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RE: Settlement Documents

Gentlemen:

In reviewing the "Settlement, Release and Indemnification Agreement" and the "Stipulation for Dismissal of Complaint as to All Claims and All Parties With Prejudice" documents which Roy sent me on October 16, I noticed what might be a material misrepresentation in this case on the part of Robert Katz, Matt Tsukazaki, Kenneth Hipp and Christopher S. Yeh.

You may recall that my RICO lawsuit named the ex-trustees as individuals— it did not name Kamehameha Schools. I had questioned, many times, who was representing the ex-trustees (Peters, Wong, Lindsey, Jervis and Stender) in the various lawsuits, and had even asked Katz and Tsukazaki, for a copy of their appointment letter to verify who they were representing (which they would not provide). In the state lawsuits, Katz and Tsukazaki indicated that they were representing the trustees and P&C Insurance Company. Later on, in the federal RICO lawsuit, Mr. Hipp and Mr. Yeh stated that they represented KSBE and the interim trustees, but not the ex-trustees.

In the Settlement Agreement, I note that signing for Kamehameha Schools are three of the interim trustees, with a signature date of April 11, 2000. On this document Robert Katz signed as the attorney for P&C Insurance Company in Case No. 97-0512-02 (the State Lawsuit) and for Bernice P. Bishop Estate in

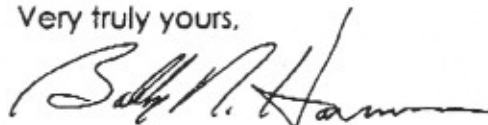
Supreme Court No. 22624 (the Agency Appeal). For this Settlement Agreement, Kenneth Hipp signed as the attorney for the Kamehameha Schools Bishop Estate in Civil No. 94-00304 DAE (the RICO Lawsuit). These signatures would appear to be appropriate and in accordance with my understanding of which law firms were representing their respective clients.

The apparent misrepresentation appears in the document, Civil No. 99-00304 DAE (the RICO lawsuit), "Stipulation for Dismissal of Complaint as to All Claims and All Parties With Prejudice". In this document, Kenneth Hipp has signed as the "Attorney for Defendant, HENRY H. PETERS, RICHARD S. H. WONG, LOKELANI LINDSEY, GERARD JERVIS AND OSWALD STENDER, TRUSTEES OF THE ESTATE OF BERNICE PAUAAHI BISHOP." Robert Katz has signed this document as "Attorneys for Defendant TORKILDSON, KATZ, FONSECA, JAFFE, MOORE & HETHERINGTON."

If indeed these attorneys misrepresented on whose behalf they were negotiating a settlement, it would appear that these misrepresentations would be a material factor in the ultimate settlement of this case. As my wife and I were excluded from many of these conferences, I am not aware of what other representations may have been made; however, I believe these two documents speak sufficiently for themselves regarding this issue.

As my attorneys who participated in the settlement conferences, I would appreciate your comments regarding this matter.

Very truly yours,



Bobby N. Harmon

cc: John Goemans, Esq.