing it.

7 MR. BURKE: Yeah. Okay.

8 MR. CLARY: I mean, we're doing it something --

9 UNIDENTIFIED SPEAKER: (Indiscernible).

10 MR. CLARY: -- short of that --

11 MR. BURKE: My point is though at the time I asked
12 for it --

13 MR. CLARY: (Indiscernible) --

14 MR. BURKE: -- we hadn't.

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

16 MR. BURKE: Yeah. Well, I'm going to get out of your
17 hair, guys.

18 MR. CLARY: I think the -- the main reason for doing
19 this, frankly, on a positive note instead of a on negative
20 note -- let's leave it on a positive note -- is that if we --
21 if things go well as we hope they will --

22 MR. SIMSHAUSER: Right.

23 MR. CLARY: -- and you want to finally do something
24 for your stockholders so that they can receive some benefit
25 because when you invest and I've -- you know.

1 I've practically put this language in my securities
2 agreements in a different -- in a different way then I'm
3 explaining it right now, but when you invest in a
4 privately-owned company and you own a minority interest in the
5 company, you don't have squat.

6 You don't have -- there's no market for the shares, so
7 with (indiscernible) money your stockholders stepped up
8 (indiscernible) when are we going to see some money, and the
9 answer is I ain't got a clue because when you own the minority
10 interest in a privately held company, you are not going to see
11 any money in the foreseeable future.

12 The only time you're going to see any money in a
13 private -- because the company's if it makes a bunch of money,
14 it might pay some dividends, but you generally don't like to do
15 that because you have the double taxation.

16 And so -- so -- and -- and the company -- and the company's
17 never had any income. It's only going to derive income if you
18 make a discovery or something that can sell, you can derive
19 some income from -- after that.

20 So when you own interest in a -- public -- in a private
21 company, you're not going to see any money until the company
22 sells, sells its assets, or it's dissolved, it has a bunch of
23 money distribute. It's not going to do --

24 MR. BURKE: A 100-percent of nothing is still
25 nothing.

1 MR. CLARY: Well, it's a zero, but -- I mean, in
2 terms of stockholders -- any stockholders that invested in this
3 company since I've been in the counsel didn't -- must not have
4 read my agreement --

5 MR. HAHN: That's true.

6 MR. CLARY: -- if they're expecting to see money 16
7 months --

8 MR. BURKE: That's why I'm -- that's why --

9 MR. CLARY: -- from when they invested.

10 MR. BURKE: -- I'm prepared, Larry. If somebody
11 wants to invest, I say go out and look at it, ask questions,
12 make your decisions, and then come and see me. Otherwise --

13 UNIDENTIFIED SPEAKER: (Indiscernible).

14 UNIDENTIFIED SPEAKER: That's right.

15 MR. BURKE: Um-h'm.

16 UNIDENTIFIED SPEAKER: So -- so --

17 MR. HAHN: I say that to everybody.

18 MR. CLARY: Now, the unique thing about this company
19 is you've got all these freaking stockholders out there.

20 MR. HAHN: Right.

21 MR. CLARY: And if -- if you suddenly started making
22 some money and you started selling some gold or whatever, or
23 put up your recreational dealer --

24 UNIDENTIFIED SPEAKER: (Indiscernible).

25 MR. CLARY: -- (indiscernible) happened when

1 everybody else -- there's going to be a big discovery here --
2 then you have the ability to turn this into a public company,
3 but you're not going to be able to do that unless you have all
4 your financial statements.

5 MR. BURKE: Yeah.

6 MR. HAHN: And income.

7 MR. CLARY: And income, of course.

8 MR. BURKE: Yeah.

9 MR. CLARY: And so --

10 MR. BURKE: I just want to survive until then.

11 MR. CLARY: -- so it's a good idea to not get so far
12 afield for -- with the new company, with the whole idea that
13 they're (indiscernible) start, and keeping it clean.

14 MR. HAHN: Sure.

15 MR. CLARY: It's -- it's not a bad idea at all to
16 spend some bucks to get the financial records in order so that
17 you can -- you're in a position to be able to hire a CPA firm
18 that can do audited financial statements.

19 MR. BURKE: Amen.

20 MR. CLARY: And then -- and then all you need to do
21 in this company is -- is find some broker dealers. You could
22 register under the 34 Act (phonetic) --

23 MR. HAHN: Right.

24 MR. CLARY: -- and become a registered company.
25 You're actually required to do that if you suddenly wake up and

1 meet the asset test because you already meet the number of
2 stockholder test.

3 MR. HAHN: Right.

4 UNIDENTIFIED SPEAKER: Well over that.

5 UNIDENTIFIED SPEAKER: Well over that.

6 UNIDENTIFIED SPEAKER: It's 500.

7 UNIDENTIFIED SPEAKER: 500. (Indiscernible).

8 MR. CLARY: And when -- when suddenly your assets are
9 worth over a certain amount, then -- then you -- you need to
10 register.

11 UNIDENTIFIED SPEAKER: Sure.

12 MR. CLARY: And then -- then what you need after
13 that, and that's not like doing a S1 or S2 (phonetic)
14 registration where you're doing a public offering of stock.
15 You don't have to do that. They're expensive, and you may want
16 to do that at some point, but maybe -- probably not.

17 But when you register under the 34 Act, then you have
18 to -- you have reporting requirements, then you got to report
19 every time you have the material change (indiscernible).

20 MR. BURKE: Um-h'm.

21 MR. CLARY: Okay. Every year it's (indiscernible),
22 and -- and then you find some broker dealers that are
23 interested in your company, and they do what's called a 50 and
24 C211 (phonetic) filing or prepare 50 and C211 disclosure
25 documents.

1 UNIDENTIFIED SPEAKER: Um-h'm.

2 MR. CLARY: And they -- based upon that, they can
3 start marketing your stock, and you're public.

4 Probably -- and in order to get on even the -- any stock
5 exchange, but even to be on the electronic bulletin board, the
6 NASD -- what used to be called the ASD electronic bulletin
7 board -- you have to have audited financial statements. The
8 requirement came through in the (indiscernible) --

9 UNIDENTIFIED SPEAKER: (Indiscernible).

10 MR. CLARY: -- (indiscernible) bullshit, and a lot of
11 companies got kicked off field.

12 UNIDENTIFIED SPEAKER: Oh, boy.

13 MR. CLARY: Thousands of companies.

14 MR. BURKE: Um-h'm.

15 MR. CLARY: Because they couldn't have audited
16 financial statements, but you -- you will be able to do that
17 because of the process we're going through.

