

Kale Gumapac

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Kea'au, HI 96749
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November 22, 2011

Deutsche Bank National Trust Company
C/O American Home Mortgage Servicing, Inc., 6591 Irvine Center Drive, Mail-Stop DA-AM
Irvine, CA 92618

To Whom It May Concern:

When my former wife, Dianne Dee Gumapac, and I mortgaged our property at 15-1716 Second Ave., Keaau, HI 96749, to Argent Mortgage Company, LLC, whom I borrowed \$290,000.00, we were required by Argent Mortgage Company, LLC, as a condition of the loan, to go to escrow, being Title Guaranty of Hawai'i, Inc., to purchase a loan policy in the amount of \$290,000.00 for the benefit of Argent Mortgage Company, LLC, should there be defect in title. According to the loan policy we purchased from escrow, we paid a premium of \$1,050.00 for a loan policy dated December 19, 2005 with Argent Mortgage Company, LLC, as the named insured, which I'm attaching as Exhibit "1." My wife and I have since divorced and I am the owner of the property as a tenant in severalty.

According to Black's Law Dictionary, 6th ed., title insurance is a "policy issued by a title company **after searching the title, representing the state of that title and insuring the accuracy of its search against claims of title defects.**" It is an indemnity contract that does not guarantee the state of the title but covers loss incurred from a defect in land titles that would arise from an inaccurate title report. The loan title insurance policy, which we purchased from Title Guaranty and which I've attached as Exhibit "2," states:

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B, AND THE CONDITIONS, STEWART TITLE GUARANTY COMPANY, a Texas corporation (the "Company") insures as of Date of Policy and, to the extent stated in Covered Risks 11, 13, and 14, after Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured [the Lender] by reason of:

1. Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from
 - a. A defect in the Title caused by
 - i. forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
 - ii. failure of any person or Entity to have authorized a transfer or conveyance;
 - iii. a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, **notarized**, or delivered;

- iv. failure to perform those acts necessary to create a document by electronic means authorized by law;
- v. a document executed under a falsified, expired, or otherwise invalid power of attorney;
- vi. a **document not properly filed, recorded, or indexed in the Public Records** including failure to perform those acts by electronic means authorized by law; or
- vii. a defective judicial or administrative proceeding.

On January 21, 2011, my company Laulima Title Search and Claims, LLC, formerly Hawaiian Alliance, LLC, investigated the status of my fee-simple title that was acquired from Linda Vivian Little and Alice Evelyn Little, on April 17, 2002, under document no. 2895104, on certificate no. 505,052, issuance of certificate no. 637,651 in the Hawai'i Bureau of Conveyances. Laulima provides claims packages to be filed with title insurance companies under a lender's and owner's policy.

Laullima investigation identified defects in my fee-simple title that should have been disclosed in the title report done by Title Guaranty of Hawai'i, Inc., which I paid for and which also formed the basis of the lender's title insurance policy I purchased. Laulima's processor's report is based on the expert memorandum of Dr. Keanu Sai, who has a Ph.D. in political science specializing in international relations and public law. The executive agreements cited by Dr. Sai in Laulima's package was also the topic of Dr. Sai's doctoral dissertation and law journal article published by the University of San Francisco School of Law's *Journal of Law and Social Challenges*, vol. 10 (Fall 2008). Both dissertation and law journal article can be downloaded from Dr. Sai's University of Hawai'i website at www2.hawaii.edu/~anu/publications, as well as other publications by Dr. Sai. Attached as Exhibit "3" is the report of Laulima. The report summarized the defect by stating:

"This claim involves a defect of title by virtue of an executive agreement entered into between President Grover Cleveland of the United States and Queen Lili'uokalani of the Hawaiian Kingdom, whereby the President and his successors in office were and continue to be bound to faithfully execute Hawaiian Kingdom law by assignment of the Queen under threat of war on January 17th 1893. The notaries public in the Hawaiian Islands and the registrar of the Bureau of Conveyances were not lawful since January 17th 1893, and therefore title to the estate in fee-simple described as Lot 2787, area 1.00 acre, more or less, Block 7, as shown on Map 58 filed in the Office of the Assistant Registrar of the Land Court of the State of Hawai'i with Land Court Application no. 1053 (amended) of W.H. Shipman, Limited, under document no. 2895104 & certificate no. 505052, filed with the Registrar of the Bureau of Conveyances on February 24th 2003, is vested other than Kale Kepekaio Gumapac and Dianne Dee Gumapac, now divorced, because the aforementioned deed of conveyance was not lawfully executed in compliance with Hawaiian Kingdom law."

The defective notary and registrar of the Hawai'i Bureau of Conveyances are covered risks under section 2(a)(iii) and 2(a)(vi) of the lender's title insurance policy I purchased for Deutsche Bank National Trust Company, as the assignee of Argent Mortgage Company, LLC. Your lawfirm that you hired, RCO Hawai'i, LLLC, foreclosed on my property under the power of sale and on February 9, 2011, filed a complaint for ejectment in the District Court of the Third Circuit, Puna Division. On April 29, 2011, a Motion to Dismiss was filed by my former wife Dianne Dee Gumapac, and after the motion was heard the complaint for ejectment and foreclosure was dismissed because there is exists a title dispute. Attached as

Exhibit "4" is the court order and transcript. On October 3, 2011, RCO filed a motion for relief from the judgment, and after the hearing, RCO's motion was denied because the issue is a title dispute.

This letter is giving notice of the defect in title and for Deutsche Bank National Trust Company to file an insurance claim with Stewart Title Guaranty Company. Deutsche Bank National Trust Company is being notified pursuant to section 3 of the title insurance policy that specifically states:

"The Insured shall notify the Company promptly in writing...in case Knowledge shall come to an insured of any claim of title or interest that is adverse to the Title or the lien of the insured Mortgage, as insured, and that might cause loss or damage for which the Company may be liable by virtue of this policy... If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under the policy shall be reduced to the extent of the prejudice."

As the person who purchased the lender's policy for the benefit of Deutsche Bank National Trust Company, I am the one who contracted the title insurance company to protect their interest, not by choice, but rather as a condition of the loan. Hawai'i is a lien theory state, which means that I'm still the owner of the property and that Deutsche Bank National Trust Company only has a lien on my property. As a result of the defect in title, this has affected my claim to "legal" title, but I do maintain "equitable" title because I did pay valuable consideration to Linda Vivian Little and Alice Evelyn Little, on April 17, 2002, as aforementioned, as well as maintaining "actual possession."

If I have a defect in "legal" title, the mortgage lien is not enforceable and therefore invalid. To protect the lender in case of this type of situation, I was required by the original lender, Argent Mortgage Company, LLC, to purchase a loan title insurance policy in escrow or I wouldn't get the loan. The policy covered the amount I borrowed, which was \$290,000.00. When Deutsche Bank National Trust Company purchased the loan it also included the title insurance policy I purchased for the protection of Argent Mortgage Company, LLC. If there is a defect in title, which is a covered risk under the lender's policy, it pays off the balance of the loan owed to Deutsche Bank National Trust Company, being the assignee of Argent Mortgage Company, LLC. Under Section 5 of "Defense and Prosecution of Actions," the lender's policy states:

5(b). The Company shall have the right, in addition to the options contained in Section 7 of these Conditions, at its own cost, to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the Title or the lien of the Insured Mortgage, as insured, or to prevent or reduce loss or damage to the Insured.

This letter is sent to Deutsche Bank National Trust Company, assignee of Argent Mortgage Company, LLC, pursuant to section 5, 15 and 20 of the "Uniform Covenants" in the aforementioned mortgage agreement (security instrument).

5. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender.

15. All notices given by a Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail.

20. Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to the Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 15) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action.

Therefore, any judicial action taken by Deutsche Bank National Trust Company without first addressing the notice and taking corrective action pursuant to the "Uniform Covenants" of the mortgage agreement by filing a title insurance claim under the Lender's title insurance policy I purchased for the protection of the same is a direct violation and breach and I reserve the right to file a lawsuit for damages.

According to *Foehrenbach v. German-American Title & Trust Company*, 217 Pa. 331, 337 (1907), title insurance insures "against defects, unmarketability, liens and incumbrances as of that date. [The insurance company says], you are in our judgment the owner in fee of the entire interest in this property, and we will back our opinion by agreeing to hold you harmless, up to the amount of the policy, in case for any reason our judgment in this respect should prove to be mistaken." And in *Falmouth National Bank v. Ticor Title Insurance Company*, 920 F.2d 1058, 1064 (1990), the Court stated:

"The title insurance policy...provided that when presented with a claim of an adverse interest to the insured property, the insurer had the option of pursuing a quiet title action without unreasonable delay, or of paying any loss resulting from the defect. Regarding the timing of payment of the loss, the policy contained precisely the same language as Ticor's policy, namely, that 'when liability has been definitely fixed . . . the loss or damage shall be payable within 30 days thereafter.' In a lengthy opinion, the court held that the liability of the insurer was definitely fixed when it refused to take any action to quiet title. Thus, the court held that an offer of payment of the loss was due thirty days thereafter."

Deutsche Bank National Trust Company has provided me no evidence that it has filed the title insurance claim, and that the insurance company has refuted the evidence provided by Lailima Title Search and Claims, LLC, in particular:

1. providing evidence that the 1893 executive agreements entered into between President Grover Cleveland and Queen Lili'uokalani mandating the President and his successors in office to first administer Hawaiian Kingdom law (*Lili'uokalani assignment*) and second to restore the Hawaiian Kingdom government and thereafter the Queen to grant amnesty to certain insurgents (*Restoration agreement*) do not exist;
2. providing evidence that the Hawaiian Islands was annexed by a treaty which would have superseded the aforementioned executive agreements;
3. or providing evidence that the U.S. Congress has any constitutional authority to not only annex a foreign state in 1898 by a so-called joint resolution, but also enact legislation creating the so-called Territory of Hawai'i in 1900 or the so-called State of Hawai'i in 1959, since Congressional laws have no extra-territorial effect.

Therefore, any judicial action taken against me regarding my property after you have been notified of the defect constitutes a breach of contract under the "Uniform Covenants" and liable to a lawsuit for damages. And please don't give me your "unqualified opinion" regarding Lailima's title

report, because the insurance policy I was required to purchase to protect Argent Mortgage Company, LLC, and their assigns, insured the accuracy of Title Guaranty's title report and not any other individual or company's opinion, who would by definition be a third party to the contract. Because if your opinion would suffice, then why was I required to purchase the insurance policy in the first place.

THIS LETTER WILL BE USED AS EVIDENCE OF A BREACH OF CONTRACT LAWSUIT IF YOU FAIL TO FILE THE TITLE INSURANCE CLAIM UNDER THE LENDER'S TITLE INSURANCE POLICY.

Sincerely,

Kale Gumapac

cc: RCO Hawai'i, LLLC
900 Fort Street Mall, Suite 800
Honolulu, HI 9681

Exhibit “1”

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L-404 STATE OF HAWAII
OFFICE OF ASSISTANT REGISTRAR
RECORDED
DEC 19, 2005 08:02 AM
Doc No(s) 3368985
on Cert(s) 637,651

I hereby certify that this is
a true copy from the records
of the Bureau of Conveyances.

[Signature]
Registrar of Conveyances
Assistant Registrar, Land Court
State of Hawaii



/s/ CARL T. WATANABE
ASSISTANT REGISTRAR

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STL
LL

After Recordation Return By: Mail Pickup To:

Argent Mortgage Company, LLC
P.O. Box 5047
Rolling Meadows, IL 60008

STC-419665/25050126

TMK: 3-1-5-055-062

[Space Above This Line For Recording Data]

Total Pages ¹⁹ 20

MORTGAGE

DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

(A) "Security Instrument" means this document, which is dated December 12, 2005 together with all Riders to this document.

(B) "Borrower" is KALE KEPEKAIO GUMAPAC and DIANNE DEE GUMAPAC, Husband and Wife, As Tenants By the Entirety

Borrower is the mortgagor under this Security Instrument.

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HAWAII-Single Family-Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

Form 3012 1/01

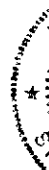
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Initials: *[Signature]*

VMP MORTGAGE FORMS - (800)821-7291

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(C) "Lender" is Argent Mortgage Company, LLC

Lender is a Limited Liability Company organized and existing under the laws of Delaware Lender's address is 3 Park Plaza 10th Floor Irvine, CA 92614

Lender is the mortgagee under this Security Instrument.

(D) "Note" means the promissory note signed by Borrower and dated December 12, 2005 The Note states that Borrower owes Lender two hundred ninety thousand and 00/100

(U.S. \$290,000.00) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than January 1, 2036 Dollars

(E) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."

(F) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.

(G) "Riders" means all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower [check box as applicable]:

- Adjustable Rate Rider
- Balloon Rider
- VA Rider
- Condominium Rider
- Planned Unit Development Rider
- Biweekly Payment Rider
- Second Home Rider
- 1-4 Family Rider
- Other(s) [specify]

(H) "Applicable Law" means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions.

(I) "Community Association Dues, Fees, and Assessments" means all dues, fees, assessments and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization.

(J) "Electronic Funds Transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.

(K) "Escrow Items" means those items that are described in Section 3.

(L) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.

(M) "Mortgage Insurance" means insurance protecting Lender against the nonpayment of, or default on, the Loan.

(N) "Periodic Payment" means the regularly scheduled amount due for (i) principal and interest under the Note, plus (ii) any amounts under Section 3 of this Security Instrument.

(O) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. Section 2601 et seq.) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to

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time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.

(P) "Successor in Interest of Borrower" means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to Lender, with power of sale, the following described property located in the County of HAWAII:

[Type of Recording Jurisdiction]

[Name of Recording Jurisdiction]

EXHIBIT A ATTACHED HERETO AND MADE A PART HEREOF:

Parcel ID Number: 1-5-055-062
15-1716 2ND AVENUE
KAAU
("Property Address"):

which currently has the address of
[Street]
[City], Hawaii 96749 [Zip Code]

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

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UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. Payment of Principal, Interest, Escrow Items, Prepayment Charges, and Late Charges.

Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any prepayment charges and late charges due under the Note. Borrower shall also pay funds for Escrow Items pursuant to Section 3. Payments due under the Note and this Security Instrument shall be made in U.S. currency. However, if any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer.

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 15. Lender may return any payment or partial payment if the payment or partial payments are insufficient to bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payments in the future, but Lender is not obligated to apply such payments at the time such payments are accepted. If each Periodic Payment is applied as of its scheduled due date, then Lender need not pay interest on unapplied funds. Lender may hold such unapplied funds until Borrower makes payment to bring the Loan current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Borrower might have now or in the future against Lender shall relieve Borrower from making payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

2. Application of Payments or Proceeds. Except as otherwise described in this Section 2, all payments accepted and applied by Lender shall be applied in the following order of priority: (a) interest due under the Note; (b) principal due under the Note; (c) amounts due under Section 3. Such payments shall be applied to each Periodic Payment in the order in which it became due. Any remaining amounts shall be applied first to late charges, second to any other amounts due under this Security Instrument, and then to reduce the principal balance of the Note.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note.

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

3. Funds for Escrow Items. Borrower shall pay to Lender on the day Periodic Payments are due under the Note, until the Note is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over this Security Instrument as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums for any and all insurance required by Lender under Section 5; and (d) Mortgage Insurance premiums, if any, or any sums payable by Borrower to Lender in lieu of the payment of Mortgage Insurance premiums in accordance with the provisions of Section 10. These items are called "Escrow Items." At origination or at any time during the term of the Loan, Lender may require that Community

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Initials: *[Signature]*

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Association Dues, Fees and Assessments, if any, be escrowed by Borrower, and such dues, fees and assessments shall be an Escrow Item. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. Borrower shall pay Lender the Funds for Escrow Items unless Lender waives Borrower's obligation to pay the Funds for any or all Escrow Items. Lender may waive Borrower's obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be in writing. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within such time period as Lender may require. Borrower's obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in this Security Instrument, as the phrase "covenant and agreement" is used in Section 9. If Borrower is obligated to pay Escrow Items directly, pursuant to a waiver, and Borrower fails to pay the amount due for an Escrow Item, Lender may exercise its rights under Section 9 and pay such amount and Borrower shall then be obligated under Section 9 to repay to Lender any such amount. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with Section 15 and, upon such revocation, Borrower shall pay to Lender all Funds, and in such amounts, that are then required under this Section 3.

Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under RESPA; and (b) not to exceed the maximum amount a lender can require under RESPA. Lender shall estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with Applicable Law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Lender shall not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and Applicable Law permits Lender to make such a charge. Unless an agreement is made in writing or Applicable Law requires interest to be paid on the Funds, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender can agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds as required by RESPA.

If there is a surplus of Funds held in escrow, as defined under RESPA, Lender shall account to Borrower for the excess funds in accordance with RESPA. If there is a shortage of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the shortage in accordance with RESPA, but in no more than twelve monthly payments. If there is a deficiency of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the deficiency in accordance with RESPA, but in no more than twelve monthly payments.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender.

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any, and Community Association Dues, Fees, and Assessments, if any. To the extent that these items are Escrow Items, Borrower shall pay them in the manner provided in Section 3.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith

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by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 4.


Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan.

5. **Property Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Borrower.

If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 5 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law

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requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2.

If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 22 or otherwise, Borrower hereby assigns to Lender (a) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due.

6. Occupancy. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within 60 days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control.

