

MEMORANDUM

TO: The Honorable Colleen K. Hirai, Probate Court, State of Hawai'i
FROM: Nā Kumu o Kamehameha
SUBJECT: Statement of Support for State Attorney General Margery Bronster's
Petition for the Immediate Interim Removal of the Trustees of
Kamehameha Schools Bishop Estate and the Appointment of a Receiver
DATE: September 29, 1998

Nā Kumu o Kamehameha, an organization of 230 teachers, staff, and administrators of the Kamehameha Schools (see Attachment A for Nā Kumu's Statement of Visions and Goals), wishes to express its unequivocal support of State Attorney General Margery Bronster's investigation; her petition for the immediate interim removal of all Kamehameha Schools Bishop Estate (KSBE) Trustees, without compensation, pending final judgment on the issue of permanent removal of all trustees directly or indirectly responsible for breaches of trust; and her petition for the appointment of a receiver.

We implore you to temporarily remove the trustees on October 2, 1998.

Attached is a copy of our memorandum to Attorney General Bronster which was composed prior to her call for the immediate interim removal of all five trustees and the permanent removal of those shown in civil proceedings to have breached their fiduciary responsibilities (see Attachment B). This memo generally describes how the majority trustees Richard Wong, Lokelani Lindsey, and Henry Peters continue to 1) erode Trust assets, 2) take actions that are adverse to students, their families, and KSBE employees, and 3) impede negotiations with the Kamehameha Schools Faculty Association. As early as December 8, 1997 we appealed to Attorney General Bronster for the immediate temporary removal of all trustees and for the appointment of a receiver to manage KSBE in the interim (see Attachment C).

Although we know that the trustee majority is responsible for our deepening crisis, we support the Attorney General's petition to temporarily remove all five trustees. This option affords an opportunity for the Probate Court to provide immediate protection to Pauahi's trust, her beneficiaries, and the staff of KSBE. The information we include in this communication attests that your action is urgently needed.

We understand that trust law empowers you as a Probate Court judge to remove all five trustees temporarily if you deem this to be in the best interest of the beneficiaries. We further understand that you need not first establish individual culpability for breaches of trustee fiduciary responsibility, a process which could require a lengthy court review during which time the majority trustees would maintain their stranglehold on the school and the estate.

EXHIBIT C-1

Should you temporarily remove the trustees, they will nonetheless have their day to defend themselves in court when Attorney General Bronster's petition for their permanent removal is heard. At that time we will again affirm two important points:

1. The majority trustees Wong, Lindsey, and Peters have lost the confidence and respect of the faculty and staff of KSBE. We do not believe that they place the well-being of the Estate and its beneficiaries at the forefront of their actions.
2. The minority trustees Oswald Stender and Gerard Jervis have the respect and confidence of the faculty and staff. They have taken personal risks and expended their own assets to bring resolution to our shared predicament. Their actions attest to the positive role we expect they will play in the future of our institution.

To assure the orderly management of the Estate once the trustees are removed, we support Attorney General Bronster's call for the appointment of a receiver. We urge the Court to select someone who has demonstrated an expertise in the operational aspects of KSBE or comparable entities. Perhaps more importantly from our perspective, this person should exhibit a strong appreciation for the primacy of the Trust's educational mission that *Ke Ali'i Pauahi* envisioned.

Without your intervention, our dire situation will worsen. The trustee majority continues to stifle our efforts to improve our school community. As recently as this August, trustees disbanded a committee composed of elementary and high-school faculty and administrators which was established last November. The committee was a vehicle for collaborative efforts to address school concerns. It convened numerous meetings, including a school-wide in-service workshop, the result of which proposed solutions to the problems facing us. Before these solutions could be implemented, the trustees disbanded the committee, creating an all too familiar and frustrating dead end to a promising campus initiative. That trustees would forbid administrators and teachers from working together to resolve campus concerns is tantamount to crushing all hope for improving our school community from within.

Faculty and administrators, through Nā Kumu o Kamehameha, have also addressed the systemic aspects of our crisis originating in the trustees' "perverse ... top-down decision making" and "dysfunctional governance" that the accreditation team of the Western Association of Schools and Colleges [WASC] described (p. 16 and p. 23 of the Report of the WASC Visiting Committee March 9-12, 1998). Yesterday, September 28, 1998, we received a verbal directive initiated by the trustees, prohibiting any further Nā Kumu communications on campus addressing the issue of trustee removal. Again, the trustee majority is attempting to curtail our efforts and to silence our calls for help.

We are now left without any internal institution-wide mechanism for resolving our crisis. We need your help immediately.

Your order to temporarily remove the trustees on October 2 will affect not only the KSBE *'ohana*, but all of Hawai'i. Your calling a halt to the trustees' corrupt use of power will send a strong message to all citizens about the integrity and independence of Hawai'i's court system. We will be anxiously watching your court's proceedings and awaiting the announcement of your decision.

cc: Attorney General Margery Bronster
Nā Pua a Ke Ali'i Pauahi
Trustee Richard Wong
Trustee Lokelani Lindsey
Trustee Oswald Stender
Trustee Gerard Jervis
Trustee Henry Peters