18 UNIDENTIFIED SPEAKER: Yeah.

19 MR. BURKE: Um-h'm.

20 UNIDENTIFIED SPEAKER: It's what have you got to
21 show, you know? (Indiscernible).

22 UNIDENTIFIED SPEAKER: Yeah.

23 UNIDENTIFIED SPEAKER: Okay?

24 MR. BURKE: All right. I'll get --

25 UNIDENTIFIED SPEAKER: (Indiscernible) --

1 MR. BURKE: -- the expense log, and I'm happy, and
2 then we're here, and I'm going to get you that documentation.

3 MR. CLARY: I know you guys aren't in love with each
4 anymore, but --

5 MR. BURKE: No. It looks like our --

6 MR. CLARY: -- but I think that you --

7 MR. BURKE: -- honeymoon's over, so --

8 MR. CLARY: I do think you can keep the decibel level
9 down --

10 MR. BURKE: Yeah.

11 MR. CLARY: -- to a soft voice.

12 MR. BURKE: Well --

13 MR. CLARY: It's my -- that would be my fault because
14 I (indiscernible) --

15 MR. BURKE: Yeah.

16 MR. CLARY: If you guys decide to beat up on each
17 other, any of you --

18 UNIDENTIFIED SPEAKER: I didn't start this.
19 (Indiscernible) --

20 MR. CLARY: I -- I -- but let's have you be a part of
21 it stopping.

22 UNIDENTIFIED SPEAKER: Okay.

23 MR. CLARY: Both of you. And -- because if it gets
24 into that, I'm still trying to be a peacemaker here --

25 UNIDENTIFIED SPEAKER: Right.

1 MR. CLARY: -- but you get into some -- you get into
2 some heavy disagreements, I'm going to be the first one heading
3 to the exit door. That's not a threat. That's a promise.
4 Promise.
5 MR. BURKE: Um-h'm.
6 UNIDENTIFIED SPEAKER: I -- I -- you know --
7 MR. HAHN: And I don't need this shit.
8 MR. BURKE: Yeah.
9 UNIDENTIFIED SPEAKER: I collect it.
10 MR. BURKE: Okay.
11 UNIDENTIFIED SPEAKER: Okay?
12 UNIDENTIFIED SPEAKER: Okay.
13 MR. BURKE: Do I need this -- get you're okay to pop
14 next door --
15 UNIDENTIFIED SPEAKER: Yeah, yeah.
16 MR. BURKE: -- or okay --
17 UNIDENTIFIED SPEAKER: Yeah. (Indiscernible).
18 MR. BURKE: Might as well, while I'm here.
19 UNIDENTIFIED SPEAKER: I got some more wine..
20 MR. BURKE: Well, good for you.
21 UNIDENTIFIED SPEAKER: (Indiscernible).
22 MR. BURKE: Presents.
23 UNIDENTIFIED SPEAKER: That's what I need.
24 MR. BURKE: That's the way to shop.
25 UNIDENTIFIED SPEAKER: Just what I need.

1 MR. BURKE: Yeah.

2 UNIDENTIFIED SPEAKER: (Indiscernible) sorry. They
3 moved over the weekend.

4 MR. BURKE: Oh, well.

5 UNIDENTIFIED SPEAKER: Kind of get used to this.

6 MR. BURKE: Oh, well. A moving day.

7 UNIDENTIFIED SPEAKER: Yeah. It's --

8 UNIDENTIFIED SPEAKER: Hello.

9 UNIDENTIFIED SPEAKER: Hello.

10 MR. BURKE: Poor thing probably doesn't know where
11 anything is.

12 UNIDENTIFIED SPEAKER: Hi.

13 UNIDENTIFIED SPEAKER: Oh, hi. Come on in,
14 Mr. Clary.

15 UNIDENTIFIED SPEAKER: Is Shelby here?

16 UNIDENTIFIED SPEAKER: Yeah, we're just eating some
17 lunch.

18 MR. CLARY: Okay. (Indiscernible). I was just having
19 a meeting with the -- three of the directors of the -- of
20 Kokoweef and -- you've met this gentleman before. He wanted to
21 get one more document.

22 MR. BURKE: Sorry to bother you.

23 MR. CLARY: And what is it the --

24 MR. BURKE: Just the expense log for -- I think you
25 have -- it's one or two of them. Whatever you have.

1 UNIDENTIFIED SPEAKER: (Indiscernible) -- are you
2 guys done with your meeting or are you --

3 UNIDENTIFIED SPEAKER: Yeah. Just leaving.

4 MR. BURKE: Okay.

5 MR. CLARY: No, we're done. Pretty much done.

6 MR. BURKE: All right.

7 UNIDENTIFIED SPEAKER: And then if you want to visit
8 with me today or tomorrow --

9 MR. CLARY: I'm leaving tomorrow for a week.

10 UNIDENTIFIED SPEAKER: Oh, that's right. Then we can
11 wait till you get back, all right?

12 MR. CLARY: Yeah. I would assume you're talking
13 about this thing here? See, I haven't looked at any of this
14 stuff.

15 UNIDENTIFIED SPEAKER: I understand.

16 MR. BURKE: Yeah. That's all right.

17 MR. CLARY: Is this what you need?

18 MR. BURKE: Yeah, that's it. I want that.

19 UNIDENTIFIED SPEAKER: This is '07.

20 MR. BURKE: Okay.

21 UNIDENTIFIED SPEAKER: This might be the old
22 corporation.

23 UNIDENTIFIED SPEAKER: Probably.

24 UNIDENTIFIED SPEAKER: And, again, since I haven't
25 looked at it, I don't really know till I pull it all together.

1 MR. BURKE: Yeah, yeah. If we can get -- this is
2 just -- these documents (indiscernible).
3 UNIDENTIFIED SPEAKER: I don't have that size of
4 paper.
5 MR. BURKE: You don't have that size?
6 UNIDENTIFIED SPEAKER: I don't have this size of
7 paper.
8 MR. BURKE: Okay.
9 UNIDENTIFIED SPEAKER: I only have this size of
10 paper, so you want to run it next door to Kinkos and then bring
11 it back?
12 MR. BURKE: I can do that. If that's all right with
13 you?
14 UNIDENTIFIED SPEAKER: Sure.
15 MR. BURKE: All right.
16 UNIDENTIFIED SPEAKER: Well, this is expirations --
17 UNIDENTIFIED SPEAKER: Yeah, that's the old one.
18 UNIDENTIFIED SPEAKER: -- and this is Kokoweef --
19 MR. BURKE: Kokoweef.
20 UNIDENTIFIED SPEAKER: Right.
21 MR. BURKE: Yeah.
22 UNIDENTIFIED SPEAKER: Okay. That's fine.
23 UNIDENTIFIED SPEAKER: And I don't what that is.
24 MR. BURKE: That's just a expense log.
25 UNIDENTIFIED SPEAKER: Okay.

1 MR. BURKE: Okay.

2 UNIDENTIFIED SPEAKER: (Indiscernible) and then bring
3 it back.

4 UNIDENTIFIED SPEAKER: Okay.

5 MR. BURKE: All right. Thank you. And I'll bring it
6 right back.

7 UNIDENTIFIED SPEAKER: Okay.

8 MR. BURKE: Right now.

9 UNIDENTIFIED SPEAKER: Okay.

10 UNIDENTIFIED SPEAKER: All right. Thank you.

11 UNIDENTIFIED SPEAKER: Thanks. Have a nice trip.
12 We'll be here, I hope.

13 MR. BURKE: Yeah. Thanks.

14 UNIDENTIFIED SPEAKER: Okay.

15 MR. BURKE: Sorry for the little outburst in there.
16 I just --

17 UNIDENTIFIED SPEAKER: (Indiscernible).

18 MR. BURKE: That's -- well, I'll talk to you more
19 when I bring that --

20 UNIDENTIFIED SPEAKER: (Indiscernible).

21 MR. BURKE: -- stuff back to you.

22 Well, we're through. We're through. I'd say the
23 honeymoon's over. I'd say the honeymoon's over.

24 (Recording concluded.)