7. Preservation, Maintenance and Protection of the Property; Inspections. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Whether or not Borrower is residing in the Property, Borrower shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 5 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of Borrower's obligation for the completion of such repair or restoration.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

8. Borrower's Loan Application. Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's principal residence.

9. Protection of Lender's Interest in the Property and Rights Under this Security Instrument. If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or

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regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 9, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 9.

Any amounts disbursed by Lender under this Section 9 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

10. Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan, Borrower shall pay the premiums required to maintain the Mortgage Insurance in effect. If, for any reason, the Mortgage Insurance coverage required by Lender ceases to be available from the mortgage insurer that previously provided such insurance and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the Mortgage Insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the Mortgage Insurance previously in effect, from an alternate mortgage insurer selected by Lender. If substantially equivalent Mortgage Insurance coverage is not available, Borrower shall continue to pay to Lender the amount of the separately designated payments that were due when the insurance coverage ceased to be in effect. Lender will accept, use and retain these payments as a non-refundable loss reserve in lieu of Mortgage Insurance. Such loss reserve shall be non-refundable, notwithstanding the fact that the Loan is ultimately paid in full, and Lender shall not be required to pay Borrower any interest or earnings on such loss reserve. Lender can no longer require loss reserve payments if Mortgage Insurance coverage (in the amount and for the period that Lender requires) provided by an insurer selected by Lender again becomes available, is obtained, and Lender requires separately designated payments toward the premiums for Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to maintain Mortgage Insurance in effect, or to provide a non-refundable loss reserve, until Lender's requirement for Mortgage Insurance ends in accordance with any written agreement between Borrower and Lender providing for such termination or until termination is required by Applicable Law. Nothing in this Section 10 affects Borrower's obligation to pay interest at the rate provided in the Note.

Mortgage Insurance reimburses Lender (or any entity that purchases the Note) for certain losses it may incur if Borrower does not repay the Loan as agreed. Borrower is not a party to the Mortgage Insurance.

Mortgage insurers evaluate their total risk on all such insurance in force from time to time, and may enter into agreements with other parties that share or modify their risk, or reduce losses. These agreements are on terms and conditions that are satisfactory to the mortgage insurer and the other party (or parties) to these agreements. These agreements may require the mortgage insurer to make payments using any source of funds that the mortgage insurer may have available (which may include funds obtained from Mortgage Insurance premiums).

As a result of these agreements, Lender, any purchaser of the Note, another insurer, any reinsurer, any other entity, or any affiliate of any of the foregoing, may receive (directly or indirectly) amounts that derive from (or might be characterized as) a portion of Borrower's payments for Mortgage Insurance, in exchange for sharing or modifying the mortgage insurer's risk, or reducing losses. If such agreement

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provides that an affiliate of Lender takes a share of the insurer's risk in exchange for a share of the premiums paid to the insurer, the arrangement is often termed "captive reinsurance." Further:

(a) Any such agreements will not affect the amounts that Borrower has agreed to pay for Mortgage Insurance, or any other terms of the Loan. Such agreements will not increase the amount Borrower will owe for Mortgage Insurance, and they will not entitle Borrower to any refund.

(b) Any such agreements will not affect the rights Borrower has - If any - with respect to the Mortgage Insurance under the Homeowners Protection Act of 1998 or any other law. These rights may include the right to receive certain disclosures, to request and obtain cancellation of the Mortgage Insurance, to have the Mortgage Insurance terminated automatically, and/or to receive a refund of any Mortgage Insurance premiums that were unearned at the time of such cancellation or termination.

11. Assignment of Miscellaneous Proceeds; Forfeiture. All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to Miscellaneous Proceeds.

Borrower shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if acceleration has occurred, reinstate as provided in Section 19, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

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All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

12. **Borrower Not Released; Forbearance By Lender Not a Waiver.** Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower. Lender shall not be required to commence proceedings against any Successor in Interest of Borrower or to refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities or Successors in Interest of Borrower or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy.

13. **Joint and Several Liability; Co-signers; Successors and Assigns Bound.** Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument but does not execute the Note (a "co-signer"): (a) is co-signing this Security Instrument only to mortgage, grant and convey the co-signer's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent.

Subject to the provisions of Section 18, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 20) and benefit the successors and assigns of Lender.

14. **Loan Charges.** Lender may charge Borrower fees for services performed in connection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note). Borrower's acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

15. **Notices.** All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. If Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated herein unless Lender has designated another address by notice to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually

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received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

16. Governing Law; Severability; Rules of Construction. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument or the Note conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision.

As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action.

17. Borrower's Copy. Borrower shall be given one copy of the Note and of this Security Instrument.

18. Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

19. Borrower's Right to Reinstate After Acceleration. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 18.

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20. Sale of Note; Change of Loan Servicer; Notice of Grievance. The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower. A sale might result in a change in the entity (known as the "Loan Servicer") that collects Periodic Payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law. There also might be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA requires in connection with a notice of transfer of servicing. If the Note is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 15) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 22 and the notice of acceleration given to Borrower pursuant to Section 18 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 20.

21. Hazardous Substances. As used in this Section 21: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Borrower shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge, (b) any

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Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

22. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Section 18 unless Applicable Law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by Applicable Law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 22, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, Lender shall give Borrower notice of sale in the manner provided in Section 15. Lender shall publish a notice of sale and shall sell the Property at the time and place and under the terms specified in the notice of sale. Lender or its designee may purchase the Property at any sale. The proceeds of the sale shall be applied in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

23. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument. Borrower shall pay any recordation costs. Lender may charge Borrower a fee for releasing this Security Instrument, but only if the fee is paid to a third party for services rendered and the charging of the fee is permitted under Applicable Law.

24. Waivers. Borrower relinquishes all right of dower and curtesy in the Property.

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BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it.

Witnesses:

Dianne Dee Gumapac (Seal)
 DIANNE DEE GUMAPAC -Borrower

Rale Kepeaio Gumapac (Seal)
 RALE KEPEAIO GUMAPAC -Borrower

_____ (Seal)
 -Borrower

_____ (Seal)
 -Borrower

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 -Borrower

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STATE OF HAWAII,

County of Hawaii

SS:

On this

12th
Day

day of DECEMBER 2005
Month/Year

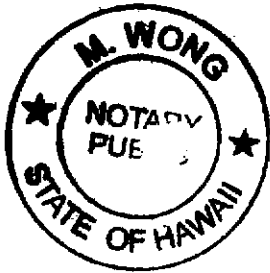
before me personally appeared

KALE KEPEKAIO GUMAPAL AND DIANNE DEE GUMAPAL

to me known to be the person described in and who executed the foregoing instrument and acknowledged that he/she/they executed the same as his/her/their free act and deed.

My Commission Expires:

JUN 05 2009



Notary Public, State of Hawaii

M. WONG



ADJUSTABLE RATE RIDER

(LIBOR Six-Month-Index (As Published in the Wall Street Journal)- Rate Caps)

THIS ADJUSTABLE RATE RIDER is made this 12th day of December, 2005 and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Adjustable Rate Note (the "Note") to Argent Mortgage Company, LLC (the "Lender") of the same date and covering the property described in the Security Instrument and located at:

15-1716 2ND AVENUE, KEAAU, HI 96749
 [Property Address]

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE MONTHLY PAYMENT. THE NOTE LIMITS THE AMOUNT THE BORROWER'S INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE THE BORROWER MUST PAY.

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial interest rate of 10.700%. The Note provides for changes in the interest rate and the monthly payments, as follows:

4. INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates

The interest rate I will pay may change on the first day of January, 2008, and on that day every sixth month thereafter. Each date on which my interest rate could change is called a "Change Date."

(B) The Index

Beginning with the first Change Date, my interest rate will be based on an index. The "Index" is the average of interbank offered rates for six-month U.S. dollar-denominated deposits in the London market ("LIBOR"), as published in the Wall Street Journal. The most recent Index figure available as of the date 45 days before each Change Date is called the "Current Index."

If the Index is no longer available, the Note Holder will choose a new index which is based upon comparable information. The Note Holder will give me notice of this choice.


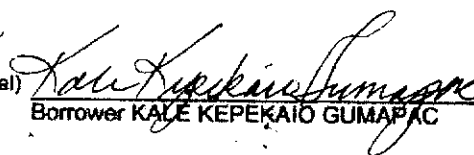
Initials 

Loan Number: 0091447151 - 9504

If all or any part of the Property or any interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by federal law. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

To the extent permitted by Applicable Law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender may also require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing. If Lender exercises the option to require immediate payment in full, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Adjustable Rate Rider.

 (Seal)  (Seal)
 Borrower DIANNE DEE GUMAPAC Borrower KALE KEPEKAI GUMAPAC

 Borrower (Seal) Borrower (Seal)

Loan Number: 0091447151 - 9504

EXHIBIT "A"

All of that certain parcel of land situate at Keaau, District of Puna, Island and County of Hawaii, State of Hawaii, described as follows:

Lot 2787, area 1.00 acre, more or less, Block 7, as shown on Map 58, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 1053 (amended) of W. H. Shipman, Limited;

TOGETHER WITH an undivided 1/5750 interest in Lots 60, 62, 8297, 8363, 8385, 8387 and 3115 in Block 7, and Lot 1 in Block 10; as shown on Maps 10, 10, 55, 56, 56, 57, 58 and 65, respectively, of said Land Court Application No. 1053 (amended); and Lot 4-b, as shown on Map 2 of Land Court Application No. 1689 of W. H. Shipman, Limited, to be used in common with others entitled thereto, for roadway and utility purposes only;

Being all of the land described in Transfer Certificate of Title No. 637,651.

Exhibit “2”

LOAN POLICY OF TITLE INSURANCE
ISSUED BY



Any notice of claim and any other notice or statement in writing required to be given to the Company under this Policy must be given to the Company at the address shown in Section 17 of the Conditions.

COVERED RISKS

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B, AND THE CONDITIONS, STEWART TITLE GUARANTY COMPANY, a Texas corporation (the "Company") insures as of Date of Policy and, to the extent stated in Covered Risks 11, 13, and 14, after Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

1. Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. This Covered Risk includes but is not limited to insurance against loss from
 - (a) A defect in the Title caused by
 - (i) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
 - (ii) failure of any person or Entity to have authorized a transfer or conveyance;
 - (iii) a document affecting Title not properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;
 - (iv) failure to perform those acts necessary to create a document by electronic means authorized by law;
 - (v) a document executed under a falsified, expired, or otherwise invalid power of attorney;
 - (vi) a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
 - (vii) a defective judicial or administrative proceeding.
 - (b) The lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
3. Unmarketable Title.
4. No right of access to and from the Land.
5. The violation or enforcement of any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (a) the occupancy, use, or enjoyment of the Land;
 - (b) the character, dimensions, or location of any improvement erected on the Land;
 - (c) the subdivision of land; or
 - (d) environmental protection

Countersigned:



Authorized Countersignature

Company Name

City, State



Senior Chairman of the Board

Chairman of the Board

President

File No.:

Covered Risks – Cont.

if a notice, describing any part of the Land, is recorded in the Public Records setting forth the violation or intention to enforce, but only to the extent of the violation or enforcement referred to in that notice.

6. An enforcement action based on the exercise of a governmental police power not covered by Covered Risk 5 if a notice of the enforcement action, describing any part of the Land, is recorded in the Public Records, but only to the extent of the enforcement referred to in that notice.
7. The exercise of the rights of eminent domain if a notice of the exercise, describing any part of the Land, is recorded in the Public Records.
8. Any taking by a governmental body that has occurred and is binding on the rights of a purchaser for value without Knowledge.
9. The invalidity or unenforceability of the lien of the Insured Mortgage upon the Title. This Covered Risk includes but is not limited to insurance against loss from any of the following impairing the lien of the Insured Mortgage:
 - (a) forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
 - (b) failure of any person or Entity to have authorized a transfer or conveyance;
 - (c) the Insured Mortgage not being properly created, executed, witnessed, sealed, acknowledged, notarized, or delivered;
 - (d) failure to perform those acts necessary to create a document by electronic means authorized by law;
 - (e) a document executed under a falsified, expired, or otherwise invalid power of attorney;
 - (f) a document not properly filed, recorded, or indexed in the Public Records including failure to perform those acts by electronic means authorized by law; or
 - (g) a defective judicial or administrative proceeding.
10. The lack of priority of the lien of the Insured Mortgage upon the Title over any other lien or encumbrance.
11. The lack of priority of the lien of the Insured Mortgage upon the Title
 - (a) as security for each and every advance of proceeds of the loan secured by the Insured Mortgage over any statutory lien for services, labor, or material arising from construction of an improvement or work related to the Land when the improvement or work is either:

- (i) contracted for or commenced on or before Date of Policy; or
 - (ii) contracted for, commenced, or continued after Date of Policy if the construction is financed, in whole or in part, by proceeds of the loan secured by the Insured Mortgage that the Insured has advanced or is obligated on Date of Policy to advance; and
- (b) over the lien of any assessments for street improvements under construction or completed at Date of Policy.
12. The invalidity or unenforceability of any assignment of the Insured Mortgage, provided the assignment is shown in Schedule A, or the failure of the assignment shown in Schedule A to vest title to the Insured Mortgage in the named Insured assignee free and clear of all liens.
13. The invalidity, unenforceability, lack of priority, or avoidance of the lien of the Insured Mortgage upon the Title
 - (a) resulting from the avoidance in whole or in part, or from a court order providing an alternative remedy, of any transfer of all or any part of the title to or any interest in the Land occurring prior to the transaction creating the lien of the Insured Mortgage because that prior transfer constituted a fraudulent or preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws; or
 - (b) because the Insured Mortgage constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar creditors' rights laws by reason of the failure of its recording in the Public Records
 - i) to be timely, or
 - ii) to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.
14. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 13 that has been created or attached or has been filed or recorded in the Public Records subsequent to Date of Policy and prior to the recording of the Insured Mortgage in the Public Records.

The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this Policy, but only to the extent provided in the Conditions.

Exclusions from Coverage

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection; or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters:
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is:
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

CONDITIONS

1. DEFINITION OF TERMS

The following terms when used in this policy mean:

- (a) "Amount of Insurance": The amount stated in Schedule A, as may be increased or decreased by endorsement to this policy, increased by Section 8(b) or decreased by Section 10 of these Conditions.
- (b) "Date of Policy": The date designated as "Date of Policy" in Schedule A.
- (c) "Entity": A corporation, partnership, trust, limited liability company, or other similar legal entity.
- (d) "Indebtedness": The obligation secured by the Insured Mortgage including one evidenced by electronic means authorized by law, and if that obligation is the payment of a debt, the Indebtedness is the sum of
 - i) the amount of the principal disbursed as of Date of Policy;
 - ii) the amount of the principal disbursed subsequent to Date of Policy;
 - iii) the construction loan advances made subsequent to Date of Policy for the purpose of financing in whole or in part the construction of an improvement to the Land or related to the Land that the Insured was and continued to be obligated to advance at Date of Policy and at the date of the advance;
 - iv) interest on the loan;
 - v) the prepayment premiums, exit fees, and other similar fees or penalties allowed by law;
 - vi) the expenses of foreclosure and any other costs of enforcement;
 - vii) the amounts advanced to assure compliance with laws or to protect the lien or the priority of the lien of the Insured Mortgage before the acquisition of the estate or interest in the Title;
 - viii) the amounts to pay taxes and insurance; and
 - ix) the reasonable amounts expended to prevent deterioration of improvements; but the Indebtedness is reduced by the total of all payments and by any amount forgiven by an Insured.
- (e) "Insured": The Insured named in Schedule A.
 - (i) The term "Insured" also includes
 - (A) the owner of the Indebtedness and each successor in ownership of the Indebtedness, whether the owner or successor owns the Indebtedness for its own account or as a trustee or other fiduciary, except a successor who is an obligor under the provisions of Section 12(c) of these Conditions;
 - (B) the person or Entity who has "control" of the "transferable record," if the Indebtedness is evidenced by a "transferable record," as these terms are defined by applicable electronic transactions law;
 - (C) successors to an Insured by dissolution, merger, consolidation, distribution, or reorganization;
 - (D) successors to an Insured by its conversion to another kind of Entity;
 - (E) a grantee of an Insured under a deed delivered without payment of actual valuable consideration conveying the Title
 - (1) if the stock, shares, memberships, or other equity interests of the grantee are wholly-owned by the named Insured,
 - (2) if the grantee wholly owns the named Insured, or
 - (3) if the grantee is wholly-owned by an affiliated Entity of the named Insured, provided the affiliated Entity and the named Insured are both wholly-owned by the same person or Entity;
 - (F) any government agency or instrumentality that is an insurer or guarantor under an insurance contract or

guaranty insuring or guaranteeing the Indebtedness secured by the Insured Mortgage, or any part of it, whether named as an Insured or not;

- (ii) With regard to (A), (B), (C), (D), and (E) reserving, however, all rights and defenses as to any successor that the Company would have had against any predecessor Insured, unless the successor acquired the Indebtedness as a purchaser for value without Knowledge of the asserted defect, lien, encumbrance, or other matter insured against by this policy.
- (f) "Insured Claimant": An Insured claiming loss or damage.
- (g) "Insured Mortgage": The Mortgage described in paragraph 4 of Schedule A.
- (h) "Knowledge" or "Known": Actual knowledge, not constructive knowledge or notice that may be imputed to an Insured by reason of the Public Records or any other records that impart constructive notice of matters affecting the Title.
 - (i) "Land": The land described in Schedule A, and affixed improvements that by law constitute real property. The term "Land" does not include any property beyond the lines of the area described in Schedule A, nor any right, title, interest, estate, or easement in abutting streets, roads, avenues, alleys, lanes, ways, or waterways, but this does not modify or limit the extent that a right of access to and from the Land is insured by this policy.
 - (j) "Mortgage": Mortgage, deed of trust, trust deed, or other security instrument, including one evidenced by electronic means authorized by law.
 - (k) "Public Records": Records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without Knowledge. With respect to Covered Risk 5(d), "Public Records" shall also include environmental protection liens filed in the records of the clerk of the United States District Court for the district where the Land is located.
 - (l) "Title": The estate or interest described in Schedule A.
 - (m) "Unmarketable Title": Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or lender on the Title or a prospective purchaser of the Insured Mortgage to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE

The coverage of this policy shall continue in force as of Date of Policy in favor of an Insured after acquisition of the Title by an Insured or after conveyance by an Insured, but only so long as the Insured retains an estate or interest in the Land, or holds an obligation secured by a purchase money Mortgage given by a purchaser from the Insured, or only so long as the Insured shall have liability by reason of warranties in any transfer or conveyance of the Title. This policy shall not continue in force in favor of any purchaser from the Insured of either (i) an estate or interest in the Land, or (ii) an obligation secured by a purchase money Mortgage given to the Insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

The Insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 5(a) of these Conditions, (ii) in case Knowledge shall come to an Insured of any claim of title or interest that is adverse to the Title or the lien of the Insured Mortgage, as insured, and that might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if the Title or the lien of the Insured Mortgage, as insured, is rejected as Unmarketable Title. If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under the policy shall be reduced to the extent of the prejudice.

