

ASHFORD & WRISTON

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August 6, 1999

Dorothy D. Seilers, Esq.
Deputy Attorney General
425 Queen Street
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Honolulu, Hawaii 96813

Re: KSBE - Stender/Jervis Fee Requests

Dear Dorothy:

I have discussed with the Trustees your inquiry concerning their possible joinder in the Attorney General's Petitions for surcharge of former Trustees Lindsey, Wong and Peters for any attorneys' fees and costs awarded former Trustees Stender and Jervis. The Attorney General's petitions are presently scheduled for hearing on September 3 and 10, 1999, respectively.

The Trustees have concluded that their joinder in the pending petitions would be premature at this time. They are reviewing claims the Estate may have against the former Trustees and will proceed with those claims in due course.

The Trustees would prefer that the Court defer action on the Petitions of Trustees Stender and Jervis and, in response to Trustee Stender's request, have urged the appointment of a master to review them, not only for reasonableness, necessity and trust benefit, but also against the background of other issues, including excess compensation claims, surcharge claims, insurance coverage, and other relevant considerations. A similar response will be filed shortly as to Trustee Jervis' request.

Please call me if you have any questions or wish to discuss this matter further.

Very truly yours,

ASHFORD & WRISTON



By Robert Bruce Graham, Jr.

EXHIBIT 3

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