

MEMORANDUM

TO: Suzanne Cartwright
FROM: Douglas O. Adler *DOA*
RE: Bishop Estate/Relocation of Assets --
Weekly Status Report
DATE: April 14, 1995

On Monday, April 10, 1995, Sue Temkin and I met with Trustee Gerry Jervis, General Counsel Nathan Aipa, Governor Waihee, Denis Dwyer and Norma Wong. We reviewed the comprehensive information request that had been prepared the prior week. In addition, we discussed some of the underlying issues giving rise to the request to identify possible alternative sites for administration of the Trust's assets. As a result of the meeting several action items were identified:

1. Survey Trip. It was tentatively agreed that Ms. Temkin and I would make a survey trip to Honolulu to review various items at the offices of Mr. Aipa and, further, to meet with Bruce Graham. It is possible that we would meet with other KSBE staff as well. This trip has been tentatively scheduled for the week of May 8, pending confirmation from Mr. Aipa.
2. Research. Several areas were identified as requiring legal research. These include the following:
 - a. The reasonableness of the Trustees' compensation under Section 501(c)(3) of the Internal Revenue Code.
 - b. Whether there might be a 10th amendment or preemption issue with respect to a state's right to establish compensation for Trustees versus IRS determination of reasonableness.
 - c. Survey of other domiciles to determine if they would be more favorable.
 - d. Internal governance issues under corporate versus trust law.
 - e. Authority of the Master to review the internal workings of the Trust.
 - f. Authority of the attorney general as parens patriae.

Upon conclusion of the survey trip and the legal research, a "White Paper" will be prepared.

K100054

Deposition Exhibit No. 129
Deposition of Waihee
Date 11-26-99

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