CONDITIONS – Continued

4. PROOF OF LOSS

In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, or other matter insured against by this policy that constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage.

5. DEFENSE AND PROSECUTION OF ACTIONS

- (a) Upon written request by the Insured, and subject to the options contained in Section 7 of these Conditions, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those stated causes of action. It shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs, or expenses incurred by the Insured in the defense of those causes of action that allege matters not insured against by this policy.
- (b) The Company shall have the right, in addition to the options contained in Section 7 of these Conditions, at its own cost, to institute and prosecute any action or proceeding or to do any other act that in its opinion may be necessary or desirable to establish the Title or the lien of the Insured Mortgage, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable to the Insured. The exercise of these rights shall not be an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under this subsection, it must do so diligently.
- (c) Whenever the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court of competent jurisdiction, and it expressly reserves the right, in its sole discretion, to appeal any adverse judgment or order.

6. DUTY OF INSURED CLAIMANT TO COOPERATE

- (a) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose. Whenever requested by the Company, the Insured, at the Company's expense, shall give the Company all reasonable aid (i) in securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title, the lien of the Insured Mortgage, or any other matter as insured. If the Company is prejudiced by the failure of the Insured to furnish the required cooperation, the Company's obligations to the Insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.
- (b) The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks,

memoranda, correspondence, reports, e-mails, disks, tapes, and videos whether bearing a date before or after Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all of these records in the custody or control of a third party that reasonably pertain to the loss or damage. All information designated as confidential by the Insured Claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in this subsection, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this policy as to that claim.

7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

In case of a claim under this policy, the Company shall have the following additional options:

- (a) To Pay or Tender Payment of the Amount of Insurance or to Purchase the Indebtedness.
 - (i) To pay or tender payment of the Amount of Insurance under this policy together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay; or
 - (ii) To purchase the Indebtedness for the amount of the Indebtedness on the date of purchase, together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of purchase and that the Company is obligated to pay.
When the Company purchases the Indebtedness, the Insured shall transfer, assign, and convey to the Company the Indebtedness and the Insured Mortgage, together with any collateral security.
Upon the exercise by the Company of either of the options provided for in subsections (a)(i) or (ii), all liability and obligations of the Company to the Insured under this policy, other than to make the payment required in those subsections, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.
- (b) To Pay or Otherwise Settle With Parties Other Than the Insured or With the Insured Claimant.
 - (i) to pay or otherwise settle with other parties for or in the name of an Insured Claimant any claim insured against under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or
 - (ii) to pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in subsections (b)(i) or (ii), the Company's obligations to the Insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation.

CONDITIONS - Continued

8. DETERMINATION AND EXTENT OF LIABILITY

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy.

- (a) The extent of liability of the Company for loss or damage under this policy shall not exceed the least of
- (i) the Amount of Insurance,
 - (ii) the Indebtedness,
 - (iii) the difference between the value of the Title as insured and the value of the Title subject to the risk insured against by this policy, or
 - (iv) if a government agency or instrumentality is the Insured Claimant, the amount it paid in the acquisition of the Title or the Insured Mortgage in satisfaction of its insurance contract or guaranty.
- (b) If the Company pursues its rights under Section 5 of these Conditions and is unsuccessful in establishing the Title or the lien of the Insured Mortgage, as insured,
- (i) the Amount of Insurance shall be increased by 10%, and
 - (ii) the Insured Claimant shall have the right to have the loss or damage determined either as of the date the claim was made by the Insured Claimant or as of the date it is settled and paid.
- (c) In the event the Insured has acquired the Title in the manner described in Section 2 of these Conditions or has conveyed the Title, then the extent of liability of the Company shall continue as set forth in Section 8(a) of these Conditions.
- (d) In addition to the extent of liability under (a), (b), and (c), the Company will also pay those costs, attorneys' fees, and expenses incurred in accordance with Sections 5 and 7 of these Conditions.

9. LIMITATION OF LIABILITY

- (a) If the Company establishes the Title, or removes the alleged defect, lien, or encumbrance, or cures the lack of a right of access to or from the Land, or cures the claim of Unmarketable Title, or establishes the lien of the Insured Mortgage, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused to the Insured.
- (b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals, adverse to the Title or to the lien of the Insured Mortgage, as insured.
- (c) The Company shall not be liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY

- (a) All payments under this policy, except payments made for costs, attorneys' fees, and expenses, shall reduce the Amount of Insurance by the amount of the payment. However, any payments made prior to the acquisition of Title as provided in Section 2 of these Conditions shall not reduce the Amount of Insurance afforded under this policy except to the extent that the payments reduce the Indebtedness.
- (b) The voluntary satisfaction or release of the Insured Mortgage shall terminate all liability of the Company except as provided in Section 2 of these Conditions.

11. PAYMENT OF LOSS

When liability and the extent of loss or damage have been definitely fixed in accordance with these Conditions, the payment shall be made within 30 days.

12. RIGHTS OF RECOVERY UPON PAYMENT OR SETTLEMENT

- (a) The Company's Right to Recover.
- Whenever the Company shall have settled and paid a claim under this policy, it shall be subrogated and entitled to the rights of the Insured Claimant in the Title or Insured Mortgage and all other rights and remedies in respect to the claim that the Insured Claimant has against any person or property, to the extent of the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant shall execute documents to evidence the transfer to the Company of these rights and remedies. The Insured Claimant shall permit the Company to sue, compromise, or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies. If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company shall defer the exercise of its right to recover until after the Insured Claimant shall have recovered its loss.
- (b) The Insured's Rights and Limitations.
- (i) The owner of the Indebtedness may release or substitute the personal liability of any debtor or guarantor, extend or otherwise modify the terms of payment, release a portion of the Title from the lien of the Insured Mortgage, or release any collateral security for the Indebtedness, if it does not affect the enforceability or priority of the lien of the Insured Mortgage.
 - (ii) If the Insured exercises a right provided in (b)(i), but has Knowledge of any claim adverse to the Title or the lien of the Insured Mortgage insured against by this policy, the Company shall be required to pay only that part of any losses insured against by this policy that shall exceed the amount, if any, lost to the Company by reason of the impairment by the Insured Claimant of the Company's right of subrogation.
- (c) The Company's Rights Against Noninsured Obligors
- The Company's right of subrogation includes the Insured's rights against non-insured obligors including the rights of the Insured to indemnities, guaranties, other policies of insurance, or bonds, notwithstanding any terms or conditions contained in those instruments that address subrogation rights. The Company's right of subrogation shall not be avoided by acquisition of the Insured Mortgage by an obligor (except an obligor described in Section 1(e)(i)(F) of these Conditions) who acquires the Insured Mortgage as a result of an indemnity, guarantee, other policy of insurance, or bond, and the obligor will not be an Insured under this policy.

13. ARBITRATION

Either the Company or the Insured may demand that the claim or controversy shall be submitted to arbitration pursuant to the Title Insurance Arbitration Rules of the American Land Title Association ("Rules"). Except as provided in the Rules, there shall be no joinder or consolidation with claims or controversies of other persons. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Insured arising out of or relating to this policy, any service in connection with its issuance or the breach of a policy provision, or to any other controversy or claim arising out of the transaction giving rise to this policy. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured. All arbitrable matters when the Amount of Insurance is in excess of \$2,000,000 shall be arbitrated only when agreed to by both the Company and the Insured. Arbitration pursuant to this policy and under the Rules shall be binding upon the parties. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court of competent jurisdiction.

CONDITIONS – Continued

**14. LIABILITY LIMITED TO THIS POLICY;
POLICY ENTIRE CONTRACT.**

- (a) This policy together with all endorsements, if any, attached to it by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.
- (b) Any claim of loss or damage that arises out of the status of the Title or lien of the Insured Mortgage or by any action asserting such claim shall be restricted to this policy.
- (c) Any amendment of or endorsement to this policy must be in writing and authenticated by an authorized person, or expressly incorporated by Schedule A of this policy.
- (d) Each endorsement to this policy issued at any time is made a part of this policy and is subject to all of its terms and provisions. Except as the endorsement expressly states, it does not (i) modify any of the terms and provisions of the policy, (ii) modify any prior endorsement, (iii) extend the Date of Policy, or (iv) increase the Amount of Insurance.

15. SEVERABILITY.

In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision or such part held to be invalid, but all other provisions shall remain in full force and effect.

16. CHOICE OF LAW; FORUM.

- (a) Choice of Law: The Insured acknowledges the Company has underwritten the risks covered by this policy and determined the premium charged therefor in reliance upon the law affecting interests in real property and applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the jurisdiction where the Land is located.

Therefore, the court or an arbitrator shall apply the law of the jurisdiction where the Land is located to determine the validity of claims against the Title or the lien of the Insured Mortgage that are adverse to the Insured and to interpret and enforce the terms of this policy. In neither case shall the court or arbitrator apply its conflicts of law principles to determine the applicable law.

- (b) Choice of Forum: Any litigation or other proceeding brought by the Insured against the Company must be filed only in a state or federal court within the United States of America or its territories having appropriate jurisdiction.

17. NOTICES, WHERE SENT.

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at Claims Department at P.O. Box 2029, Houston, TX 77252-2029.



Stewart Title Guaranty Company

SCHEDULE A

Order No.: 25050126

Policy No.: M-9994-8370850

Liability: \$290,000.00

Premium Amount.: \$1,050.00

Date of Policy: December 19, 2005 at 8:02 a. m.

1. Name of Insured:

ARGENT MORTGAGE COMPANY, LLC, a Limited Liability Company, organized and existing under the laws Delaware

2. The estate or interest referred to herein is at Date of Policy vested in:

KALE KEPEKAIO GUMAPAC and **DIANNE DEE GUMAPAC**, husband and wife, as Tenants by the Entirety

3. The estate or interest in the land described in Schedule "C" and which is encumbered by the insured mortgage is:

FEE SIMPLE ESTATE

4. The mortgage, herein referred to as the insured mortgage, and the assignments thereof, if any, are described as follows:

MORTGAGE

Mortgagor: Kale Kepekaio Gumapac and Dianne Dee Gumapac, husband and wife, as Tenants by the Entirety

Mortgagee: Argent Mortgage Company, LLC, a Limited Liability Company, organized and existing under the laws Delaware

Dated: December 12, 2005

Recorded: December 19, 2005

Document No. 3368985

To Secure: \$290,000.00

5. The land referred to in this policy is described as follows:

SEE SCHEDULE C ATTACHED HERETO

Schedule B

EXCEPTIONS FROM COVERAGE

Order No.: 25050126

Policy No.: M-9994-8370850

PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorney's fees or expenses) which arise by reason of:

1. TAXES Tax Map Key: HAWAII 1-5-055-062

Hawaii 2005-2006 TAX ROLL

	2005	VALUE	EXEMPTION	NET
BLDG		144,300	111,800	32,500
LAND		14,600	0	14,600
TOTAL		158,900		47,100

Taxes for the Fiscal Year 2005-2006 are a lien; payable as follows:

1st Installment:	\$130.71	PAID
2nd Installment:	\$130.70	DUE FEBRUARY 20, 2006

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.

3. AS TO LOTS 60 AND 62 ONLY:

GRANT

In Favor of:	Lot 58
Dated:	September 24, 1945
Document No.	104733
Purpose:	Easement for right-of-way purposes over and across a portion of the land herein described

Schedule B

EXCEPTIONS FROM COVERAGE - (Continued)

Order No.: 25050126

Policy No.: M-9994-8370850

4. AS TO LOT 4-B ONLY:

- a) The terms and provisions of:

LEASE OF RIGHT-OF-WAY

In Favor of: Hawaiian Telephone Company, now known as Hawaiian Telcom, Inc., a Hawaii corporation

Dated: May 6, 1955, and thereafter from year to year until terminated

Document No. 181820

Term: 30 years from May 6, 1955, &c

Purpose: Easement for utility purposes over, under, across and through a portion of the land herein described

- b) Perpetual covenants as contained in Deed

Dated: October 15, 1965

Document No. 382223

Re: Reservation in favor of Hawaiian Paradise Park Corp., its successors and assigns, to grant licenses, easements and privileges to others in, over, across and through said roadway lots for utilities, access and other service purposes

- c) Unrecorded right of way in favor of Olaa Sugar Company, Limited, as set forth in Deed

Dated: February 24, 2003

Document No. 2895104

5. AS TO LOTS 62 AND 8387 ONLY:

- a) Easement 29 over and across Lot 62, as shown on Map 10, and Easement 30 over and across Lot 8387, as shown on Map 57, for utility purposes, as set forth by Land Court Order No. 17102, filed on April 24, 1959.

- b) GRANT

In Favor of: Hilo Electric Light Company, Limited, now known as Hawaii Electric Light Company, Inc.

Dated: April 24, 1959

Document No. 236028

Purpose: Easement for right-of-way purposes over and across a portion of the land herein described

Schedule B

EXCEPTIONS FROM COVERAGE - (Continued)

Order No.: 25050126

Policy No.: M-9994-8370850

6. AS TO LOTS 60, 62, 8297, 8363, 8385, 8387, 3115, 1 AND 4-B ONLY:

a) Reservations and exceptions as contained in:

DEED

Dated: July 22, 1964
Document No. 347375
to which reference is hereby made

b) AS TO LOTS 8297, 8363, 8385, 3115 AND 1 ONLY:

QUITCLAIM ASSIGNMENT OF RESERVATION OF RIGHTS

Said Hawaiian Paradise Park Corp., assigns all of their estate, right, title and interest in and to those certain exceptions, reservations and powers to grant licenses, easements and privileges to others in, over, across and through Roadway Lots for utilities, access and other service purposes, to Paradise Hui Hanalike, a Hawaii nonprofit corporation, as set forth by Land Court Order No. 77755, filed on April 2, 1986.

7. The effects, if any, of the Supreme Court opinion rendered on April 25, 1983, Supreme Court Case No. 8699, concerning road maintenance fees for the Hawaiian Paradise Park Subdivision, to-wit:

"Roads-abutting lot owners-duty to contribute to maintenance. Where a subdivision is created consisting of lots and private roadways servicing them and the lot deeds are silent as to any duty to contribute to the maintenance of the roads, owners of lots abutting the roads have a legal duty to contribute to necessary road maintenance."

(NOTE: Not noted on the Transfer Certificate of Title referred to herein.)

8. AS TO THE UNDIVIDED INTEREST IN LOTS 8297 AND 8387 ONLY:

FINAL ORDER OF CONDEMNATION - CIVIL NO. 89-212 - THIRD CIRCUIT COURT

In Favor of: State of Hawaii
Dated: August 20, 1990
Purpose: condemnation of a portion of the lots more particularly described therein

(NOTE: Not noted on the Transfer Certificate of Title referred to herein.)

Schedule B

PART II

Order No.: **25050126**

Policy No.: **M-9994-8370850**

In addition to the matters set forth in Part I of this Schedule, the title to the estate or interest in the land described or referred to in Schedule (A) is subject to the following matters, if any be shown, but the Company insures that these matters are subordinate to the lien or charge of the insured mortgage upon the estate or interest:

NONE

SCHEDULE C

All of that certain parcel of land situate at Keaau, District of Puna, Island and County of Hawaii, State of Hawaii, described as follows:

Lot 2787, area 1.00 acre, more or less, Block 7, as shown on Map 58, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 1053 (amended) of W. H Shipman, Limited;

TOGETHER WITH an undivided 1/5750 interest in Lots 60, 62, 8297, 8363, 8385, 8387 and 3115 in Block 7, and Lot 1 in Block 10; as shown on Maps 10, 10, 55, 56, 56, 57, 58 and 65, respectively, of said Land Court Application No. 1053 (amended); and Lot 4-b, as shown on Map 2 of Land Court Application No. 1689 of W. H. Shipman, Limited, to be used in common with others entitled thereto, for roadway and utility purposes only;

Being all of the land described in Transfer Certificate of Title No. 637,651.