25

1 I certify that the foregoing is a correct transcript
2 from the electronic sound recording of the proceedings in
3 the above-entitled matter.
4
5

6 /s/ Jennie L. Ellis

01/28/08

7 Jennie L. Ellis, Transcriptionist

Date

EXHIBIT "7"

STATE OF NEVADA)
)
COUNTY OF CLARK)

AFFIDAVIT OF MICHAEL R. KEHOE

I, MICHAEL R. KEHOE, being first duly sworn upon oath, depose and state as follows:

1. That I am both a shareholder and Board member of Kokoweef, Inc.
2. That I reviewed the financial records including copies of ledgers, bank statements, canceled checks and receipts for Kokoweef, Inc. ("Kokoweef") for the years 2004 (June-December), 2005, 2006, and January through October of 2007; and Explorations Incorporated of Nevada ("EIN") for the years 2003, 2004, 2005, 2006 and 2007 as provided by Larry Hahn via the Office of Pat Clary, Esq.
3. That during my review of these records, I noticed a common scheme and design, and repeated pattern of behavior by Larry Hahn, President of both Kokoweef and EIN. I have included only a few of the many incidents herein.
4. That during the years stated above, Mr. Hahn wrote several checks to individuals, which were then signed and **deposited into one of two accounts for Hahn's World of Surplus**. Many of the checks were written to the same individuals on a monthly basis, including family members, business associates and personal friends. In addition, several of these checks were marked "**Return of Investment**" to alleged investors. Finally, several of these checks were written simply to "Cash." The total number and amount of checks written and deposited into Mr. Hahn's accounts are outlined below:

a.	EIN 2003	94 checks totaling \$ 17,423.51
b.	EIN 2004	66 checks totaling \$ 11,239.89
c.	EIN 2005	69 checks totaling \$ 12,187.44
d.	EIN 2006	79 checks totaling \$ 15,476.41
e.	Kokoweef 2006	22 checks totaling \$ 5,529.71
d.	Kokoweef 2007	72 checks totaling \$ 12,691.79
	TOTAL	402 checks totaling \$74,548.75

5. In addition, I noticed that several of the above-referenced checks were written to an individual named Skip Wynia and were titled "**Interest on Loan**" and then **deposited into one of two accounts for Hahn's World of Surplus**.
6. Mr. Hahn would write large checks entitled "loan payments" to several individuals as indicated below. These checks were not deposited into Hahn's Surplus Accounts and appear to have gone to the principal of the loan. I could only find one loan agreement dating back to 1998 in the amount of \$10,000 with Mr. Wynia. The other checks referred to as "loan payment" have no supporting documentation and are listed below.

At times when these payments were being made, the account balance was in excess of \$100,000.

EIN 2003	\$1,080.00	Skip Wynia
EIN 2004	\$1,000.00	Skip Wynia
EIN 2005	\$1,000.00	Skip Wynia
EIN 2006	\$1,080.00	Skip Wynia
<u>KKW 2007</u>	<u>\$7,070.00</u>	<u>Skip Wynia</u>
TOTAL SKIP WYNIA		\$11,230.00

EIN 2003	\$2,000.00	Bill Simhouser
EIN 2004	\$ 500.00	Bill Simhouser
EIN 2005	\$1,000.00	Bill Simhouser
<u>EIN 2006</u>	<u>\$1,000.00</u>	<u>Bill Simhouser</u>
TOTAL BILL SIMSHAUSER		\$4,500.00

EIN 2003	\$5,445.29	Hahn's Surplus
<u>EIN 2004</u>	<u>\$3,400.00</u>	<u>Hahn's Surplus</u>
TOTAL HAHN'S SURPLUS		\$8,845.29

TOTAL LOAN PAYMENTS \$26,075.29

7. In my review of the bank records, Mr. Hahn has at times lent money to individuals from the EIN account.

Lilia Ewell	\$ 220.00	Loan	EIN 2003
Rob (4434 7/18/03)	\$ 200.00	Loan	EIN 2003
Shelly Hanhardt	\$1,500.00	Loan	EIN 2003
Brenda Cotton	\$ 100.00	Loan	EIN 2004
<u>Ralph Lewis</u>	<u>\$ 100.00</u>	<u>Loan</u>	<u>EIN 2005</u>
TOTAL	\$2,120.00		

In addition, Mr. Hahn would make payments or give money to individuals for their personal use from the EIN and/or Kokoweef accounts.

Ed Ferris Automotive	\$ 320.03	To repair James Serrell Truck	EIN 2003
Herb Wilson	\$ 30.00	Exchange Walmart Money Order	KOKO 2006
Cash	\$ 469.67	To cash James Serrell Check	KOKO 2006
Cash	\$2,000.00	To buy a car for Larry Butler	KOKO 2006
Mary Taylor	\$ 25.00	Money order refund	KOKO 2007
<u>Jeffrey Koval</u>	<u>\$ 100.00</u>	<u>Return 2 money orders</u>	<u>KOKO 2007</u>
TOTAL	\$2,944.70		

8. Further, I noticed that with regard to the checks written to individuals referenced in Paragraph 4, Mr. Hahn would note that these checks were for food and supplies for the camp. Mr. Hahn would then write himself another check at the end of the year

using the same receipts. (Receipt for Check No. 5156 for \$6,548.10 dated June 5, 2006.) Mr. Hahn wrote several checks to Hahn's Surplus totaling:

a. EIN 2006	\$13,334.09
b. Kokoweef 2007	\$14,385.70

9. Mr. Hahn wrote several checks in 2006 to EIN at the time that EIN was supposed to have been dissolved and reformed into the new corporation, Kokoweef, Inc. These checks are listed below.

1008	\$ 4,000.00	5/02/2006
1011	\$ 5,000.00	5/22/2006
1001	\$ 6,000.00	8/28/2006
1005	\$ 3,000.00	9/20/2006
1006	\$ 2,000.00	9/26/2006
TOTAL \$20,000.00		

10. I noticed that Mr. Hahn was sending monthly payments overseas to the Ukraine, via Western Union, to an individual named "Brad Hoemann" from January 2006 through August 2006. The page from Western Union showing the transfers contained a note on the bottom which read "LH Personal." Mr. Hoemann also received \$1,200 as a return of his investment from EIN back in 2003.
11. In November of 2004 through May of 2006, Mr. Hahn wrote checks from Kokoweef starting with the number 1001 through 1011. Then, starting in August of 2006, new checks appeared for the same account and same company, starting over again at #1001. One of these duplicate checks was #1002. The first Check #1002 was written on May 2, 2003 and contained bank markings to show that it was processed through a bank (lower right hand corner of front and stamped on back). The second check #1002 was for \$10,000 to Redding Drilling, but did not contain the same printing to show that it had been processed through a bank, nor was it signed or stamped on the back, but only showed a handwritten note that stated "for deposit only Redding Drilling."
12. Finally, I observed in Mr. Hahn's own ledger, several deposits that were indicated as "split" deposits. There is no indication of the disposition of the portion that was split.
13. Thus, based upon my information and belief, and the repeated pattern of behavior by Mr. Hahn, I believe Mr. Hahn will further dissipate the assets of Kokoweef, Inc.

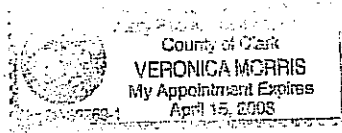
14. The supporting spreadsheets detailing the above-referenced information are attached hereto and made a part hereof as Group Exhibit "A".

15. Further affiant sayeth naught.

Michael R. Kehoe
Michael R. Kehoe

Subscribed and sworn to before me
This 4 day of March, 2008.

