

**SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF KINGS**

**LOUANN LARSEN, as Trustee of the
LARSEN 2021 FAMILY TRUST,
SUBTRUST A, and the LARSEN
FAMILY TRUST, SUBTRUST C;
KATERINA VOUMVOURAKIS, as
Trustee of the LARSEN 2021 FAMILY
TRUST, SUBTRUST A, and the LARSEN
FAMILY TRUST, SUBTRUST B; and
LYDIA LARSEN, as Trustee of the
LARSEN 2021 FAMILY TRUST,
SUBTRUST B, and the LARSEN 2021
FAMILY TRUST, SUBTRUST C, as
trustees and derivatively on behalf of
POWER COOLING, INC., and
RELIANCE MACHINING, INC., ,
*Plaintiffs,***

Index Number 512169/2022

—against—

**LAUREN LARSEN,
*Defendant,***

And

**POWER COOLING, INC. and
RELIANCE MACHINING, INC.,

*Nominal
Defendants.***

STATE OF NEW YORK)
COUNTY OF QUEENS) ss.:

LAUREN LARSEN, being duly sworn, deposes and says:

1. I am the majority shareholder of Power Cooling, Inc. and Reliance Machining, Inc. (collectively, “Power Cooling”), having purchased 20% from my mother, Herdis Louise Larsen, and been gifted by her an additional 29% of the shares she inherited from my father, Lloyd Larsen (“Lloyd”). I am also the president and chief executive officer of the companies, having become president when Lloyd retired in around the year 2000. By then I had

worked for the companies since 1987; my entire working life has been devoted to Power Cooling and I am entirely knowledgeable about the history of the companies, their operation, their finances and, of course, the grievances of my sisters Louann Larsen and Lydia Larsen. I make this affidavit in support of the annexed motion to dismiss. The facts are also set forth in the answer to be filed in the event the motion is denied; it is annexed as "Exhibit A" and incorporated hereto.

2. The companies were organized in 1966 by Lloyd and his then partner, Karl Zimm. Zimm elected to retire in around 1987 and he sold his interest to Lloyd or Power Cooling. Power Cooling's current and prior financial statements record this reacquisition of shares as a purchase for \$1.2 million. In 2002 or 2003 Lloyd had his attorney create a trust and he sold a 51% stake in Power Cooling to that trust. The beneficiaries were my sisters and me; my stake in that 51% share was 40%. Payment for Lloyd's 51% share was made by Power Cooling on the trust's behalf for many years following his death, and those payments were possible because of the efforts I made for Power Cooling to generate substantial sales and profits, without which efforts Lloyd could not have been paid the \$6.6 million the shares were worth.

3. At Lloyd's death in 2011 he retained a 49% stake of Power Cooling, which passed to my mother. By the terms of his will I would have inherited 40% of that stake as well, together with the right to purchase the shares reserved for my sisters. But following Lloyd's death in 2011, Louann Larsen and Lydia Larsen began pressuring our mother, Herdis Louise Larsen, to give them more money. In 2012 she decided to transfer to them each a sum in excess of \$1 million plus other valuable assets to compensate them for the gift to me of 29% of the shares Lloyd retained at his death. And she sold me the remaining 20%, which I have paid for faithfully every month since the 2012 transfer, for a total value of more than \$1 million.

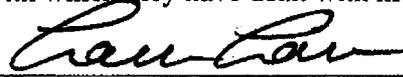
4. Since I had the right to buy out my sisters under both the original trust and the will, I purchased a “last to die” policy on the life of my mother so that I would be able to make the purchase. I still hold that policy and I make the payments, although some payments I have made with loans from Power Cooling that are carried on its books as “officers loans.”

5. I have done none of the things the plaintiffs allege in their complaint in support of their second, third, fourth, fifth, sixth, seventh, eighth, ninth and tenth causes of action. However, by virtue of my positions with Power Cooling, I am amply aware that both Louann Larsen and Lydia Larsen have received large monetary and nonmonetary gifts worth well in excess of \$2 million from Power Cooling—Lydia including unearned salary for 30 years and unearned salary for her adult son for two years as well as full health and dental benefits—although as noted Lydia has not worked for Power Cooling for 30 years and Louann has never worked there. My daughters receive none of the many benefits Louann and Lydia do and no benefits other than those paid to all employees.

6. Furthermore, although I have done none of the things the plaintiffs allege at the instance of Louann Larsen and Lydia Larsen, and although Power Cooling is in excellent financial and reputational health, in 2021, at the instance of Louann Larsen and Lydia Larsen, and because the land had appreciated so much, I agreed to relinquish my share of the original trust. This limited me to the 29% I had received as a gift from my mother and the 20% I had purchased from her, which I will finally complete paying for later this year.

7. I note that since I was a trustee as well as a beneficiary of the original trust, none of this could have been accomplished without my participation. Indeed, it was I who initially went to the firm representing the plaintiffs for the purpose of engaging it to decant the original irrevocable trust to give my sisters what they could not have received otherwise.

Although this has proved to be an unwise decision, I hope it illustrates the good faith in which I have dealt with them as opposed to the bad faith with which they have dealt with me.



Lauren Larsen

Sworn to before me this
13th day of June 2022

James F. Carbonaro
No. 01CA5033499
September 19, 2022

Notary Public