ENDORSEMENT 100

Attached to and forming a part of
Policy No. M-9994-8370850
Issued by

Stewart Title Guaranty Company

The Company hereby insures against loss which the insured shall sustain by reason of any of the following matters:

1. Any incorrectness in the assurance which the Company hereby gives:
 - (a) That there are no covenants, conditions or restrictions under which the lien of the mortgage referred to in Schedule A can be cut off, subordinated, or otherwise impaired;
 - (b) That there are no present violations on the land of any enforceable covenants, conditions or restrictions;
 - (c) That, except as shown in Schedule B, there are no encroachments of buildings, structures or improvements located on the land onto adjoining lands, nor any encroachments onto the land of buildings, structures or improvements located on adjoining lands.
2.
 - (a) Any future violations on the land of any covenants, conditions or restrictions occurring prior to acquisition of title to the estate or interest referred to in Schedule A by the insured, provided such violations result in impairment or loss of the lien of the mortgage referred to in Schedule A, or result in impairment or loss of the title to the estate or interest referred to in Schedule A if the insured shall acquire such title in satisfaction of the indebtedness secured by the insured mortgage;
 - (b) Unmarketability of the title to the estate or interest referred to in Schedule A by reason of any violations on said land, occurring prior to acquisition of title to the estate or interest referred to in Schedule A by the insured, of any covenants, conditions or restrictions.
3. Damage to existing improvements, including lawns, shrubbery or trees
Which are located or encroach upon that portion of the land subject to any easement shown in Schedule B, which damage results from the exercise of the right to use or maintain such easement for the purposes for which the same was granted or reserved;
4. Any final court order or judgment requiring removal from any land adjoining the land of any encroachment shown in Schedule B.


Wherever in this endorsement any or all the words "covenants, conditions or restrictions" appear, they shall not be deemed to refer to or include the terms, covenants and conditions contained in any lease referred to in Schedule A.

For purposes of this endorsement, the words "covenants," "conditions" or "restrictions" shall not be deemed to refer to or include any covenants, conditions or restrictions relating to environmental protection, except to the extent that a notice of a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy and is not excepted in Schedule B.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.


Dated: December 19, 2005 at 8:02 a. m.

**Security Title Corporation, as Agent for
Stewart Title Guaranty Company**



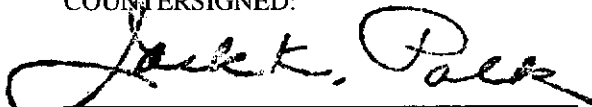
President





Chairman of the Board

COUNTERSIGNED:



Authorized Officer or Agent

ORDER NO. 25050126

ENDORSEMENT 110.9
Attached to and forming a part of
Policy No. M-9994-8370850
Issued by

Stewart Title Guaranty Company

The insurance afforded by this endorsement is only effective if the land is to be used primarily for residential purposes.

The Company insures the Insured against loss or damage sustained by reason of lack of priority of the lien of the insured mortgage over:

- (a) any environmental protection lien which, at Date of Policy, is recorded in those records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge, or filed in the records of the clerk of the United States District Court for the district in which the land is located, except as set forth in Schedule B; or
- (b) any environmental protection lien provided for by any state statute in effect at Date of Policy, except environmental protection liens provided by the following state statutes:

NONE

This endorsement is made a part of said policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.


Dated: December 19, 2005 at 8:02 a. m.

**Security Title Corporation, as Agent for
Stewart Title Guaranty Company**



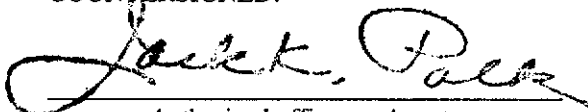
President





Chairman of the Board

COUNTERSIGNED:



Authorized officer or Agent

ORDER NO. 25050126

ENDORSEMENT 116

Attached to and forming a part of
Policy No. M-9994-8370850
Issued by

Stewart Title Guaranty Company

The Company assures the insured that at Date of Policy there is located on said land a **single family dwelling** known as **15-1716 2nd Avenue, Keaau, HI 96749** and that the map attached to this policy shows the correct location and dimensions of said land according to those records which, under the recording laws impart said notice as to said land.

The Company hereby insures the insured against loss which the insured shall sustain in the event that the assurance herein shall prove to be incorrect.

The total liability of the Company under said policy and any endorsements therein shall not exceed, in the aggregate, the face amount of said policy and costs which the Company is obligated under the conditions and stipulations thereof to pay,

This endorsement is made a part of said policy and is subject to the exclusions from coverage, schedules, conditions and stipulations therein, except as modified by the provisions hereof.

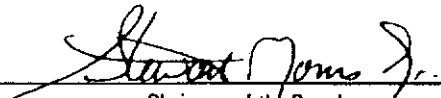
Dated: December 19, 2005 at 8:02 a. m.

**Security Title Corporation, as Agent for
Stewart Title Guaranty Company**



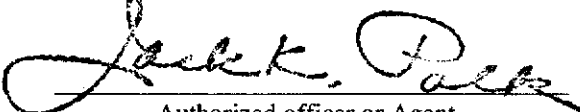
President





Chairman of the Board

COUNTERSIGNED:



Authorized officer or Agent

ORDER NO. 25050126

ENDORSEMENT 100.29
Attached to and forming a part of
Policy No. M-9994-8370850
Issued by

Stewart Title Guaranty Company

The Company insures the insured against loss which the insured shall sustain by reason of

damage to existing improvements, including lawns, shrubbery or trees, resulting from the exercise of any right to use the surface of the land for the extraction or development of the minerals excepted from the description of the land or shown as a reservation in Schedule B.

This endorsement is made a part of the policy and is subject to all the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof..

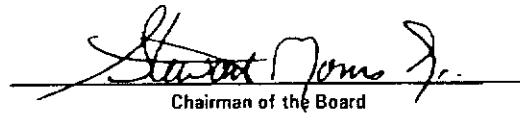
Dated: December 19, 2005 at 8:02 a. m.

**Security Title Corporation, as Agent for
Stewart Title Guaranty Company**



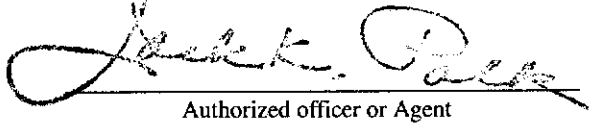
President





Chairman of the Board

COUNTERSIGNED:



Authorized officer or Agent

ORDER NO. 25050126

ENDORSEMENT 111.5

Attached to and forming a part of
Policy No. M-9994-8370850
Issued by

Stewart Title Guaranty Company

The Company insures the owner of the indebtedness secured by the insured mortgage against loss or damage sustained by reason of:

1. The invalidity or unenforceability of the lien of the insured mortgage resulting from the provisions therein which provide for changes in the rate of interest.
2. Loss of priority of the lien of the insured mortgage as security for the unpaid principal balance of the loan, together with interest as changed in accordance with the provisions of the insured mortgage, which loss of priority is caused by the changes in the rate of interest.

"Changes in the rate of interest", as used in this endorsement, shall mean only those changes in the rate of interest calculated pursuant to the formula provided in the insured mortgage at Date of Policy.


This endorsement does not insure against loss or damage based upon

- (a) usury, or
- (b) any consumer credit protection or truth in lending law.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto, except that the insurance afforded by this endorsement is not subject to Section 3(d) of the Exclusions From Coverage. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

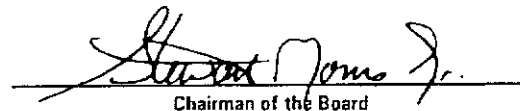
Dated: December 19, 2005 at 8:02 a. m.

**Security Title Corporation, as Agent for
Stewart Title Guaranty Company**



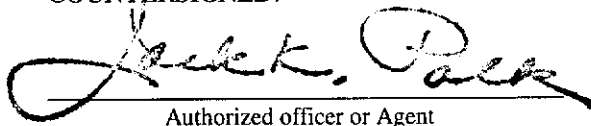
President





Chairman of the Board

COUNTERSIGNED:



Authorized officer or Agent

Exhibit “3”

Claim Report			
Hawaiian Alliance, LLC HC2 Box 9607 Kea'au, HI 96749 Phone no. (808) 982-9020 Email: kgumapac@gmail.com Re: Kale Kepekaio Gumapac and Dianne Dee Gumapac	Report Date	Claim no.	Investigator
	January 21, 2011	2011-2	Dr. Keanu Sai
	Policy no.	Policy issued	
T76-000020391	February 24, 2003		
Assigned	Investigated		
January 18, 2011	January 21, 2011		

Policy:
Owner's (Ticor Title Insurance)

Coverage:
Fee-simple Title

Amount:
\$ 178,000.00

Description of Property:

Lot 2787, area 1.00 acre, more or less, Block 7, as shown on Map 58 filed in the Office of the Assistant Registrar of the Land Court of the State of Hawai'i with Land Court Application no. 1053 (amended) of W.H. Shipman, Limited, under document no. 2895104 & certificate no. 505052, filed with the Registrar of the Bureau of Conveyances on February 24th 2003.

Defect in Title Summary:

Owner's deed was not lawfully executed according to Hawaiian Kingdom law.

Total Claim:

\$ 178,000.00

Enclosures: Proof of Defect

Kale Kepekaio Gumapac and Dianne Dee Gumapac, now divorced, the insured, retained Hawaiian Alliance, LLC, to do an investigation of their fee-simple title situated at Keaau, District of Puna, Island of Hawai'i. This claim involves a defect of title by virtue of an executive agreement entered into between President Grover Cleveland of the United States and Queen Lili'uokalani of the Hawaiian Kingdom, whereby the President and his successors in office were and continue to be bound to faithfully execute Hawaiian Kingdom law by assignment of the Queen under threat of war on January 17th 1893. The notaries public in the Hawaiian Islands and the registrar of the Bureau of Conveyances were not lawful since January 17th 1893, and therefore title to the

estate in fee-simple described as Lot 2787, area 1.00 acre, more or less, Block 7, as shown on Map 58 filed in the Office of the Assistant Registrar of the Land Court of the State of Hawai'i with Land Court Application no. 1053 (amended) of W.H. Shipman, Limited, under document no. 2895104 & certificate no. 505052, filed with the Registrar of the Bureau of Conveyances on February 24th 2003, is vested other than Kale Kepekaio Gumapac and Dianne Dee Gumapac, now divorced, because the aforementioned deed of conveyance was not lawfully executed in compliance with Hawaiian Kingdom law.

Sincerely,

Momilani Glushenko
Vice President Operations
Hawaiian Alliance, LLC

Enclosure “1”



Expert Memorandum Regarding the Legal Continuity of the Hawaiian Kingdom and the Fee-simple Title being Vested Other than Kale Kepekaio Gumapac and Dianne Dee Gumapac

January 21st 2011

According to article I, Montevideo Convention (1933), “The state as a person of international law should possess the following qualifications: (a) a permanent population; (b) a defined territory; (c) government; and (d) capacity to enter into relations with the other states.”¹

Synopsis

The Hawaiian Kingdom had these attributes when Great Britain and France entered into a joint proclamation acknowledging and recognizing Hawai`i as an independent and sovereign State on November 28th 1843, and on July 6th 1844, United States Secretary of State John C. Calhoun notified the Hawaiian government of the United States formal recognition of the Hawaiian Kingdom as an independent and sovereign state since December 19th 1842 by President John Tyler.² As a result of the United States’ recognition, the Hawaiian Kingdom entered into a Treaty of Friendship, Commerce and Navigation, Dec. 20th 1849;³ Treaty of Commercial Reciprocity, Jan. 13th 1875;⁴ Postal Convention Concerning Money Orders, Sep. 11th 1883;⁵ and a Supplementary Convention to the 1875 Treaty of Commercial Reciprocity, Dec. 6th 1884.⁶ The Hawaiian Kingdom also entered into treaties with Austria-Hungary, June 18th 1875; Belgium, Oct. 4th 1862; Bremen, March 27th 1854; Denmark, Oct. 19th 1846; France,

¹ 49 U.S. Stat. 3097, 3100.

² DAVID KEANU SAI, AMERICAN OCCUPATION OF THE HAWAIIAN KINGDOM: BEGINNING THE TRANSITION FROM OCCUPIED TO RESTORED STATE, Doctoral Dissertation, University of Hawai`i, Political Science (December 2008), 72; see also David Keanu Sai, *A Slippery Path Towards Hawaiian Indigeneity*, 10 Journal of Law and Social Challenges 74 (Fall 2008).

³ 9 U.S. Stat. 977.

⁴ 19 U.S. Stat. 625.

⁵ 23 U.S. Stat. 736.

⁶ 25 U.S. Stat. 1399.



July 17th 1839, March 26th 1846, Sep. 8th 1858; French Tahiti, Nov. 24th 1853; Germany, March 25th 1879; Great Britain, Nov. 13th 1836 and March 26th 1846; Great Britain's New South Wales, March 10th 1874; Hamburg, Jan. 8th 1848); Italy, July 22nd 1863; Japan, Aug. 19th 1871, Jan. 28th 1886; Netherlands, Oct. 16th 1862; Portugal, May 5th 1882; Russia, June 19th 1869; Samoa, March 20th 1887; Spain, Oct. 9th 1863; Sweden-Norway, April 5th 1855; and Switzerland, July 20th 1864.

In the 21st century, an international tribunal and the Ninth Circuit Court of Appeals acknowledged the Hawaiian Kingdom's status as an internationally recognized state in the 19th century. In *Larsen v. Hawaiian Kingdom* (2001), the Permanent Court of Arbitration in The Hague stated, "in the nineteenth century the Hawaiian Kingdom existed as an independent State recognized as such by the United States of America, the United Kingdom, and various other States."⁷ The 9th Circuit Court, in *Kahawaiola`a v. Norton* (2004), also acknowledged the Hawaiian Kingdom's status as "a co-equal sovereign alongside the United States,"⁸ and in *Doe v. Kamehameha* (2005), the Court stated that, "in 1866, the Hawaiian Islands were still a sovereign kingdom."⁹

Having established the Hawaiian Kingdom's internationally recognized status as an independent state in the 19th century, the next question is whether or not the Hawaiian Kingdom status as a state was extinguished after its government was overthrown by U.S. troops on January 17th 1893. As a subject of international law, statehood of the Hawaiian Kingdom can only be measured and determined by the rules of international law and not the domestic laws of any State to include the United States and the Hawaiian Kingdom. According to Professor Crawford, "A State is not necessarily extinguished by substantial changes in territory, population or government, or even, in some cases, by a combination of all three."¹⁰ In particular, military "occupation does not extinguish the State pending a final settlement of the conflict. And, generally, the presumption—in practice a strong presumption—favours the continuity and disfavors the extinction of a an established State."¹¹ Professor Wright, a renowned scholar in U.S. foreign relations law, states that, "international law distinguishes between a government and

⁷ *Larsen v. Hawaiian Kingdom*, 119 ILR 566, 581 (2001).

⁸ *Kahawaiola`a v. Norton*, 386 F.3d 1271 (2004).

⁹ *Doe v. Kamehameha*, 416 F.3d 1025, 1048 (2005).

¹⁰ JAMES CRAWFORD, *THE CREATION OF STATES IN INTERNATIONAL LAW* 700 (2nd ed., 2006).

¹¹ *Id.*, 701.



the state it governs.”¹² And according to §201, Restatement (Third) Foreign Relations Law of the United States, “A state may continue to be regarded as such even though, due to insurrection or other difficulties, its internal affairs become anarchic for an extended period of time;”¹³ and “Military occupation, whether during war or after an armistice, does not terminate statehood.”¹⁴ Therefore, a sovereign State would continue to exist despite its government being overthrown by military force. Two contemporary examples illustrate this principle of international law, the overthrow of the Taliban (Afghanistan) in 2001 and of Saddam Hussein (Iraq) in 2003. The former has been a recognized sovereign State since 1919,¹⁵ and the latter since 1932.¹⁶ Professor Dixon explains:

If an entity ceases to possess any of the qualities of statehood...this does not mean that it ceases to be a state under international law. For example, the absence of an effective government in Afghanistan and Iraq following the intervention of the USA did not mean that there were no such states, and the same is true of Sudan where there still appears to be no entity governing the country effectively. Likewise, if a state is allegedly ‘extinguished’ through the illegal action of another state, it will remain a state in international law.¹⁷

After the Hawaiian Kingdom government was illegally overthrown, two executive agreements were entered into between President Cleveland of the United States and Queen Lili`uokalani of the Hawaiian Kingdom in 1893. The President entered into these executive agreements under his sole constitutional authority to represent the United States in foreign relations and the Congress cannot intervene without violating the separation of powers doctrine being an encroachment upon the executive power. The first agreement, called the *Lili`uokalani assignment*, (Exhibit A), assigned executive power to the United States President to administer Hawaiian Kingdom law and to investigate the overthrow of the Hawaiian government. The second agreement, called the *Restoration agreement*, (Exhibit B), obligated the President of the United States to restore the Hawaiian government as it was prior to the landing of U.S. troops on

¹² Quincy Wright, *The Status of Germany and the Peace Proclamation*, 46(2) American Journal of International Law 299-308, 307 (April 1952).

¹³ RESTATEMENT (THIRD) FOREIGN RELATIONS LAW OF THE UNITED STATES, Reporter’s Note 2, §201.