Veronica Morris
NOTARY PUBLIC



Money deposited in Hahn's Surplus 2003-2007

\$ 5,529.71 2006KK
\$ 12,691.79 2007KK
\$ 14,385.70 Paid Direct 2007KK
\$ 17,423.51 EIN 2003
\$ 11,239.89 EIN 2004
\$ 1,576.60 Paid Direct 2004 EIN
\$ 12,187.44 EIN 2005
\$ 15,476.41 EIN 2006
\$ 13,334.09 Paid Direct 2006 EIN
\$ 103,845.14

Money charged to Hahn's Military Surplus from U.S. Bank Visa
Between 12/05 through 7/07

\$ 3,450.00

\$ 107,295.14

Credit card information prior to 2006 has not been provided.
No other credit card statements have been provided.

Account Information

American Express	3722-603651-63005
American Express	3722-603651-63007
CitiBank	5472-3301-0142-4991
Citibank	5424-1803-5218-1470
US Bank Visa	4798-1738-7000-0012

EIN US Bank account	1-537-0055-4121
Kokoweef US Bank account	1-537-9090-3683

Hahn's World of Surplus

US Bank	121201694
NV State Bnk	0072013139

KOKOWEEF Activity 2006

	Check	Amount	Date	Memo
Overdraft fees		\$ 107.00		
Checks to EIN	1008	\$ 4,000.00	5/2/2006	
	1011	\$ 5,000.00	5/22/2006	
	1001	\$ 6,000.00	8/28/2006	new checks printed, number repeats
	1005	\$ 3,000.00	9/20/2006	
	1006	\$ 2,000.00	9/26/2006	
		<u>\$ 20,000.00</u>		

Payments to private parties

Cash	1013	\$ 2,000.00	10/13/2006	LB - Cash was used to purchase a car for Larry Butler
Bud Pizer	1052	\$ 25.00	12/8/2006	Oct 7 check
Al Pizer	1053	\$ 50.00	12/8/2006	return Oct 7 check
Herb Wilson	1054	\$ 30.00	12/8/2006	exchange for Walmart money order
SK (unreadable)	1055	\$ 25.00	12/8/2006	return check
James Aamot (?)	1056	\$ 200.00	12/8/2006	return check
Tisa Hutt	1059	\$ 25.00	12/12/2006	Oct check
		<u>\$ 2,355.00</u>		

Note: No record of checks written in October to above individuals.

Checks Deposited into Hahn's World of Surplus
either US Bank Acct 153700849901 or
Nevada State Bank Acct 0072013193

Cash	1008	\$ 469.67	10/4/2006	Jim Serrell Check
Brad Johnson	1009	\$ 600.00	10/5/2006	For shares (return of investment?)
Brad Johnson	1010	\$ 600.00	10/5/2006	solar work
Larry Butler	1011	\$ 186.00	10/8/2006	
Cash	1012	\$ 400.00	10/9/2006	Trip to Idaho
Larry Butler	1017	\$ 267.53	10/23/2006	
Joan Latz	1024	\$ 248.00	11/6/2006	
Skip Wynia	1025	\$ 70.00	11/6/2006	Interest
Bank of America (Cash)	1026	\$ 323.25	11/7/2006	Radios
Greg Hahn	1030	\$ 100.00	11/11/2006	resistivity lines
Allan Jones	1031	\$ 100.00	11/11/2006	resistivity lines
Cash	1032	\$ 100.00	11/11/2006	resistivity lines, gas
Larry Butler	1036	\$ 290.58	11/16/2006	
Cash	1091	\$ 203.65	11/20/2006	
Larry Butler	1045	\$ 294.27	11/30/2006	
Joan Latz	1046	\$ 171.76	12/3/2006	
Dick Skoy	1049	\$ 32.33	12/5/2006	newsletter
Skip Wynia	1050	\$ 70.00	12/6/2006	
Dick Skoy	1051	\$ 35.08	12/6/2006	
Dick Skoy	1058	\$ 67.28	12/4/2006	
Larry Butler	1061	\$ 280.81	12/21/2006	
Cash	1063	\$ 619.50	12/22/2006	
	22	<u>\$ 5,529.71</u>		

\$ 27,884.71

Kokoweef Activity 2007

Notes of Interest

Ending Balance as of 10/31/07: \$ 51,262.62
American Express Account closed as of June, 2007

BLM Check	5/18/2007	1203	\$ 1,000.00	Cash bond never cleared bank
NV State Bank	9/6/2007	1340	\$ 50.00	Western Union Brad Hoemann
Checks to Hahn's Surplus			\$ 14,385.70	
Checks to EIN	1/24/2007	1094	\$ 2,500.00	Transfer for refund
	8/30/2007	1335	\$ 750.00	
Doug Kettle	1/30/2007	1104	\$ 12,000.00	Used Bean Pump
			<u>\$ 30,685.70</u>	

Checks to Private Parties

Jeffrey Koval		\$ 100.00	Returned 2 money orders
Mary Taylor		\$ 25.00	money order refund
Dan Patterson		\$ 500.00	
Pedro Macer *		\$ 200.00	
Laurie Wright		\$ 1,808.54	
Tony Wright		\$ 134.90	
Gary Delia		\$ 900.00	
Brad Johnson *		\$ 13,869.80	
Sean Reichter		\$ 50.00	
Morris White		\$ 3,000.00	
Joe Dapper		\$ 2,000.00	
Dorothy Hansen		\$ 50.00	
Brad Hoemann Cash		\$ 50.00	
Frederick Douglas		\$ 1,620.00	
		<u>\$ 24,308.24</u>	

* deposited in Hahn's Surplus

Cash	\$ 2,250.00	
Cash	<u>\$ 3,019.32</u>	Deposited into Hahn's Surplus
	\$ 5,269.32	

Loan Payments

Skip Wynia	6/7/2007	1218	\$ 7,070.00	Paid in Full
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Return of Investment

Kathryn Cotton	\$ 500.00	
John Graff	<u>\$ 200.00</u>	
	\$ 700.00	

Checks to US Bank

1/4/2007	1075	\$ 1,676.86	
5/5/2007	1190	\$ 6,493.89	
7/2/2007	1260	\$ 3,632.21	New Equipment
8/30/2007	1335	\$ 750.00	Transfer funds
9/6/2007	1339	\$ 1,819.12	
10/7/2007	1362	<u>\$ 2,189.24</u>	Mine expenses
		\$ 16,561.32	

Money paid to individuals then deposited in Hahn's Surplus
(See attached) \$ 12,691.79

\$ 97,286.37

EIN Activity 2003

Return of Investments

Fred Douglas	\$ 1,400.00
Darryl Amos	\$ 500.00
Brad Hoemann	\$ 1,200.00
Myron Meachham	\$ 1,200.00
Joan Skug	\$ 700.00
Frank Rowley	\$ 400.00 *
Ann Frolich	\$ 600.00
Edith Peterson	\$ 700.00 *
Vincent Davidson	\$ 600.00 *
Gerardo Lego	\$ 2,000.00
Steve Reniger	\$ 591.00
	<u>\$ 9,891.00</u>

*Redeposited in Hahn's Surplus.

Checks with no explanation.

Jesse Michaels	\$ 500.00
Paul LaChance	\$ 650.00
	<u>\$ 1,150.00</u>

Loan Payments

Skip Wynia	\$ 1,080.00
Hahn's Surplus	\$ 5,445.29
Bill Simhauser	\$ 2,000.00
	<u>\$ 8,525.29</u>

Loans to Private Parties

Lilia Ewell	\$ 220.00	Loan
Shelly Hanhardt	\$ 1,500.00	Loan
Rob (4434 7/18/03)	\$ 200.00	Loan
	<u>\$ 1,920.00</u>	

Payments to Private Parties

Larry Butler	\$ 4,392.11	
Joan Latz	\$ 623.27	
Jimmy Serrell	\$ 443.45	
Ed Ferris Automotive	\$ 320.03	James Serrell Repair Ford
Chris Hahn	\$ 531.13	
Charlie Powers	\$ 6,691.50	
	<u>\$ 13,001.49</u>	

Cash	\$ 5,725.00
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Credit Card Payments

American Express	\$ 10,401.68
#372260365162007	
CitiBank	\$ 4,491.80
#5472-3301-0142-4991	
	<u>\$ 14,893.48</u>

Money paid to individuals then deposited in Hahn's Surplus
(See attached) \$ 17,423.51

\$ 72,529.77

Checks Issued to Individuals deposited back into Hahn's Surplus Account

Person	Check #	Amount	Date	Memo
Skip Wynia	4260	\$ 90.00	1/2/2003	Loan Interest
Larry Butler	4262	\$ 171.00	1/2/2003	
Charlie Powers	4266	\$ 198.50	1/9/2003	
Jim Serrell	4269	\$ 52.58	1/13/2003	
Larry Butler	4278	\$ 133.31	1/19/2003	
Charlie Powers	4283	\$ 150.00	1/24/2003	
Jim Serrell	4284	\$ 118.43	1/21/2003	
Frank Rowley	4285	\$ 400.00	1/27/2003	Return of Investment
Jim Serrell	4290	\$ 94.90	1/31/2003	
Skip Wynia	4293	\$ 90.00	2/4/2003	Loan Interest
Charlie Powers	4296	\$ 200.00	2/4/2003	Food for Camp
Lilia Ewell	4299	\$ 220.00	2/6/2003	Loan
Jim Serrell	4300	\$ 49.49	2/6/2003	
Larry Butler	4301	\$ 271.75	2/6/2003	
Larry Butler	4305	\$ 209.50	2/16/2003	
Charlie Powers	4306	\$ 226.57	2/13/2003	
Charlie Powers	4308	\$ 178.52	2/17/2003	
Edith Peterson	4309	\$ 300.00	2/19/2003	Return of Investment
Charlie Powers	4312	\$ 164.41	2/25/2003	Camp Supplies
Jim Hanhardt	4316	\$ 293.00	3/3/2003	Travel
Skip Wynia	4317	\$ 90.00	3/6/2003	Loan Interest
Charlie Powers	4324	\$ 255.00	3/7/2003	
Jim Hanhardt	4325	\$ 150.47	3/7/2003	(unknown) receipts
Larry Butler	4328	\$ 282.56	3/11/2003	
Jesse Michaels	4329	\$ 300.00	3/12/2003	
Charlie Powers	4331	\$ 128.41	3/14/2003	
Joan Latz	4333	\$ 95.55	3/18/2003	Camp Supplies
Charlie Powers	4335	\$ 326.29	3/19/2003	Camp Supplies
Jim Hanhardt	4339	\$ 44.79	3/27/2003	Camp Supplies
Charlie Powers	4342	\$ 179.00	3/31/2003	
Jim Hanhardt	4345	\$ 100.00	3/31/2003	
Skip Wynia	4347	\$ 90.00	4/1/2003	
Jim Hanhardt	4351	\$ 100.00	4/2/2003	
Van Hewitt	4357	\$ 100.00	4/8/2003	
Charlie Powers	4358	\$ 325.77	4/9/2003	
Joan Latz	4359	\$ 72.75	4/9/2003	
Charlie Powers	4363	\$ 381.63	4/18/2003	
Vincent Davidson	4365	\$ 600.00	4/23/2003	Return of Investment
Cash	4371	\$ 125.00	4/25/2003	Camp Supplies
Larry Butler	4376	\$ 322.99	5/1/2003	
Larry Butler	4377	\$ 100.00	5/2/2003	
Skip Wynia	4379	\$ 90.00	5/2/2003	
Clyde P.	4381	\$ 110.00	5/3/2003	
Jerry McNee	4383	\$ 17.67	5/7/2003	
Charlie Powers	4384	\$ 450.96	5/7/2003	
Jesse Michaels	4387	\$ 200.00	5/7/2003	
Charlie Powers	4389	\$ 354.56	5/22/2003	
Drew White	4390	\$ 22.00	5/22/2003	
Charlie Powers	4393	\$ 292.05	5/29/2003	

Checks Issued to Individuals deposited back into Hahn's Surplus Account

Person	Check #	Amount	Date	Memo
Skip Wynia	4399	\$ 90.00	6/3/2003	Loan Interest
Charlie Powers	4402	\$ 200.00	6/4/2003	
Charlie Powers	4405	\$ 398.62	6/9/2003	
Larry Butler	4408	\$ 345.66	6/10/2003	
Ron James	4411	\$ 100.00	6/11/2003	
Charlie Powers	4418	\$ 350.00	6/28/2003	
Skip Wynia	4420	\$ 90.00	7/1/2003	
Larry Butler	4422	\$ 70.00	7/2/2003	
Darryl Wade	4424	\$ 40.33	7/3/2003	Food and Tire for Camp
Darryl Wade	4427	\$ 71.46	7/8/2003	
Larry Butler	4430	\$ 207.60	7/16/2003	
Charlie Powers	4431	\$ 411.32	7/16/2003	
Larry Butler	4432	\$ 60.00	7/17/2003	Tire
Charlie Powers	4435	\$ 101.77	7/20/2003	Receipt
Jim Hanhardt	4436	\$ 63.06	7/25/2003	
Charlie Powers	4437	\$ 150.00	7/25/2003	Receipts
Ken Powers	4438	\$ 100.00	7/25/2003	Receipts
Charlie Powers	4444	\$ 270.12	7/30/2003	
Larry Butler	4445	\$ 35.00	7/30/2003	Radio
Larry Butler	4447	\$ 202.11	7/31/2003	
Chris Hahn	4448	\$ 185.00	8/4/2003	
Larry Butler	4455	\$ 100.00	8/7/2003	
Skip Wynia	4459	\$ 90.00	8/12/2003	
Larry Butler	4463	\$ 130.96	8/14/2003	
Cash	4466	\$ 300.00	8/18/2003	
Ken Powers	4476	\$ 150.00	8/20/2003	
Larry Butler	4477	\$ 100.00	8/20/2003	
Joan Latz	4485	\$ 64.29	8/21/2003	
Jim Hanhardt	4491	\$ 534.28	9/2/2003	
Larry Butler	4493	\$ 154.06	9/3/2003	
Skip Wynia	4494	\$ 90.00	9/4/2003	Interest
Charlie Powers	4495	\$ 500.00	9/5/2003	
Charlie Powers	4496	\$ 500.00	9/15/2003	
Larry Butler	4499	\$ 42.90	9/10/2003	
Joan Latz	4500	\$ 107.80	9/11/2003	
Larry Butler	4501	\$ 221.78	9/18/2003	
Larry Butler	4506	\$ 245.76	10/1/2003	
Joan Latz	4512	\$ 117.44	10/6/2003	
Larry Butler	4517	\$ 228.26	10/28/2003	
Skip Wynia	4522	\$ 90.00	10/31/2003	
Joan Latz	4523	\$ 165.44	11/6/2003	
Jesse Michaels	4531	\$ 150.00	11/22/2003	
Larry Butler	4534	\$ 271.42	11/25/2003	
Skip Wynia	4537	\$ 90.00	12/2/2003	
Larry Butler	4543	\$ 117.66	12/24/2003	
		\$ 17,423.51		