¹⁴ *Id.*, Reporter’s Note 3.

¹⁵ Manley O. Hudson, *Afghanistan, Ecuador, and the Soviet Union in the League of Nations*, 29 American Journal of International Law 109-116, 110 (1935).

¹⁶ Manley O. Hudson, *The Admission of Iraq to Membership in the League of Nations*, 27 American Journal of International Law 133-138, 133 (1933).

¹⁷ MARTIN DIXON, TEXTBOOK ON INTERNATIONAL LAW 119 (6th ed., 2007).



January 16th 1893, and for the Queen, after the government was restored and the executive power returned to grant full amnesty to those members and supporters of the provisional government who committed treason.

First Executive Agreement—Lili`uokalani assignment

On January 17th 1893, Queen Lili`uokalani, by explicit grant, “yielded” her executive power to the President of the U.S. to do an investigation of their diplomat and military troops who illegally landed on Hawaiian territory in violation of Hawai`i’s sovereignty. The Queen specifically stated, “That I yield to the superior force of the United States of America whose Minister Plenipotentiary, His Excellency John L. Stevens, has caused United States troops to be landed at Honolulu and declared that he would support the said Provisional Government. Now to avoid any collision of armed forces, and perhaps the loss of life, I do this under protest, and impelled by said force yield my authority until such time as the Government of the United States shall, upon facts being presented to it, undo the action of its representative and reinstate me in the authority which I claim as the constitutional sovereign of the Hawaiian Islands.”¹⁸ The quintessential question is what “authority” did the Queen yield as the “constitutional sovereign”? This authority is specifically stated in the Hawaiian constitution, which declares, “To the King [Queen] belongs the Executive power.” In *Grieve v. Gulick* (1883),¹⁹ Justice Austin of the Hawaiian Supreme Court stated that, “the Constitution declares [His Majesty] as the executive power of the Government,” which, according to the Indiana Supreme Court, “is the power to ‘execute’ the laws, that is, carry them into effect, as distinguished from the power to make the laws and the power to judge them.”²⁰

President Cleveland acknowledged receipt of this conditional grant in March when he received the protest from the Queen through her attorney in fact, Paul Neumann, in Washington, D.C. This acceptance of the conditional grant of Hawaiian executive power to investigate is called the *Lili`uokalani Agreement*. In a report to the President after the investigation was completed, Secretary of State Gresham acknowledged the temporary transfer of the Queen’s executive power by stating, “The Government of Hawaii surrendered its authority under a threat

¹⁸ Exhibit A, 461.

¹⁹ 5 Hawai`i 73, 76 (1883)

²⁰ *Tucker v. State of Indiana*, 218 Ind. 614, 35 N.E. 2d 270, 291 (1941).



of war, until such time only as the Government of the United States, upon the facts being presented to it, should reinstate the constitutional sovereign.”²¹ The President, in his message to Congress, also acknowledged the temporary transfer of executive power. Cleveland stated, the Queen “surrendered not to the provisional government, but to the United States. She surrendered not absolutely and permanently, but temporarily and conditionally until such time as the facts could be considered by the United States.”²² This was the first of two international agreements to have taken place through an exchange of diplomatic notes committing the President to the administration of Hawaiian Kingdom law while he investigated the overthrow of the Hawaiian government. The investigation concluded that U.S. Minister John Stevens with the illegal presence of U.S. troops bore the responsibility for the overthrow of the Hawaiian government. As a result, negotiations would ensue whereby a second agreement was sought by the United States to restore the Hawaiian Kingdom government. On the responsibility of State actors, Oppenheim states that “according to special circumstances and conditions the home State may be obliged to disown an act of its envoy, to apologize or express its regret for his behaviour, or to pay damages.”²³ Therefore, on October 18th 1893, U.S. Secretary of State Walter Gresham directed U.S. Minister Plenipotentiary Albert Willis to initiate negotiations with Queen Lili`uokalani for settlement and restoration of the Hawaiian Kingdom government. He stated to Willis,

On your arrival at Honolulu you will take advantage of an early opportunity to inform the Queen of...the President’s sincere regret that the reprehensible conduct of the American minister and the unauthorized presence on land of a military force of the United States obliged her to surrender her sovereignty, for the time being, and rely on the justice of this Government to undo the flagrant wrong.

You will, however, at the same time inform the Queen that, when reinstated, the President expects that she will pursue a magnanimous course by granting full amnesty to all who participated in the movement against her, including persons who are, or have been, officially or otherwise, connected with the Provisional Government, depriving them of no right or privilege which they enjoyed before the so-called revolution. All obligations created by the Provisional Government in due course of administration should

²¹ Exhibit A, 462.

²² *Id.*, 457.

²³ Lassa Oppenheim, *International Law: A Treatise*, 3rd ed., ed. Ronald F. Roxburgh, Vol. II (London: Longmans Green and Co., 1921), 252.



be assumed.

Having secured the Queen's agreement to pursue this wise and humane policy, which it is believed you will speedily obtain, you will then advise the executive of the Provisional Government and his ministers of the President's determination of the question which their action and that of the Queen devolved upon him, and that they are expected to promptly relinquish to her constitutional authority.²⁴

On November 13th 1893, Willis met with the Queen at the U.S. Legation in Honolulu, "who was informed that the President of the United States had important communications to make to her."²⁵ Willis explained to the Queen of the "President's sincere regret that, through the unauthorized intervention of the United States, she had been obliged to surrender her sovereignty, and his hope that, with her consent and cooperation, the wrong done to her and to her people might be redressed."²⁶ In his message to the Congress, the President concluded that the "members of the provisional government and their supporters, though not entitled to extreme sympathy, have been led to their present predicament of revolt against the Government...by the indefensible encouragement and assistance of our diplomatic representative."²⁷ According to Wright, "statements of a decision on fact or policy, authorized by the President, must be accepted by foreign nations as the will of the United States."²⁸ Therefore, the Queen saw these conclusions by the President as representing the "will of the United States," and according to Oppenheim, Willis, who was the U.S. envoy accredited to the Hawaiian Kingdom, represented "his home State in the totality of its international relations," and that he was "the mouthpiece of the head of his home State and its Foreign Secretary, as regards communications to be made to the State to which he is accredited."²⁹

The President's investigation also concluded that members of the provisional government and their supporters committed the crime of treason and therefore subject to the pains and penalties of treason under Hawaiian law. On this note, the Queen was then asked by Willis, "[s]hould you be restored to the throne, would you grant full amnesty as to life and property to all those persons who have been or who are now in the Provisional Government, or who have

²⁴ Exhibit A, 464.

²⁵ Exhibit B, 1242.

²⁶ *Id.*

²⁷ *Id.*, 457.

²⁸ Quincy Wright, *The Control of American Foreign Relations* (New York: The Macmillan Company, 1922), 22.

²⁹ Oppenheim, *International Law* (3rd ed), 556.



been instrumental in the overthrow of your government?”³⁰ The Queen refused to grant amnesty and referenced Chapter VI, section 9 of the Penal Code, which states, “[w]hoever shall commit the crime of treason shall suffer the punishment of death and all his property shall be confiscated to the Government.” When asked again if she would reconsider, she responded, “[t]hese people were the cause of the revolution and the constitution of 1887. There will never be any peace while they are here. They must be sent out of the country, or punished, and their property confiscated.”³¹ In the government transcripts of this meeting, it states that the Queen called for beheading as punishment, but the Queen adamantly denied making such a statement. She later explained that beheading “is a form of punishment which has never been used in the Hawaiian Islands, either before or since the coming of foreigners.”³²

In a follow-up dispatch to Willis, Gresham adamantly stated, “You will insist upon amnesty and recognition of obligations of the Provisional Government as essential conditions of restoration.”³³ In another communication on December 3rd 1893, Gresham directed Willis to continue to negotiate with the Queen, and should she “refuse assent to the written conditions you will at once inform her that the President will cease interposition in her behalf.”³⁴ Gresham acknowledged that the President had a duty to restore the constitutional government of the Islands, but it was dependent upon an unqualified agreement of the Queen to assume all administrative obligations incurred by the Provisional Government, and to grant full amnesty to those individuals instrumental in setting up or supporting the Provisional Government. He stated “The President feels that by our original interference and what followed we have incurred responsibilities to the whole Hawaiian community, and it would not be just to put one party at the mercy of the other.”³⁵ Gresham also stated “Should the Queen ask whether, if she accedes to conditions, active steps will be taken by the United States to effect her restoration, or to maintain her authority thereafter, you will say that the President can not use force without the authority of Congress.”³⁶

³⁰ Executive Documents, 1242.

³¹ *Id.*

³² Lili'uokalani, *Hawai'i's Story by Hawai'i's Queen* (Rutland: Charles E. Tuttle Co., Inc., 1964), 247.

³³ Senate Executive Document no. 13, Fifty-third Congress, second session, *Message from the President of the United States on the Hawaiian Question* (December 18th 1893), 1191.

³⁴ *Id.*

³⁵ *Id.*

³⁶ *Id.*, 1192.



Second Executive Agreement—Agreement of restoration

On December 18th 1893, Willis was notified by the Queen’s assistant, Joseph Carter, that she was willing to spare their lives, not, however, their property, which, “should be confiscated to the Government, and they should not be permitted to remain in the Kingdom.”³⁷ But later that day, the Queen sent a communication to Willis. She stated,

Since I had the interview with you this morning I have given the most careful and conscientious thought as to my duty, and I now of my own free will give my conclusions.

I must not feel vengeful to any of my people. If I am restored by the United States I must forget myself and remember only my dear people and my country. I must forgive and forget the past, permitting no proscription or punishment of anyone, but trusting that all will hereafter work together in peace and friendship for the good and for the glory of our beautiful and once happy land.

Asking you to bear to the President and the Government he represents a message of gratitude from me and from my people, and promising, with God’s grace, to prove worthy of the confidence and friendship of your people.”³⁸

An agreement between the two Heads of State had finally been made for settlement of the international dispute called the *Restoration Agreement*. Coincident with the agreement was the temporary and conditional assignment of executive power by the Queen to the President of the United States, and that the assignment and agreement to restore the Hawaiian government “did not, as in the case of treaties, as that term is used in the treaty-making clause of the Constitution (Art. II, § 2), require the advice and consent of the Senate.”³⁹ Attached to the communication was the following pledge that was dispatched by Willis to Gresham on December 20th 1893.

I, Liliuokalani, in recognition of the high sense of justice which has actuated the President of the United States, and desiring to put aside all feelings of personal hatred or revenge and to do what is best for all the people of these Islands, both native and foreign born, do hereby and herein solemnly declare and pledge myself that, if reinstated as the constitutional sovereign of the Hawaiian Islands, that I will immediately proclaim and declare, unconditionally and without reservation, to every person who directly or indirectly participated in the revolution of January 17, 1893, a full pardon and amnesty for their offenses, with restoration of all rights, privileges, and immunities under the

³⁷ Exhibit B, 1267.

³⁸ *Id.*, 1269.

³⁹ *U.S. v. Belmont*, 301 U.S. 324, 330 (1937).



constitution and the laws which have been made in pursuance thereof, and that I will forbid and prevent the adoption of any measures of proscription or punishment for what has been done in the past by those setting up or supporting the Provisional Government. I further solemnly agree to accept the restoration under the constitution existing at the time of said revolution and that I will abide by and fully execute that constitution with all the guaranties as to person and property therein contained. I furthermore solemnly pledge myself and my Government, if restored, to assume all the obligations created by the Provisional Government, in the proper course of administration, including all expenditures for military or police services, it being my purpose, if restored, to assume the Government precisely as it existed on the day when it was unlawfully overthrown.⁴⁰

On the same day the Queen accepted the President's conditions of restoration on December 18th 1893, the President delivered a message to Congress apprising them of the conclusion of his investigation and the pursuit of settlement with the Queen. He was not aware that the Queen accepted the conditions. This was clarified in a correspondence with Willis from Gresham on January 12th 1894, whereby the Queen's acceptance of the President's offer was acknowledged, and on the following day, these diplomatic correspondences were forwarded to the Congress by message of the President on January 13th 1893. Gresham stated,

On the 18th ultimo the President sent a special message to Congress communicating copies of the Mr. Blount's reports and the instructions given to him and you. On the same day, answering a resolution of the House of Representatives, he sent copies of all correspondence since March 4, 1889, on the political affairs and relations of Hawaii, withholding, for sufficient reasons, only Mr. Stevens' No. 70 of October 8, 1892, and your No. 3 of November 16, 1893. The President therein announced that the conditions of restoration suggested by him to the Queen had not proved acceptable to her, and that since the instructions sent to you to insist upon those conditions he had not learned that the Queen was willing to assent to them. The President thereupon submitted the subject to the more extended powers and wider discretion of Congress, adding the assurance that he would be gratified to cooperate in any legitimate plan which might be devised for a solution of the problem consistent with American honor, integrity, and morality.

⁴⁰ *Id.*



Your reports show that on further reflection the Queen gave her unqualified assent in writing to the conditions suggested, but that the Provisional Government refuses to acquiesce in the President's decision.

The matter now being in the hands of Congress the President will keep that body fully advised of the situation, and will lay before it from time to time the reports received from you, including your No. 3, heretofore withheld, and all instructions sent to you. In the meantime, while keeping the Department fully informed of the course of events, you will, until further notice, consider your special instructions upon this subject have been fully complied with.⁴¹

Supremacy Clause, U.S. Constitution

Since the United States is a Federal government, States within the Federal Union are subject to the supremacy of Federal laws and treaties, in particular, executive agreements. Article VI, clause 2, of the U.S. constitution, provides: "This Constitution, and the Laws of the United States which shall be made in pursuance thereof; and all treaties made, or which shall be made, under the authority of the United States, shall be the supreme law of the land; and the judges in every state shall be bound thereby, anything in the constitution or laws of any state to the contrary notwithstanding." This provision of the U.S. constitution is known as the *Supremacy clause* that binds every State of the federal union to faithfully observe. In *United States v. Belmont* (1937),⁴² the U.S. Supreme Court affirmed that executive agreements entered into between the President and a sovereign nation does not require ratification from the U.S. Senate to have the force and effect of a treaty; and executive agreements bind successor Presidents for their faithful execution. Other landmark cases on executive agreements are *United States v. Pink* (1942)⁴³ and *American Insurance Association v. Garamendi* (2003).⁴⁴ In *Garamendi*, the Court stated, "Specifically, the President has authority to make 'executive agreements' with other countries, requiring no ratification by the Senate or approval by Congress."⁴⁵ According to Justice Douglas, *U.S. v. Pink* (1942), executive agreements "must be read not as self-contained

⁴¹ Exhibit B, 1283-1284.

⁴² *United States v. Belmont*, 301 U. S. 324 (1937).

⁴³ *United States v. Pink*, 315 U.S. 203 (1942).

⁴⁴ *American Insurance Association v. Garamendi*, 539 U.S. 396 (2003).

⁴⁵ *Id.*, 397.



technical documents, like a marine insurance contract or a bill of lading, but as characteristically delicate and elusive expressions of diplomacy.”⁴⁶

The U.S. Supreme Court has held that under no circumstances could state law be found to legally supersede an agreement between the national government and a foreign country. The external powers of the federal government could be exercised without regard to the laws of any state within the union. In *Belmont*, the Court also stated, “Plainly, the external powers of the United States are to be exercised without regard to state laws or policies,”⁴⁷ and “[i]n respect of all international negotiations and compacts, and in respect of our foreign relations generally, state lines disappear.”⁴⁸ In *United States v. Pink* (1942), the Court reiterated, “It is, of course, true that even treaties with foreign nations will be carefully construed so as not to derogate from the authority and jurisdiction of the States of this nation unless clearly necessary to effectuate the national policy.... But state law must yield when it is inconsistent with, or impairs the policy or provisions of, a treaty or of an international compact or agreement.... Then, the power of a State to refuse enforcement of rights based on foreign law which runs counter to the public policy of the forum . . . must give way before the superior Federal policy evidenced by a treaty or international compact or agreement.”⁴⁹ Both *Belmont* and *Pink* were reinforced by *American Insurance Association v. Garamendi* (2003), where the Court reiterated, that “valid executive agreements are fit to preempt state law, just as treaties are,”⁵⁰ and that the preemptive power of an executive agreement derives from “the Constitution’s allocation of the foreign relations power to the National Government.”⁵¹ All three cases affirm that the *Lili`uokalani assignment* preempts all laws and policies of the State of Hawai`i. In *Edgar v. Mite Corporation* (1982), Justice White ruled, “A state statute is void to the extent that it actually conflicts with a valid federal statute; and ‘[a] conflict will be found ‘where compliance with both federal and state regulations is a physical impossibility.’”⁵²

⁴⁶ *U.S. v. Pink*, 315 U.S. 203, 241 (1942).

⁴⁷ *United States v. Belmont*, 301 U. S. 324, 330 (1937).

⁴⁸ *Id.*

⁴⁹ *United States v. Pink*, 315 U.S. 203, 230 (1942).

⁵⁰ *American Insurance Association v. Garamendi*, 539 U.S. 396 (2003).

⁵¹ *Id.*

⁵² *Edgar v. Mite Corporation*, 457 U.S. 624, 631 (1982).



United States' Violation of the Executive Agreements

Since 1893, the United States government has violated the terms of its obligations under these executive agreements and in 1898 unilaterally annexed the Hawaiian Kingdom by enacting a congressional joint resolution justified as a military necessity during the Spanish-American War, and thereafter occupied Hawai'i. According to Professor Marek, "the legal order of the occupant is...strictly subject to the principle of effectiveness, while the legal order of the occupied State continues to exist notwithstanding the absence of effectiveness [e.g. no government]. ...[Occupation] is thus the classical case in which the requirement of effectiveness as a condition of validity of a legal order is abandoned."⁵³ Referring to the United States' occupation of the Hawaiian Kingdom in his law journal article, Professor Dumberry states:

the 1907 Hague Convention protects the international personality of the occupied State, even in the absence of effectiveness. Furthermore, the legal order of the occupied State remains intact, although its effectiveness is greatly diminished by the fact of occupation. As such, Article 43 of the 1907 Hague Convention IV provides for the co-existence of two distinct legal orders, that of the occupier and the occupied.⁵⁴

By virtue of the temporary and conditional grant of Hawaiian executive power, the U.S. was obligated to restore the Hawaiian Kingdom government, but instead illegally occupied the Hawaiian Kingdom for military purposes, and has remained in the Hawaiian Islands ever since. The failure to administer Hawaiian Kingdom law under the *Lili'uokalani Assignment* and then to reinstate the Hawaiian government under the *Restoration agreement* constitutes a breach of an international obligation, as defined by the *Responsibility of States for Internationally Wrongful Acts*,⁵⁵ and the breach of this international obligation by the U.S. has "a continuing character [that] extends over the entire period during which the act continues and remains not in conformity with the international obligation."⁵⁶ The extended lapse of time has not affected in the least the international obligation of the U.S. under the both executive agreements; despite over a century of non-compliance and prolonged occupation, and according to Wright, the

⁵³ KRYSZYNA MAREK, *IDENTITY AND CONTINUITY OF STATES IN PUBLIC INTERNATIONAL LAW* (1968), 102.

⁵⁴ Patrick Dumberry, *The Hawaiian Kingdom Arbitration Case and the Unsettled Question of the Hawaiian Kingdom's Claim to Continue as an Independent State under International Law*, 2(1) *Chinese Journal of International Law* 655-684 (2002).

⁵⁵ United Nations, "Responsibility of States for Internationally Wrongful Acts" (2001), Article 12.

⁵⁶ *Id.*, Article 14(2).



President binds “himself and his successors in office by executive agreements.”⁵⁷ More importantly, the U.S. “may not rely on the provisions of its internal law as justification for failure to comply with its obligation.”⁵⁸

Since 1900, the United States Congress has enacted additional legislation establishing a government for the Territory of Hawai`i,⁵⁹ and in 1959 transformed the Territory of Hawai`i into the State of Hawai`i.⁶⁰ According to Born, “American courts, commentators, and other authorities understood international law as imposing strict territorial limits on national assertions of legislative jurisdiction.”⁶¹ In *Rose v. Himely* (1807), the Court illustrated this view by asserting, “that the legislation of every country is territorial.”⁶² In *The Apollon* (1824), the Court stated that the “laws of no nation can justly extend beyond its own territory”⁶³ for it would be “at variance with the independence and sovereignty of foreign nations,”⁶⁴ and in *U.S. v. Belmont* (1937), Justice Sutherland resounded, “our Constitution, laws and policies have no extraterritorial operation, unless in respect of our own citizens.”⁶⁵ Consistent with this view of non-extraterritoriality of legislation, *acting* Assistant Attorney General Douglas Kmiec opined “It is...unclear which constitutional power Congress exercised when it acquired Hawaii by joint resolution. Accordingly, it is doubtful that the acquisition of Hawaii can serve as an appropriate precedent for a congressional assertion of sovereignty over an extended territorial sea.”⁶⁶

Because U.S. legislation has no extraterritorial force and effect, except over U.S. citizens, it cannot be considered to have extinguished the Hawaiian Kingdom as a state, and the executive agreements remain binding on the United States under both international law and Federal law. §207(a), Restatement (Third) Foreign Relations Law of the United States, provides that “A state acts through its government, but the state is responsible for carrying out its obligation under international law regardless of the manner in which its constitution and laws allocate the responsibilities and functions of government, or of any constitutional or other internal rules or

⁵⁷ QUINCY WRIGHT, *THE CONTROL OF AMERICAN FOREIGN RELATIONS* 235 (1922).

⁵⁸ Responsibility of States, Article 31(1).

⁵⁹ 31 U.S. Stat. 141 (1900).

⁶⁰ 73 U.S. Stat. 4 (1959).

⁶¹ GARY BORN, *INTERNATIONAL CIVIL LITIGATION IN UNITED STATES COURTS* 493 (3rd ed. 1996).

⁶² *Rose v. Himely*, 8 U.S. 241, 279 (1807).

⁶³ *The Apollon*, 22 U.S. 362, 370 (1824).

⁶⁴ *Id.*

⁶⁵ *U.S. v. Belmont*, 301 U.S. 324, 332 (1937).

⁶⁶ Douglas Kmiec, *Legal Issues Raised by Proposed Presidential Proclamation to Extend the Territorial Sea*, 12 Op. Off. Legal Counsel 238-263, 252 (1988).



limitations.” And §115(b), Restatement (Third), provides that “although a subsequent act of Congress may supersede a rule of international law or an international agreement as domestic law, the United States remains bound by the rule or agreement internationally... Similarly, the United States remains bound internationally when a principle of international law or a provision in an agreement of the United States is not given effect because it is inconsistent with the Constitution.” The United States cannot benefit from the violation of these executive agreements under the doctrine of estoppel.

As a result of the President’s failure to establish a military government in the islands to administer Hawaiian law by virtue of the *Lili`uokalani assignment* (January 17th 1893) and the international laws of occupation, which was mandated under the 1863 Lieber Code, art. 6, G.O. 100, A.G.O. 1863, and then superseded by the 1907 Hague Convention, IV, art. 43, all acts performed by the provisional government, the Republic of Hawai`i, the Territory of Hawai`i and the State of Hawai`i, on behalf of or concerning the Hawaiian Islands cannot be considered lawful. The only exceptions, according to the seminal *Namibia* case, are the registration of births, deaths and marriages.⁶⁷ With regard to real estate transactions, the execution of a deed of conveyance and mortgage under Hawaiian law must first be acknowledged by “the party or parties executing the same, before the Registrar of Conveyances, or his agent, or some judge of a court of record, or notary public of this Kingdom,”⁶⁸ and then recorded in the Bureau of Conveyances, where “all deeds, leases for a term of more than one year, or other conveyances of real estate within this Kingdom shall be recorded in the office of the Registrar of Conveyances (§1262, Compiled Laws).” According to Justice Judd, *Kaaihue, et al., v. Crabbe et al.* (1877),⁶⁹ “The Legislature deemed it advisable that deeds of landed property should be recorded.” “No acknowledgment of any conveyance or other instrument, whereby any real estate is conveyed or may be affected shall be taken, unless the person offering to make such acknowledgment shall be personally known to the officer taking the same to be the person whose name is subscribed to such conveyance or instrument as a party thereto, or shall be proved to be such by the oath or affirmation of a credible witness known to the officer.”⁷⁰ That “no person who is not a subject of

⁶⁷ *Legal Consequences for States of the Continued Presence of South Africa in Namibia (South West Africa) Notwithstanding Security Council Resolution 276*, Advisory Opinion of June 21, 1971, ICJ Reports, 1971.

⁶⁸ Compiled Laws, Hawaiian Civil Code, §1255.

⁶⁹ 3 Haw. 768, 773 (1877)

⁷⁰ Compiled Laws, Hawaiian Civil Code, 407



this Kingdom shall be eligible to the office of notary public,”⁷¹ and there “shall be a bureau in the department of the Interior to be called the Bureau of Conveyances; and His Majesty shall appoint, upon the nomination of the Minister of the Interior, some suitable person to superintend said Bureau, under the direction of said minister, who shall be styled the ‘Registrar of Conveyances.’”⁷²

Deeds of conveyance of real property and mortgages after January 17th 1893 cannot be considered lawfully executed because the “Registrar of Conveyances, or his agent, or some judge of a court of record, or notary public” were not lawfully vested with the authority to acknowledge the execution of deeds of conveyance and mortgages because they were insurgents and members of the so-called provisional government and its successor the Republic of Hawai‘i—not officers of the Hawaiian Kingdom. Since August 12th 1898, execution of deeds of conveyance of real estate and mortgages also cannot be considered lawfully executed because these insurgents were maintained under the Territory of Hawai‘i government. Hawaiian Kingdom law was not being administered by the U.S. military command by virtue of the *Lili‘uokalani assignment* and article 43, Hague Convention, IV (1907). In effect, this renders all conveyances of real estate and mortgages securing the repayment of loans within Hawaiian territory since January 17th 1893 to the present null and void. The notary public and registrar of the Bureau of Conveyances were not competent to execute deeds or mortgages.

Kale Kepekaio Gumapac's and Dianne Dee Gumapac's Claim to a Fee-simple title

On April 17th 2002 Linda Vivian Little, single, and Alice Evelyn Little, unmarried, conveyed to Kale Kepekaio Gumapac and Dianne Dee Gumapac, husband and wife, an interest in fee-simple in and to Lot 2787, area 1.00 acre, more or less, Block 7, as shown on Map 58 filed in the Office of the Assistant Registrar of the Land Court of the State of Hawai‘i with Land Court Application no. 1053 (amended) of W.H. Shipman, Limited, under document no. 2895104 & certificate no. 505052, filed with the Registrar of the Bureau of Conveyances on February 24th 2003 (Exhibit C). On December 12th 2005, Kale Kepekaio Gumapac and Dianne Dee Gumapac, husband and wife, mortgaged to Argent Mortgage Company, LLC, organized and existing under the laws of Delaware, a lien in and to Lot 2787, area 1.00 acre, more or less, Block 7, as shown

⁷¹ *Id.*, §1267

⁷² *Id.*, §1249



on Map 58 filed in the Office of the Assistant Registrar of the Land Court of the State of Hawai`i with Land Court Application no. 1053 (amended) of W.H. Shipman, Limited, under document no. 3368985 and certificate no. 637651, filed with the Registrar of the Bureau of Conveyances on December 19th 2005 (Exhibit D). The aforementioned deed of conveyance was not lawfully executed for want of a competent notary public pursuant to §1267 of the Compiled Laws, and a competent registrar of the Bureau of Conveyances pursuant to §1249 of the Compiled Laws. In the aforementioned deed and mortgage the notary public and registrar were officers of the government of the State of Hawai`i and not the government of the Hawaiian Kingdom, which is in direct conflict with the *Lili`uokalani assignment*, which mandates the President to administer the laws of the Hawaiian Kingdom and not the laws of the United States to include the laws of the State of Hawai`i, and the *Supremacy clause* under the U.S. constitution, article VI, clause 2.

It is my professional opinion that there is clear and overwhelming evidence that the Hawaiian Kingdom continues to exist as a state in accordance with recognized attributes of a state's sovereign nature, and that the *Lili`uokalani assignment* and the *Agreement of restoration*, being executive agreements, are *prima facie* evidence of the United States' acknowledgment and continued recognition of the legal order of the Hawaiian Kingdom, being a recognized attribute of a state's sovereign nature. Therefore, title to the estate in fee-simple described as Lot 2787, area 1.00 acre, more or less, Block 7, as shown on Map 58 filed in the Office of the Assistant Registrar of the Land Court of the State of Hawai`i with Land Court Application no. 1053 (amended) of W.H. Shipman, Limited, is vested other than Kale Kepekaio Gumapac and Dianne Dee Gumapac, now divorced. Consequently, mortgages cannot be considered valid if the mortgagor was not vested with title to the real estate mortgaged to secure the promissory note taken out with mortgagee. The mortgagee can claim no superior right to the mortgaged property than the mortgagor can claim. Equitable relief for Argent Mortgage Company, LLC, organized and existing under the laws of Delaware, is provided under lender's title insurance policy no. M-9994-8370850, Stewart Title Guaranty Company, committed December 19th 2005 at 8:02 am (Exhibit E), and relief for Kale Kepekaio Gumapac and Dianne Dee Gumapac, now divorced, is provided under owner's title insurance policy no. T76-000020391, Ticor Title Insurance Company, committed February 24th 2003 at 8:01 am (Exhibit F).



Keanu Sai, Ph.D.

Exhibit A

APPENDIX II

FOREIGN RELATIONS

OF THE

UNITED STATES

1894

AFFAIRS IN HAWAII



WASHINGTON
GOVERNMENT PRINTING OFFICE
1895

House Ex. Doc. No. 47, Fifty-third Congress, second session.

PRESIDENT'S MESSAGE

RELATING TO THE

HAWAIIAN ISLANDS.

DECEMBER 18, 1893.

M E S S A G E .

To the Senate and House of Representatives :

In my recent annual message to the Congress I briefly referred to our relations with Hawaii and expressed the intention of transmitting further information on the subject when additional advices permitted.

Though I am not able now to report a definite change in the actual situation, I am convinced that the difficulties lately created both here and in Hawaii and now standing in the way of a solution through Executive action of the problem presented, render it proper, and expedient, that the matter should be referred to the broader authority and discretion of Congress, with a full explanation of the endeavor thus far made to deal with the emergency and a statement of the considerations which have governed my action.

I suppose that right and justice should determine the path to be followed in treating this subject. If national honesty is to be disregarded and a desire for territorial extension, or dissatisfaction with a form of government not our own, ought to regulate our conduct, I have entirely misapprehended the mission and character of our Government and the behavior which the conscience of our people demands of their public servants.

When the present Administration entered upon its duties the Senate had under consideration a treaty providing for the annexation of the Hawaiian Islands to the territory of the United States. Surely under our Constitution and laws the enlargement of our limits is a manifestation of the highest attribute of sovereignty, and if entered upon as an Executive act, all things relating to the transaction should be clear and free from suspicion. Additional importance attached to this particular treaty of annexation, because it contemplated a departure from unbroken American tradition in providing for the addition to our territory of islands of the sea more than two thousand miles removed from our nearest coast.

These considerations might not of themselves call for interference with the completion of a treaty entered upon by a previous Administration. But it appeared from the documents accompanying the

treaty when submitted to the Senate, that the ownership of Hawaii was tendered to us by a provisional government set up to succeed the constitutional ruler of the islands, who had been dethroned, and it did not appear that such provisional government had the sanction of either popular revolution or suffrage. Two other remarkable features of the transaction naturally attracted attention. One was the extraordinary haste—not to say precipitancy—characterizing all the transactions connected with the treaty. It appeared that a so-called Committee of Safety, ostensibly the source of the revolt against the constitutional Government of Hawaii, was organized on Saturday, the 14th day of January; that on Monday, the 16th, the United States forces were landed at Honolulu from a naval vessel lying in its harbor; that on the 17th the scheme of a provisional government was perfected, and a proclamation naming its officers was on the same day prepared and read at the Government building; that immediately thereupon the United States Minister recognized the provisional government thus created; that two days afterwards, on the 19th day of January, commissioners representing such government sailed for this country in a steamer especially chartered for the occasion, arriving in San Francisco on the 28th day of January, and in Washington on the 3d day of February; that on the next day they had their first interview with the Secretary of State, and another on the 11th, when the treaty of annexation was practically agreed upon, and that on the 14th it was formally concluded and on the 15th transmitted to the Senate. Thus between the initiation of the scheme for a provisional government in Hawaii on the 14th day of January and the submission to the Senate of the treaty of annexation concluded with such government, the entire interval was thirty-two days, fifteen of which were spent by the Hawaiian Commissioners in their journey to Washington.

In the next place, upon the face of the papers submitted with the treaty, it clearly appeared that there was open and undetermined an issue of fact of the most vital importance. The message of the President accompanying the treaty declared that “the overthrow of the monarchy was not in any way promoted by this Government,” and in a letter to the President from the Secretary of State, also submitted to the Senate with the treaty, the following passage occurs: “At the time the provisional government took possession of the Government buildings no troops or officers of the United States were present or took any part whatever in the proceedings. No public recognition was accorded to the provisional government by the United States Minister until after the Queen’s abdication and when they were in effective possession of the Government buildings,

the archives, the treasury, the barracks, the police station, and all the potential machinery of the Government." But a protest also accompanied said treaty, signed by the Queen and her ministers at the time she made way for the provisional government, which explicitly stated that she yielded to the superior force of the United States, whose Minister had caused United States troops to be landed at Honolulu and declared that he would support such provisional government.

The truth or falsity of this protest was surely of the first importance. If true, nothing but the concealment of its truth could induce our Government to negotiate with the semblance of a government thus created, nor could a treaty resulting from the acts stated in the protest have been knowingly deemed worthy of consideration by the Senate. Yet the truth or falsity of the protest had not been investigated.

I conceived it to be my duty therefore to withdraw the treaty from the Senate for examination, and meanwhile to cause an accurate, full, and impartial investigation to be made of the facts attending the subversion of the constitutional Government of Hawaii, and the installment in its place of the provisional government. I selected for the work of investigation the Hon. James H. Blount, of Georgia, whose service of eighteen years as a member of the House of Representatives, and whose experience as chairman of the Committee of Foreign Affairs in that body, and his consequent familiarity with international topics, joined with his high character and honorable reputation, seemed to render him peculiarly fitted for the duties entrusted to him. His report detailing his action under the instructions given to him and the conclusions derived from his investigation accompany this message.