EIN Activity 2004

Overdraft Fees	\$ 813.00
Returned Check Fees	\$ 50.00
	<u>\$ 863.00</u>

Return of Investment

Darryl Wade	\$ 400.00 *
Fred Douglas	\$ 750.00
Dave Casper	\$ 1,000.00
Randall Sentrach	\$ 600.00
Paul LaChance	\$ 500.00
	<u>\$ 3,250.00</u>

*Redeposited in Hahn's Surplus

Loan Payments

Skip Wynia	\$ 1,000.00
Hahn's Surplus	\$ 3,400.00
Bill Simhouser	\$ 500.00
	<u>\$ 4,900.00</u>

Loans given to private individuals

Brenda Cotton	\$ 100.00
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Checks to Hahn's Surplus	\$ 1,576.60
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Checks to Cash	\$ 1,730.73
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Payments to Private Parties

Laurie Wright	\$ 200.00
B. Ferraro	\$ 150.00 *
Floyd Johnson	\$ 130.00 *
Randy Sarver	\$ 430.00
Kyle Doutfit	\$ 50.00 *
Rick Starr	\$ 181.93 *
Debra Dalton	\$ 1,500.00
Toni Hardgraves	\$ 50.00
Tim Weldon	\$ 80.00 *
Gary Degi	\$ 160.00
Eli Cortez	\$ 120.00

* checks signed over and returned to Hahn's surplus
Unsure of spelling

\$ 3,051.93

\$ 15,472.26

Money paid to individuals then redeposited into Hahn's Surplus Account
(See attached) **\$11,239.89**

Check written to individuals redeposited in Hahn's Surplus

Name	Check No.	Amount	Date	Memo
Melanie Davis	4527	\$ 400.00	11/11/2003	
Skip Wynia	4547	\$ 90.00	1/4/2004	interest on loan
Joan Latz	4548	\$ 138.99	1/5/2004	
Larry Butler	4551	\$ 163.11	1/7/2004	
Joan Latz	4555	\$ 114.70	1/19/2004	
Darryl Wade	4528	\$ 400.00	11/12/2003	Return of Investment
Skip Wynia	4563	\$ 90.00	2/2/2004	interest on loan
Cash	4566	\$ 185.00	2/3/2004	
B. Ferraro	4569	\$ 150.00	2/7/2004	
Floyd Johnson	4570	\$ 130.00	2/17/2004	
Joan Latz	4572	\$ 201.78	2/19/2004	
Cash	4604	\$ 500.00	3/30/2004	Al Wheeler Fuel
Larry Butler	4606	\$ 436.34	3/31/2004	
Skip Wynia	4607	\$ 90.00	4/2/2004	interest on loan
Cash	4609	\$ 42.43	4/7/2004	
Joan Latz	4615	\$ 202.71	4/15/2004	
Larry Butler	4617	\$ 269.66	4/16/2004	
Bill Rudisue	4622	\$ 50.00	5/4/2004	Fire Extinguisher
Skip Wynia	4623	\$ 90.00	5/5/2004	
Joan Latz	4629	\$ 230.77	5/6/2004	
Frank Williams	4631	\$ 120.00	5/11/2004	
Kyle Doutfit	4632	\$ 50.00	5/11/2004	
Larry Butler	4633	\$ 272.86	5/11/2004	
Cash	4638	\$ 85.00	5/24/2004	Fuel
Cash	4643	\$ 300.00	6/2/2004	
Skip Wynia	4644	\$ 90.00	6/3/2004	interest on loan
Larry Butler	4646	\$ 51.56	6/3/2004	
Rick Starr	4650	\$ 181.93	6/7/2004	
Joan Latz	4655	\$ 80.03	6/8/2004	
Larry Butler	4656	\$ 227.17	6/9/2004	
Cash	4659	\$ 134.80	6/14/2004	
Dennis Gates	4661	\$ 150.00	6/15/2004	Camera
Cash	4662	\$ 125.00	6/16/2004	Hilti
Toni Hardgraves	4665	\$ 50.00	6/21/2004	
Skip Wynia	4670	\$ 90.00	7/1/2004	interest on loan
Joan Latz	4671	\$ 181.99	7/6/2004	
Larry Butler	4672	\$ 265.48	7/7/2004	
Cash	4677	\$ 158.50	7/10/2004	Rebel Oil and Gas
Larry Butler	4679	\$ 131.17	7/23/2004	
Cash	4682	\$ 100.00	7/26/2004	Food 4 Less Gas
Tim Weldon	4687	\$ 120.00	7/28/2004	Hammer
Tim Weldon	4688	\$ 375.00	7/28/2004	Saw
Skip Wynia	4695	\$ 90.00	8/4/2004	interest on loan
Joan Latz	4696	\$ 216.43	8/9/2004	
Ralph Lewis	4703	\$ 200.00	8/16/2004	claim work
Cash	4706	\$ 125.00	8/19/2004	
Tim Weldon	4707	\$ 80.00	8/27/2004	
Larry Butler	4718	\$ 292.55	9/1/2004	
Skip Wynia	4721	\$ 90.00	9/2/2004	interest on loan
Gary Degi	4726	\$ 160.00	9/9/2004	

Name	Check No.	Amount	Date	Memo
Larry Butler	4731	\$ 162.56	9/17/2004	
Larry Butler	4733	\$ 92.78	9/23/2004	
Skip Wynia	4790	\$ 90.00	10/1/2004	
Joan Latz	4741	\$ 222.44	10/4/2004	
Larry Butler	4742	\$ 172.37	10/6/2004	
Cash	4744	\$ 100.00	10/9/2004	Gas Arco Truck
Skip Wynia	4754	\$ 90.00	11/2/2004	interest on loan
Joan Latz	4756	\$ 151.59	11/5/2004	
Larry Butler	4757	\$ 294.41	11/10/2004	
Larry Butler	4763	\$ 75.00	11/23/2004	
Skip Wynia	4766	\$ 90.00	12/2/2004	interest on loan
Larry Butler	4769	\$ 279.90	12/2/2004	
Joan Latz	4771	\$ 202.07	12/6/2004	
Larry Butler	4776	\$ 146.81	12/15/2004	
Larry Butler	4780	\$ 300.00	12/23/2004	
Ralph Lewis	4782	\$ 200.00	12/28/2004	claim work
	66	\$ 11,239.89		

EIN Activity 2005

Loan Payments

Skip Wynia	\$ 1,000.00
Bill Simhouser	\$ 1,000.00
	<u>\$ 2,000.00</u>

Payments to Private Parties

Laurie Wright	\$ 450.00
Hahn's Surplus	\$ 288.41
	<u>\$ 738.41</u>

Payments made on behalf of others

Jacks Muffler	4879	\$ 68.75	6/3/2005 Ralph's Truck
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Loans to Individuals

Ralph Lewis	\$ 100.00
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Return of Investments

Jarrett Thomas	\$ 366.00	
Paul LaChance	\$ 300.00	
Norris Witzel	\$ 2,550.00	Paid in full
Jerry McKee	\$ 1,000.00	
Brad Hoemann	\$ 100.00	
John Bangester	\$ 250.00	*
	<u>\$ 4,566.00</u>	

*Redeposited in Hahn's Surplus

\$ 7,473.16

Money paid to individuals then redeposited into Hahn's Surplus Account
(See attached) **\$12,187.44**

Checks written to individuals redeposited in Hahn's Surplus

Names	Check	Amount	Date	Memo	
Larry Butler	4786	\$ 35.00	12/6/2005	(Should be 2004)	Gas Camp
Skip Wynia	4787	\$ 90.00	1/8/2005	Interest on loan	
Joan Latz	4788	\$ 216.77	1/10/2005	Food for Camp	
Larry Butler	4789	\$ 212.84	1/12/2005		
Cash	4790	\$ 200.00	1/5/2005		
Skip Wynia	4800	\$ 90.00	2/2/2005	Interest on loan	
Joan Latz	4804	\$ 253.80	2/4/2005		
Larry Butler	4807	\$ 260.11	2/11/2005		
Cash	4810	\$ 150.00	2/21/2005		
Frank Williams	4811	\$ 180.00	2/23/2005		
Larry Butler	4812	\$ 115.98	2/24/2005		
Skip Wynia	4817	\$ 90.00	3/1/2005	Interest on loan	
Charlie C (can't read)	4820	\$ 150.00	3/4/2005	Camera	
Joan Latz	4822	\$ 248.00	3/7/2005	Food for Camp	
Cash	4831	\$ 300.00	3/24/2005		
Larry Butler	4832	\$ 214.79	3/24/2005		
Skip Wynia	4836	\$ 90.00	4/1/2005	Interest on loan	
Ralph Lewis	4837	\$ 100.00	4/1/2005	Drill Rental	
Cash	4838	\$ 100.00	4/2/2005	Gas for Camp	
Joan Latz	4839	\$ 162.35	4/4/2005		
Larry Butler	4841	\$ 161.31	4/6/2005		
Skip Wynia	4851	\$ 90.00	5/3/2005		
Joan Latz	4853	\$ 272.76	5/4/2005		
Larry Butler	4854	\$ 35.00	5/4/2005		
Greg Hahn	4857	\$ 100.00	5/10/2005		
Greg Hahn	4858	\$ 100.00	5/10/2005		
Joan Latz	4862	\$ 215.00	5/12/2005		
John Bangester	4864	\$ 250.00	5/14/2005	Return on Investment	
Cash	4865	\$ 119.70	5/17/2005		
Cash	4868	\$ 100.00	5/21/2005		
Joan Latz	4871	\$ 114.26	5/25/2005		
Cash	4875	\$ 241.13	5/28/2005		
Warner Burgess	4878	\$ 420.00	6/2/2005		
Skip Wynia	4881	\$ 90.00	6/6/2005	Interest on loan	
Chris Hahn	4883	\$ 145.16	6/6/2005	June meeting pop and supplies	
Charlie C (can't read)	4885	\$ 115.00	6/7/2005	camera and gas	
Larry Butler	4888	\$ 245.39	6/8/2005		
Joan Latz	4900	\$ 154.90	7/1/2005		
Hans Reinhardt	4901	\$ 200.00	7/5/2005		
Skip Wynia	4902	\$ 80.00	7/5/2005	Interest on loan	
Larry Butler	4906	\$ 238.05	7/13/2005		
Larry Butler	4910	\$ 206.64	7/20/2005		
Larry Butler	4919	\$ 35.00	8/4/2005		
Larry Butler	4930	\$ 146.36	8/25/2005		
Warner Burgess	4935	\$ 100.00	8/31/2005	machine work	
Skip Wynia	4937	\$ 80.00	9/1/2005	Interest on loan	
Joan Latz	4938	\$ 149.01	9/2/2005		
Larry Butler	4939	\$ 125.00	9/2/2005		
Warner Burgess	4940	\$ 100.00	9/4/2005		
Larry Butler	4943	\$ 235.89	9/16/2005		

Names	Check	Amount	Date	Memo
Chris Hahn	4950	\$ 620.00	9/23/2005	Camera
Cash	4953	\$ 158.00	9/25/2005	Fuel
Cash	4955	\$ 199.31	9/26/2005	Gas Mine
Jim Berg	4964	\$ 250.00	9/25/2005	Travel
Cash	4965	\$ 203.06	9/30/2005	
Joan Latz	4967	\$ 157.11	10/3/2005	Food for Camp
Skip Wynia	4969	\$ 80.00	10/4/2005	Interest on loan
Tracy Adams	4972	\$ 650.00	10/8/2005	
Tracy Adams	4976	\$ 120.00	10/13/2005	Fuel
Larry Butler	4982	\$ 225.39	10/26/2005	
Skip Wynia	4984	\$ 80.00	11/1/2005	Interest on loan
Joan Latz	4988	\$ 191.06	11/4/2005	
Larry Butler	4994	\$ 283.54	11/9/2005	
Cash	4995	\$ 200.00	11/13/2005	
Al Wheeler	5000	\$ 150.00	12/3/2005	
Joan Latz	5002	\$ 251.57	12/5/2005	
Cash	5006	\$ 62.06	12/8/2005	
Larry Butler	5007	\$ 173.64	12/8/2005	
Larry Butler	5010	\$ 207.50	12/16/2005	
	69	\$ 12,187.44		

EIN Activity 2006

Checks of Interest

Auto Insurance of America	5231	\$	66.00	8/4/2006 Auto insurance for Larry Butler
Las Vegas Rubber Stamp	5201	\$	104.53	Redeposited in EIN account
Hans Reinhardt	5154	\$	300.00	Redeposited in EIN account
Cash		\$	8,126.93	
Overdraft fees		\$	280.00	
Hahn's Surplus		\$	13,334.09	

Payments to Private Individuals

Tony Datri	\$	135.00	*
Scott Gerard	\$	600.00	*
Cash (James Serrell)	\$	959.47	*
Doug Johnner	\$	845.00	*
Hoyt Chancey	\$	110.00	*
Dr. Goldman	\$	199.25	
Charlie Butler	\$	140.00	
Bill Simhouser	\$	2,000.00	
Paul LaChance	\$	900.00	
Sal Cachia	\$	250.00	
Gary Delia	\$	2,064.87	
Frank Williams	\$	100.00	
Merrill Redding	\$	5,000.00	
Brad Johnson	\$	3,000.00	Check was deposited at Alibi Casino
	\$	16,303.59	

**Redeposited in Hahn's surplus.*

Return of Investment

Paul LaChance	\$	300.00
Dorothy Wells	\$	2,800.00
Fred Douglas	\$	5,100.00
	\$	8,200.00

Loan Payments

Skip Wynia	\$	1,080.00
Bill Simhouser	\$	1,000.00
	\$	2,080.00

Money paid to individuals then deposited in Hahn's Surplus
(See attached)