These conclusions do not rest for their acceptance entirely upon Mr. Blount's honesty and ability as a man, nor upon his acumen and impartiality as an investigator. They are accompanied by the evidence upon which they are based, which evidence is also herewith transmitted, and from which it seems to me no other deductions could possibly be reached than those arrived at by the Commissioner.

The report with its accompanying proofs, and such other evidence as is now before the Congress or is herewith submitted, justifies in my opinion the statement that when the President was led to submit the treaty to the Senate with the declaration that "the overthrow of the monarchy was not in any way promoted by this Government", and when the Senate was induced to receive and discuss it on that basis, both President and Senate were misled.

The attempt will not be made in this communication to touch

upon all the facts which throw light upon the progress and consummation of this scheme of annexation. A very brief and imperfect reference to the facts and evidence at hand will exhibit its character and the incidents in which it had its birth.

It is unnecessary to set forth the reasons which in January, 1893, led a considerable proportion of American and other foreign merchants and traders residing at Honolulu to favor the annexation of Hawaii to the United States. It is sufficient to note the fact and to observe that the project was one which was zealously promoted by the Minister representing the United States in that country. He evidently had an ardent desire that it should become a fact accomplished by his agency and during his ministry, and was not inconveniently scrupulous as to the means employed to that end. On the 19th day of November, 1892, nearly two months before the first overt act tending towards the subversion of the Hawaiian Government and the attempted transfer of Hawaiian territory to the United States, he addressed a long letter to the Secretary of State in which the case for annexation was elaborately argued, on moral, political, and economical grounds. He refers to the loss to the Hawaiian sugar interests from the operation of the McKinley bill, and the tendency to still further depreciation of sugar property unless some positive measure of relief is granted. He strongly inveighs against the existing Hawaiian Government and emphatically declares for annexation. He says: "In truth the monarchy here is an absurd anachronism. It has nothing on which it logically or legitimately stands. The feudal basis on which it once stood no longer existing, the monarchy now is only an impediment to good government—an obstruction to the prosperity and progress of the islands."

He further says: "As a crown colony of Great Britain or a Territory of the United States the government modifications could be made readily and good administration of the law secured. Destiny and the vast future interests of the United States in the Pacific clearly indicate who at no distant day must be responsible for the government of these islands. Under a territorial government they could be as easily governed as any of the existing Territories of the United States."

* * * "Hawaii has reached the parting of the ways. She must now take the road which leads to Asia, or the other which outlets her in America, gives her an American civilization, and binds her to the care of American destiny." He also declares: "One of two courses seems to me absolutely necessary to be followed, either bold and vigorous measures for annexation or a 'customs union,' an ocean cable from the Californian coast to Honolulu, Pearl Harbor perpetually ceded to the United States, with an implied but not ex-

pressly stipulated American protectorate over the islands. I believe the former to be the better, that which will prove much the more advantageous to the islands, and the cheapest and least embarrassing in the end to the United States. If it was wise for the United States through Secretary Marcy thirty-eight years ago to offer to expend \$100,000 to secure a treaty of annexation, it certainly can not be chimerical or unwise to expend \$100,000 to secure annexation in the near future. To-day the United States has five times the wealth she possessed in 1854, and the reasons now existing for annexation are much stronger than they were then. I can not refrain from expressing the opinion with emphasis that the golden hour is near at hand."

These declarations certainly show a disposition and condition of mind, which may be usefully recalled when interpreting the significance of the Minister's conceded acts or when considering the probabilities of such conduct on his part as may not be admitted.

In this view it seems proper to also quote from a letter written by the Minister to the Secretary of State on the 8th day of March, 1892, nearly a year prior to the first step taken toward annexation. After stating the possibility that the existing Government of Hawaii might be overturned by an orderly and peaceful revolution, Minister Stevens writes as follows: "Ordinarily in like circumstances, the rule seems to be to limit the landing and movement of United States forces in foreign waters and dominion exclusively to the protection of the United States legation and of the lives and property of American citizens. But as the relations of the United States to Hawaii are exceptional, and in former years the United States officials here took somewhat exceptional action in circumstances of disorder, I desire to know how far the present Minister and naval commander may deviate from established international rules and precedents in the contingencies indicated in the first part of this dispatch."

To a minister of this temper full of zeal for annexation there seemed to arise in January, 1893, the precise opportunity for which he was watchfully waiting—an opportunity which by timely "deviation from established international rules and precedents" might be improved to successfully accomplish the great object in view; and we are quite prepared for the exultant enthusiasm with which in a letter to the State Department dated February 1, 1893, he declares: "The Hawaiian pear is now fully ripe and this is the golden hour for the United States to pluck it."

As a further illustration of the activity of this diplomatic representative, attention is called to the fact that on the day the above letter was written, apparently unable longer to restrain his ardor, he issued a proclamation whereby "in the name of the United

States" he assumed the protection of the Hawaiian Islands and declared that said action was "taken pending and subject to negotiations at Washington." Of course this assumption of a protectorate was promptly disavowed by our Government, but the American flag remained over the Government building at Honolulu and the forces remained on guard until April, and after Mr. Blount's arrival on the scene, when both were removed.

A brief statement of the occurrences that led to the subversion of the constitutional Government of Hawaii in the interests of annexation to the United States will exhibit the true complexion of that transaction.

On Saturday, January 14, 1893, the Queen of Hawaii, who had been contemplating the proclamation of a new constitution, had, in deference to the wishes and remonstrances of her cabinet, renounced the project for the present at least. Taking this relinquished purpose as a basis of action, citizens of Honolulu numbering from fifty to one hundred, mostly resident aliens, met in a private office and selected a so-called Committee of Safety, composed of thirteen persons, seven of whom were foreign subjects, and consisted of five Americans, one Englishman, and one German. This committee, though its designs were not revealed, had in view nothing less than annexation to the United States, and between Saturday, the 14th, and the following Monday, the 16th of January—though exactly what action was taken may not be clearly disclosed—they were certainly in communication with the United States Minister. On Monday morning the Queen and her cabinet made public proclamation, with a notice which was specially served upon the representatives of all foreign governments, that any changes in the constitution would be sought only in the methods provided by that instrument. Nevertheless, at the call and under the auspices of the Committee of Safety, a mass meeting of citizens was held on that day to protest against the Queen's alleged illegal and unlawful proceedings and purposes. Even at this meeting the Committee of Safety continued to disguise their real purpose and contented themselves with procuring the passage of a resolution denouncing the Queen and empowering the committee to devise ways and means "to secure the permanent maintenance of law and order and the protection of life, liberty, and property in Hawaii." This meeting adjourned between three and four o'clock in the afternoon. On the same day, and immediately after such adjournment, the committee, unwilling to take further steps without the coöperation of the United States Minister, addressed him a note representing that the public safety was menaced and that lives and property were in danger, and concluded as follows:

“We are unable to protect ourselves without aid, and therefore pray for the protection of the United States forces.” Whatever may be thought of the other contents of this note, the absolute truth of this latter statement is incontestable. When the note was written and delivered, the committee, so far as it appears, had neither a man nor a gun at their command, and after its delivery they became so panic-stricken at their position that they sent some of their number to interview the Minister and request him not to land the United States forces till the next morning. But he replied that the troops had been ordered, and whether the committee were ready or not the landing should take place. And so it happened that on the 16th day of January, 1893, between four and five o'clock in the afternoon, a detachment of marines from the United States steamer *Boston*, with two pieces of artillery, landed at Honolulu. The men, upwards of 160 in all, were supplied with double cartridge belts filled with ammunition and with haversacks and canteens, and were accompanied by a hospital corps with stretchers and medical supplies. This military demonstration upon the soil of Honolulu was of itself an act of war, unless made either with the consent of the Government of Hawaii or for the *bona fide* purpose of protecting the imperilled lives and property of citizens of the United States. But there is no pretense of any such consent on the part of the Government of the Queen, which at that time was undisputed and was both the *de facto* and the *de jure* government. In point of fact the existing government instead of requesting the presence of an armed force protested against it. There is as little basis for the pretense that such forces were landed for the security of American life and property. If so, they would have been stationed in the vicinity of such property and so as to protect it, instead of at a distance and so as to command the Hawaiian Government building and palace. Admiral Skerrett, the officer in command of our naval force on the Pacific station, has frankly stated that in his opinion the location of the troops was inadvisable if they were landed for the protection of American citizens whose residences and places of business, as well as the legation and consulate, were in a distant part of the city, but the location selected was a wise one if the forces were landed for the purpose of supporting the provisional government. If any peril to life and property calling for any such martial array had existed, Great Britain and other foreign powers interested would not have been behind the United States in activity to protect their citizens. But they made no sign in that direction. When these armed men were landed, the city of Honolulu was in its customary orderly and peaceful condition. There was no

symptom of riot or disturbance in any quarter. Men, women, and children were about the streets as usual, and nothing varied the ordinary routine or disturbed the ordinary tranquillity, except the landing of the *Boston's* marines and their march through the town to the quarters assigned them. Indeed, the fact that after having called for the landing of the United States forces on the plea of danger to life and property the Committee of Safety themselves requested the Minister to postpone action, exposed the untruthfulness of their representations of present peril to life and property. The peril they saw was an anticipation growing out of guilty intentions on their part and something which, though not then existing, they knew would certainly follow their attempt to overthrow the Government of the Queen without the aid of the United States forces.

Thus it appears that Hawaii was taken possession of by the United States forces without the consent or wish of the government of the islands, or of anybody else so far as shown, except the United States Minister.

Therefore the military occupation of Honolulu by the United States on the day mentioned was wholly without justification, either as an occupation by consent or as an occupation necessitated by dangers threatening American life and property. It must be accounted for in some other way and on some other ground, and its real motive and purpose are neither obscure nor far to seek.

The United States forces being now on the scene and favorably stationed, the committee proceeded to carry out their original scheme. They met the next morning, Tuesday, the 17th, perfected the plan of temporary government, and fixed upon its principal officers, ten of whom were drawn from the thirteen members of the Committee of Safety. Between one and two o'clock, by squads and by different routes to avoid notice, and having first taken the precaution of ascertaining whether there was any one there to oppose them, they proceeded to the Government building to proclaim the new government. No sign of opposition was manifest, and thereupon an American citizen began to read the proclamation from the steps of the Government building almost entirely without auditors. It is said that before the reading was finished quite a concourse of persons, variously estimated at from 50 to 100, some armed and some unarmed, gathered about the committee to give them aid and confidence. This statement is not important, since the one controlling factor in the whole affair was unquestionably the United States marines, who, drawn up under arms and with artillery in readiness only seventy-six yards distant, dominated the situation.

The provisional government thus proclaimed was by the terms of

the proclamation "to exist until terms of union with the United States had been negotiated and agreed upon". The United States Minister, pursuant to prior agreement, recognized this government within an hour after the reading of the proclamation, and before five o'clock, in answer to an inquiry on behalf of the Queen and her cabinet, announced that he had done so.

When our Minister recognized the provisional government the only basis upon which it rested was the fact that the Committee of Safety had in the manner above stated declared it to exist. It was neither a government *de facto* nor *de jure*. That it was not in such possession of the Government property and agencies as entitled it to recognition is conclusively proved by a note found in the files of the Legation at Honolulu, addressed by the declared head of the provisional government to Minister Stevens, dated January 17, 1893, in which he acknowledges with expressions of appreciation the Minister's recognition of the provisional government, and states that it is not yet in the possession of the station house (the place where a large number of the Queen's troops were quartered), though the same had been demanded of the Queen's officers in charge. Nevertheless, this wrongful recognition by our Minister placed the Government of the Queen in a position of most perilous perplexity. On the one hand she had possession of the palace, of the barracks, and of the police station, and had at her command at least five hundred fully armed men and several pieces of artillery. Indeed, the whole military force of her kingdom was on her side and at her disposal, while the Committee of Safety, by actual search, had discovered that there were but very few arms in Honolulu that were not in the service of the Government. In this state of things if the Queen could have dealt with the insurgents alone her course would have been plain and the result unmistakable. But the United States had allied itself with her enemies, had recognized them as the true Government of Hawaii, and had put her and her adherents in the position of opposition against lawful authority. She knew that she could not withstand the power of the United States, but she believed that she might safely trust to its justice. Accordingly, some hours after the recognition of the provisional government by the United States Minister, the palace, the barracks, and the police station, with all the military resources of the country, were delivered up by the Queen upon the representation made to her that her cause would thereafter be reviewed at Washington, and while protesting that she surrendered to the superior force of the United States, whose Minister had caused United States troops to be landed at Honolulu and declared that he would support the provisional government, and that she

yielded her authority to prevent collision of armed forces and loss of life and only until such time as the United States, upon the facts being presented to it, should undo the action of its representative and reinstate her in the authority she claimed as the constitutional sovereign of the Hawaiian Islands.

This protest was delivered to the chief of the provisional government, who endorsed thereon his acknowledgment of its receipt. The terms of the protest were read without dissent by those assuming to constitute the provisional government, who were certainly charged with the knowledge that the Queen instead of finally abandoning her power had appealed to the justice of the United States for reinstatement in her authority; and yet the provisional government with this unanswered protest in its hand hastened to negotiate with the United States for the permanent banishment of the Queen from power and for a sale of her kingdom.

Our country was in danger of occupying the position of having actually set up a temporary government on foreign soil for the purpose of acquiring through that agency territory which we had wrongfully put in its possession. The control of both sides of a bargain acquired in such a manner is called by a familiar and unpleasant name when found in private transactions. We are not without a precedent showing how scrupulously we avoided such accusations in former days. After the people of Texas had declared their independence of Mexico they resolved that on the acknowledgment of their independence by the United States they would seek admission into the Union. Several months after the battle of San Jacinto, by which Texan independence was practically assured and established, President Jackson declined to recognize it, alleging as one of his reasons that in the circumstances it became us "to beware of a too early movement, as it might subject us, however unjustly, to the imputation of seeking to establish the claim of our neighbors to a territory with a view to its subsequent acquisition by ourselves". This is in marked contrast with the hasty recognition of a government openly and concededly set up for the purpose of tendering to us territorial annexation.

I believe that a candid and thorough examination of the facts will force the conviction that the provisional government owes its existence to an armed invasion by the United States. Fair-minded people with the evidence before them will hardly claim that the Hawaiian Government was overthrown by the people of the islands or that the provisional government had ever existed with their consent. I do not understand that any member of this government claims that the

people would uphold it by their suffrages if they were allowed to vote on the question.

While naturally sympathizing with every effort to establish a republican form of government, it has been the settled policy of the United States to concede to people of foreign countries the same freedom and independence in the management of their domestic affairs that we have always claimed for ourselves; and it has been our practice to recognize revolutionary governments as soon as it became apparent that they were supported by the people. For illustration of this rule I need only to refer to the revolution in Brazil in 1889, when our Minister was instructed to recognize the Republic "so soon as a majority of the people of Brazil should have signified their assent to its establishment and maintenance"; to the revolution in Chile in 1891, when our Minister was directed to recognize the new government "if it was accepted by the people"; and to the revolution in Venezuela in 1892, when our recognition was accorded on condition that the new government was "fully established, in possession of the power of the nation, and accepted by the people."

As I apprehend the situation, we are brought face to face with the following conditions:

The lawful Government of Hawaii was overthrown without the drawing of a sword or the firing of a shot by a process every step of which, it may safely be asserted, is directly traceable to and dependent for its success upon the agency of the United States acting through its diplomatic and naval representatives.

But for the notorious predilections of the United States Minister for annexation, the Committee of Safety, which should be called the Committee of Annexation, would never have existed.

But for the landing of the United States forces upon false pretexts respecting the danger to life and property the committee would never have exposed themselves to the pains and penalties of treason by undertaking the subversion of the Queen's Government.

But for the presence of the United States forces in the immediate vicinity and in position to afford all needed protection and support the committee would not have proclaimed the provisional government from the steps of the Government building.

And finally, but for the lawless occupation of Honolulu under false pretexts by the United States forces, and but for Minister Stevens's recognition of the provisional government when the United States forces were its sole support and constituted its only military strength, the Queen and her Government would never have yielded to the provisional government, even for a time and for the

sole purpose of submitting her case to the enlightened justice of the United States.

Believing, therefore, that the United States could not, under the circumstances disclosed, annex the islands without justly incurring the imputation of acquiring them by unjustifiable methods, I shall not again submit the treaty of annexation to the Senate for its consideration, and in the instructions to Minister Willis, a copy of which accompanies this message, I have directed him to so inform the provisional government.

But in the present instance our duty does not, in my opinion, end with refusing to consummate this questionable transaction. It has been the boast of our Government that it seeks to do justice in all things without regard to the strength or weakness of those with whom it deals. I mistake the American people if they favor the odious doctrine that there is no such thing as international morality, that there is one law for a strong nation and another for a weak one, and that even by indirection a strong power may with impunity despoil a weak one of its territory.

By an act of war, committed with the participation of a diplomatic representative of the United States and without authority of Congress, the Government of a feeble but friendly and confiding people has been overthrown. A substantial wrong has thus been done which a due regard for our national character as well as the rights of the injured people requires we should endeavor to repair. The provisional government has not assumed a republican or other constitutional form, but has remained a mere executive council or oligarchy, set up without the assent of the people. It has not sought to find a permanent basis of popular support and has given no evidence of an intention to do so. Indeed, the representatives of that government assert that the people of Hawaii are unfit for popular government and frankly avow that they can be best ruled by arbitrary or despotic power.