\$ 15,476.41

\$ 64,271.55

Checks written to individuals and redeposited in Hahn's Surplus

Name	Check No.	Amount	Date	Memo
Skip Wynia	5017	\$ 80.00	1/2/2006	Interest on loan
Warner Burgess	5019	\$ 100.00	1/5/2006	
Larry Butler	5024	\$ 220.00	1/11/2006	
Joan Latz	5026	\$ 186.69	1/17/2006	
Chris Hahn	5027	\$ 117.00	1/31/2006	
Skip Wynia	5033	\$ 80.00	2/2/2006	Interest on loan
Larry Butler	5034	\$ 180.74	2/2/2006	Food and Supplies for Camp
Larry Butler	5035	\$ 35.00	2/3/2006	
Tony Datri	5037	\$ 60.00	2/4/2006	
Cash	5040	\$ 500.00	2/6/2006	James Serrell
Cash	5042	\$ 340.00	2/12/2006	Batteries
Joan Latz	5043	\$ 164.44	2/12/2006	
Larry Butler	5045	\$ 209.65	2/16/2006	
Doug Johner	5048	\$ 160.00	2/16/2008	Batteries
Doug Johner	5047	\$ 185.00	2/22/2006	
Doug Johner	5056	\$ 400.00	2/27/2006	Batteries
Skip Wynia	5058	\$ 80.00	3/1/2006	Interest on loan
Larry Butler	5060	\$ 35.00	3/2/2006	
Larry Butler	5065	\$ 185.00	3/3/2006	
Tracy Adams	5066	\$ 93.95	3/4/2006	Fuel
Ralph Lewis	5068	\$ 100.00	3/5/2006	Claim Jumpers research
Cash	5069	\$ 80.00	3/10/2006	
Frank Williams	5071	\$ 140.00	3/14/2006	Batteries
Frank Williams	5072	\$ 60.00	3/14/2006	Batteries
Larry Butler	5081	\$ 114.50	3/17/2006	
Cash	5083	\$ 125.00	3/18/2006	
Joan Latz	5084	\$ 159.23	3/20/2006	
Doug Johner	5085	\$ 100.00	3/22/2006	
Larry Butler	5088	\$ 168.63	3/30/2006	
Skip Wynia	5092	\$ 80.00	4/1/2006	Interest on loan
Joan Latz	5093	\$ 126.89	4/4/2006	
Larry Butler	5096	\$ 129.85	4/14/2006	
Ken Wright	5105	\$ 600.00	4/29/2006	WW Web work
Skip Wynia	5107	\$ 80.00	5/1/2006	Interest on loan
Larry Butler	5111	\$ 35.00	5/3/2006	
Larry Butler	5116	\$ 220.21	5/4/2006	
Joan Latz	5125	\$ 222.80	5/13/2006	
Larry Butler	5137	\$ 323.58	5/24/2006	
Cash	5140	\$ 200.00	5/26/2006	
Cash	5143	\$ 302.21	5/29/2006	
Chris Hahn	5144	\$ 153.53	5/29/2006	
Joan Latz	5147	\$ 164.82	5/29/2006	
Cash	5149	\$ 497.22	6/2/2006	
Larry Butler	5151	\$ 249.86	6/8/2006	
Cash	5155	\$ 177.29	6/5/2006	
Mike Martin	5164	\$ 150.00	6/10/2006	Tools
Cash	5167	\$ 951.64	6/16/2006	Batteries
Scott Gerard	5169	\$ 600.00	6/15/2006	Diesel repair
Cash	5179	\$ 322.50	6/23/2006	

Tony Datri	5187	\$	75.00	6/28/2006	
Cash	5188	\$	100.00	6/30/2006	Smart & Final water on sale
Cash	5189	\$	300.00	6/30/2006	Fuel and water Arco and Smart & Final
Larry Butler	5190	\$	185.25	6/30/2006	
Larry Butler	5196	\$	131.73	7/5/2006	
Tony Datri	5211	\$	25.00	7/10/2006	Equipment
Tony Datri	5212	\$	25.00	7/10/2006	
Skip Wynia	5213	\$	80.00	7/14/2006	Interest on loan
Joan Latz	5214	\$	177.87	7/14/2006	
Tom Arizolan	5216	\$	100.00	7/14/2006	
Larry Butler	5221	\$	344.17	7/24/2006	
Cash	5222	\$	459.47	7/22/2006	
Cash	5227	\$	200.00	7/30/2006	Gas for camp
Skip Wynia	5228	\$	70.00	8/1/2006	
Hoyt Chancey	5229	\$	110.00	8/2/2006	
Larry Butler	5230	\$	284.65	8/4/2006	
Joan Latz	5232	\$	268.09	8/7/2006	
Cash	5241	\$	200.00	8/17/2006	Trip to check pipe
Larry Butler	5242	\$	200.00	8/20/2006	Trip to Oklahoma
Cash	5244	\$	200.00	8/20/2006	Gas for camp
Cash	5246	\$	200.00	8/24/2006	For Ted Burke Trip
Skip Wynia	5251	\$	70.00	9/1/2006	Interest on loan
Cash	5255	\$	100.00	9/3/2006	Gas mine
Cash	5263	\$	150.00	9/7/2006	
Joan Latz	5265	\$	175.41	9/9/2006	
Cash	5275	\$	150.00	9/23/2006	Gas Camp
Ralph Lewis	5286	\$	200.00	10/21/2006	
Larry Butler	5287	\$	288.40	9/5/2006	
Joan Latz	5294	\$	221.14	10/12/2006	
Ralph Lewis	5297	\$	338.00	10/17/2006	claim work survey
	79	\$	15,476.41		

Larry Hann
2908 E LAKE MEAD BLVD
N LAS VEGAS, NV 890306553

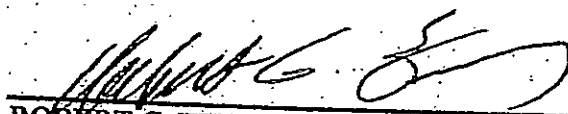
BILL OF SALE

I, Robert G. Evans, P. O. Box 335147, N. Las Vegas, NV, 89033, do hereby
sell my 1995 Blue Ford Ranger XLT,

VIN# 1FTCR10A6SPA53376, with actual mileage of 78845 miles, to Larry R. Butler,
P. O. Box 352, Armargosa Valley, NV. 89020,

for the sum of Two thousand dollars (\$2000) this 13th day of October, 2006.

This sale is strictly "As Is" with no warranty expressed or implied. Buyer assumes
responsibility for insurance and license of said vehicle from this date forward. Seller
assumes no responsibility for vehicle from this date forward.



(Signature) SELLER

ROBERT G. EVANS
P. O. Box 335147
N. Las Vegas, NV. 89033



(Signature) BUYER

LARRY R. BUTLER
P. O. Box 352
Armargosa Valley, NV. 89020

6 AUG 01	EXPLORATIONS	6 ⁰⁰ A	6000 ⁰⁰	6000 ⁰⁰	0	MIKE & LIGIA RANDOLPH
DATE		CHARGES	PAYMENTS	BALANCE	PREVIOUS BALANCE	NAME

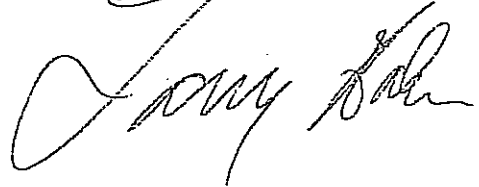
THIS IS YOUR RECEIPT FOR THESE AMOUNTS

THIS IS A STATEMENT OF YOUR ACCOUNT TO DATE

EXPLORATION INC. OF NEVADA

2908 E. LAKE MEAD BLVD.
NO. LAS VEGAS, NV. 89030
702-642-1605

LARRY HAHN
PRESIDENT & TREASURER
EXPLORATIONS INCORPORATED
OF NEVADA
AUTHORIZED SIGNATURE



LARRY HAHN
President & Treasurer
Exploration Inc. Of Nevada

2908 E. Lake Mead Blvd.
N. Las Vegas, NV 89030

PHONE
(702) 642-1605