The law of nations is founded upon reason and justice, and the rules of conduct governing individual relations between citizens or subjects of a civilized state are equally applicable as between enlightened nations. The considerations that international law is without a court for its enforcement, and that obedience to its commands practically depends upon good faith, instead of upon the mandate of a superior tribunal, only give additional sanction to the law itself and brand any deliberate infraction of it not merely as a wrong but as a disgrace. A man of true honor protects the unwritten word which binds his conscience more scrupulously, if possible, than he does the bond a breach of which subjects him to

legal liabilities ; and the United States in aiming to maintain itself as one of the most enlightened of nations would do its citizens gross injustice if it applied to its international relations any other than a high standard of honor and morality. On that ground the United States can not properly be put in the position of countenancing a wrong after its commission any more than in that of consenting to it in advance. On that ground it can not allow itself to refuse to redress an injury inflicted through an abuse of power by officers clothed with its authority and wearing its uniform; and on the same ground, if a feeble but friendly state is in danger of being robbed of its independence and its sovereignty by a misuse of the name and power of the United States, the United States can not fail to vindicate its honor and its sense of justice by an earnest effort to make all possible reparation.

These principles apply to the present case with irresistible force when the special conditions of the Queen's surrender of her sovereignty are recalled. She surrendered not to the provisional government, but to the United States. She surrendered not absolutely and permanently, but temporarily and conditionally until such time as the facts could be considered by the United States. Furthermore, the provisional government acquiesced in her surrender in that manner and on those terms, not only by tacit consent, but through the positive acts of some members of that government who urged her peaceable submission, not merely to avoid bloodshed, but because she could place implicit reliance upon the justice of the United States, and that the whole subject would be finally considered at Washington.

I have not, however, overlooked an incident of this unfortunate affair which remains to be mentioned. The members of the provisional government and their supporters, though not entitled to extreme sympathy, have been led to their present predicament of revolt against the Government of the Queen by the indefensible encouragement and assistance of our diplomatic representative. This fact may entitle them to claim that in our effort to rectify the wrong committed some regard should be had for their safety. This sentiment is strongly seconded by my anxiety to do nothing which would invite either harsh retaliation on the part of the Queen or violence and bloodshed in any quarter. In the belief that the Queen, as well as her enemies, would be willing to adopt such a course as would meet these conditions, and in view of the fact that both the Queen and the provisional government had at one time apparently acquiesced in a reference of the entire case to the United States Government, and considering the further fact that in any event the provisional

government by its own declared limitation was only "to exist until terms of union with the United States of America have been negotiated and agreed upon," I hoped that after the assurance to the members of that government that such union could not be consummated I might compass a peaceful adjustment of the difficulty.

Actuated by these desires and purposes, and not unmindful of the inherent perplexities of the situation nor of the limitations upon my power, I instructed Minister Willis to advise the Queen and her supporters of my desire to aid in the restoration of the status existing before the lawless landing of the United States forces at Honolulu on the 16th of January last, if such restoration could be effected upon terms providing for clemency as well as justice to all parties concerned. The conditions suggested, as the instructions show, contemplate a general amnesty to those concerned in setting up the provisional government and a recognition of all its *bona fide* acts and obligations. In short, they require that the past should be buried, and that the restored Government should reassume its authority as if its continuity had not been interrupted. These conditions have not proved acceptable to the Queen, and though she has been informed that they will be insisted upon, and that, unless acceded to, the efforts of the President to aid in the restoration of her Government will cease, I have not thus far learned that she is willing to yield them her acquiescence. The check which my plans have thus encountered has prevented their presentation to the members of the provisional government, while unfortunate public misrepresentations of the situation and exaggerated statements of the sentiments of our people have obviously injured the prospects of successful Executive mediation.

I therefore submit this communication with its accompanying exhibits, embracing Mr. Blount's report, the evidence and statements taken by him at Honolulu, the instructions given to both Mr. Blount and Minister Willis, and correspondence connected with the affair in hand.

In commending this subject to the extended powers and wide discretion of the Congress, I desire to add the assurance that I shall be much gratified to cooperate in any legislative plan which may be devised for the solution of the problem before us which is consistent with American honor, integrity, and morality.

GROVER CLEVELAND.

EXECUTIVE MANSION,

Washington, December 18, 1893.

DEPARTMENT OF STATE,
Washington, October 18, 1893.

The PRESIDENT:

The full and impartial reports submitted by the Hon. James H. Blount, your special commissioner to the Hawaiian Islands, established the following facts:

Queen Liliuokalani announced her intention on Saturday, January 14, 1893, to proclaim a new constitution, but the opposition of her ministers and others induced her to speedily change her purpose and make public announcement of that fact.

At a meeting in Honolulu, late on the afternoon of that day, a so-called committee of public safety, consisting of thirteen men, being all or nearly all who were present, was appointed "to consider the situation and devise ways and means for the maintenance of the public peace and the protection of life and property," and at a meeting of this committee on the 15th, or the forenoon of the 16th of January, it was resolved amongst other things that a provisional government be created "to exist until terms of union with the United States of America have been negotiated and agreed upon." At a mass meeting which assembled at 2 p. m. on the last-named day, the Queen and her supporters were condemned and denounced, and the committee was continued and all its acts approved.

Later the same afternoon the committee addressed a letter to John L. Stevens, the American minister at Honolulu, stating that the lives and property of the people were in peril and appealing to him and the United States forces at his command for assistance. This communication concluded "we are unable to protect ourselves without aid, and therefore hope for the protection of the United States forces." On receipt of this letter Mr. Stevens requested Capt. Wiltse, commander of the U. S. S. *Boston*, to land a force "for the protection of the United States legation, United States consulate, and to secure the safety of American life and property." The well armed troops, accompanied by two gatling guns, were promptly landed and marched through the quiet streets of Honolulu to a public hall, previously secured by Mr. Stevens for their accommodation. This hall was just across the street from the Government building, and in plain view of the Queen's palace. The reason for thus locating the military will presently appear. The governor of the Island immediately addressed to Mr. Stevens a communication protesting against the act as an unwarranted invasion of Hawaiian soil and reminding him that the proper authorities had never denied permission to the naval forces of the United States to land for drill or any other proper purpose.

About the same time the Queen's minister of foreign affairs sent a note to Mr. Stevens asking why the troops had been landed and informing him that the proper authorities were able and willing to afford full protection to the American legation and all American interests in Honolulu. Only evasive replies were sent to these communications.

While there were no manifestations of excitement or alarm in the city, and the people were ignorant of the contemplated movement, the committee entered the Government building, after first ascertaining that it was unguarded, and read a proclamation declaring that the existing Government was overthrown and a Provisional Government established in its place, "to exist until terms of union with the United States of America have been negotiated and agreed upon." No audience was present when the proclamation was read, but during the reading 40 or 50 men, some of them indifferently armed, entered the room. The executive and advisory councils mentioned in the proclamation at once addressed a communication to Mr. Stevens, informing him that the monarchy had been abrogated and a provisional government established. This communication concluded:

Such Provisional Government has been proclaimed, is now in possession of the Government departmental buildings, the archives, and the treasury, and is in control of the city. We hereby request that you will, on behalf of the United States, recognize it as the existing *de facto* Government of the Hawaiian Islands and afford to it the moral support of your Government, and, if necessary, the support of American troops to assist in preserving the public peace.

On receipt of this communication, Mr. Stevens immediately recognized the new Government, and, in a letter addressed to Sanford B. Dole, its President, informed him that he had done so. Mr. Dole replied:

GOVERNMENT BUILDING,
Honolulu, January 17, 1893.

SIR: I acknowledge receipt of your valued communication of this day, recognizing the Hawaiian Provisional Government, and express deep appreciation of the same.

We have conferred with the ministers of the late Government, and have made demand upon the marshal to surrender the station house. We are not actually yet in possession of the station house, but as night is approaching and our forces may be insufficient to maintain order, we request the immediate support of the United States forces, and would request that the commander of the United States forces take command of our military forces, so that they may act together for the protection of the city.

Respectfully, yours,

SANFORD B. DOLE,
Chairman Executive Council.

His Excellency JOHN L. STEVENS,
United States Minister Resident.

Note of Mr. Stevens at the end of the above communication.

The above request not complied with.

STEVENS.

The station house was occupied by a well-armed force, under the command of a resolute capable officer. The same afternoon the Queen, her ministers, representatives of the Provisional Government, and others held a conference at the palace. Refusing to recognize the new authority or surrender to it, she was informed that the Provisional Government had the support of the American minister, and, if necessary, would be maintained by the military force of the United States then present; that any demonstration on her part would precipitate a conflict with that force; that she could not, with hope of success, engage

in war with the United States, and that resistance would result in a useless sacrifice of life. Mr. Damon, one of the chief leaders of the movement, and afterwards vice-president of the Provisional Government, informed the Queen that she could surrender under protest and her case would be considered later at Washington. Believing that, under the circumstances, submission was a duty, and that her case would be fairly considered by the President of the United States, the Queen finally yielded and sent to the Provisional Government the paper, which reads:

I, Liliuokalani, by the grace of God and under the constitution of the Hawaiian Kingdom, Queen, do hereby solemnly protest against any and all acts done against myself and the constitutional Government of the Hawaiian Kingdom by certain persons claiming to have established a Provisional Government of and for this Kingdom.

That I yield to the superior force of the United States of America, whose minister plenipotentiary, his excellency John L. Stevens, has caused United States troops to be landed at Honolulu and declared that he would support the Provisional Government.

Now, to avoid any collision of armed forces and perhaps the loss of life, I do, under this protest, and impelled by said force, yield my authority until such time as the Government of the United States shall, upon the facts being presented to it, undo the action of its representative and reinstate me and the authority which I claim as the constitutional sovereign of the Hawaiian Islands.

When this paper was prepared at the conclusion of the conference, and signed by the Queen and her ministers, a number of persons, including one or more representatives of the Provisional Government, who were still present and understood its contents, by their silence, at least, acquiesced in its statements, and, when it was carried to President Dole, he indorsed upon it, "Received from the hands of the late cabinet this 17th day of January, 1893," without challenging the truth of any of its assertions. Indeed, it was not claimed on the 17th day of January, or for some time thereafter, by any of the designated officers of the Provisional Government or any annexationist that the Queen surrendered otherwise than as stated in her protest.

In his dispatch to Mr. Foster of January 18, describing the so-called revolution, Mr. Stevens says:

The committee of public safety forthwith took possession of the Government building, archives, and treasury, and installed the Provisional Government at the head of the respective departments. This being an accomplished fact, I promptly recognized the Provisional Government as the *de facto* government of the Hawaiian Islands.

In Secretary Foster's communication of February 15 to the President, laying before him the treaty of annexation, with the view to obtaining the advice and consent of the Senate thereto, he says:

At the time the Provisional Government took possession of the Government building no troops or officers of the United States were present or took any part whatever in the proceedings. No public recognition was accorded to the Provisional Government by the United States minister until after the Queen's abdication, and when they were in effective possession of the Government building, the archives, the treasury, the barracks, the police station, and all the potential machinery of the Government.

Similar language is found in an official letter addressed to Secretary Foster on February 3 by the special commissioners sent to Washington by the Provisional Government to negotiate a treaty of annexation.

These statements are utterly at variance with the evidence, documentary and oral, contained in Mr. Blount's reports. They are contradicted by declarations and letters of President Dole and other annexationists and by Mr. Stevens's own verbal admissions to Mr. Blount.

The Provisional Government was recognized when it had little other than a paper existence, and when the legitimate government was in full possession and control of the palace, the barracks, and the police station. Mr. Stevens's well-known hostility and the threatening presence of the force landed from the *Boston* was all that could then have excited serious apprehension in the minds of the Queen, her officers, and loyal supporters.

It is fair to say that Secretary Foster's statements were based upon information which he had received from Mr. Stevens and the special commissioners, but I am unable to see that they were deceived. The troops were landed, not to protect American life and property, but to aid in overthrowing the existing government. Their very presence implied coercive measures against it.

In a statement given to Mr. Blount, by Admiral Skerrett, the ranking naval officer at Honolulu, he says:

If the troops were landed simply to protect American citizens and interests, they were badly stationed in Arion Hall, but if the intention was to aid the Provisional Government they were wisely stationed.

This hall was so situated that the troops in it easily commanded the Government building, and the proclamation was read under the protection of American guns. At an early stage of the movement, if not at the beginning, Mr. Stevens promised the annexationists that as soon as they obtained possession of the Government building and there read a proclamation of the character above referred to, he would at once recognize them as a *de facto* government, and support them by landing a force from our war ship then in the harbor, and he kept that promise. This assurance was the inspiration of the movement, and without it the annexationists would not have exposed themselves to the consequences of failure. They relied upon no military force of their own, for they had none worthy of the name. The Provisional Government was established by the action of the American minister and the presence of the troops landed from the *Boston*, and its continued existence is due to the belief of the Hawaiians that if they made an effort to overthrow it, they would encounter the armed forces of the United States.

The earnest appeals to the American minister for military protection by the officers of that Government, after it had been recognized, show the utter absurdity of the claim that it was established by a successful revolution of the people of the Islands. Those appeals were a confession by the men who made them of their weakness and timidity. Courageous men, conscious of their strength and the justice of their cause, do not thus act. It is not now claimed that a majority of the people, having the right to vote under the constitution of 1887, ever favored the existing authority or annexation to this or any other country. They earnestly desire that the government of their choice shall be restored and its independence respected.

Mr. Blount states that while at Honolulu he did not meet a single annexationist who expressed willingness to submit the question to a vote of the people, nor did he talk with one on that subject who did not insist that if the Islands were annexed suffrage should be so restricted as to give complete control to foreigners or whites. Representative annexationists have repeatedly made similar statements to the undersigned.

The Government of Hawaii surrendered its authority under a threat of war, until such time only as the Government of the United States, upon the facts being presented to it, should reinstate the constitutional

sovereign, and the Provisional Government was created "to exist until terms of union with the United States of America have been negotiated and agreed upon." A careful consideration of the facts will, I think, convince you that the treaty which was withdrawn from the Senate for further consideration should not be resubmitted for its action thereon.

Should not the great wrong done to a feeble but independent State by an abuse of the authority of the United States be undone by restoring the legitimate government? Anything short of that will not, I respectfully submit, satisfy the demands of justice.

Can the United States consistently insist that other nations shall respect the independence of Hawaii while not respecting it themselves? Our Government was the first to recognize the independence of the Islands and it should be the last to acquire sovereignty over them by force and fraud.

Respectfully submitted.

W. Q. GRESHAM.

[Confidential.]

Mr. Gresham to Mr. Willis.

No. 4.]

DEPARTMENT OF STATE,
Washington, October 18, 1893.

SIR: Supplementing the general instructions which you have received with regard to your official duties, it is necessary to communicate to you, in confidence, special instructions for your guidance in so far as concerns the relation of the Government of the United States towards the *de facto* Government of the Hawaiian Islands.

The President deemed it his duty to withdraw from the Senate the treaty of annexation which has been signed by the Secretary of State and the agents of the Provisional Government, and to dispatch a trusted representative to Hawaii to impartially investigate the causes of the so-called revolution and ascertain and report the true situation in those Islands. This information was needed the better to enable the President to discharge a delicate and important public duty.

The instructions given to Mr. Blount, of which you are furnished with a copy, point out a line of conduct to be observed by him in his official and personal relations on the Islands, by which you will be guided so far as they are applicable and not inconsistent with what is herein contained.

It remains to acquaint you with the President's conclusions upon the facts embodied in Mr. Blount's reports and to direct your course in accordance therewith.

The Provisional Government was not established by the Hawaiian people, or with their consent or acquiescence, nor has it since existed with their consent. The Queen refused to surrender her powers to the Provisional Government until convinced that the minister of the United States had recognized it as the *de facto* authority, and would support and defend it with the military force of the United States, and that resistance would precipitate a bloody conflict with that force. She was advised and assured by her ministers and by leaders of the movement for the overthrow of her government, that if she surrendered under protest her case would afterwards be fairly considered by the President of the United States. The Queen finally wisely yielded to the armed forces of the United States then quartered in Honolulu, relying upon the good faith and honor of the President, when informed

of what had occurred, to undo the action of the minister and reinstate her and the authority which she claimed as the constitutional sovereign of the Hawaiian Islands.

After a patient examination of Mr. Blount's reports the President is satisfied that the movement against the Queen, if not instigated, was encouraged and supported by the representative of this Government at Honolulu; that he promised in advance to aid her enemies in an effort to overthrow the Hawaiian Government and set up by force a new government in its place; and that he kept this promise by causing a detachment of troops to be landed from the *Boston* on the 16th of January, and by recognizing the Provisional Government the next day when it was too feeble to defend itself and the constitutional government was able to successfully maintain its authority against any threatening force other than that of the United States already landed.

The President has therefore determined that he will not send back to the Senate for its action thereon the treaty which he withdrew from that body for further consideration on the 9th day of March last.

On your arrival at Honolulu you will take advantage of an early opportunity to inform the Queen of this determination, making known to her the President's sincere regret that the reprehensible conduct of the American minister and the unauthorized presence on land of a military force of the United States obliged her to surrender her sovereignty, for the time being, and rely on the justice of this Government to undo the flagrant wrong.

You will, however, at the same time inform the Queen that, when reinstated, the President expects that she will pursue a magnanimous course by granting full amnesty to all who participated in the movement against her, including persons who are, or have been, officially or otherwise, connected with the Provisional Government, depriving them of no right or privilege which they enjoyed before the so-called revolution. All obligations created by the Provisional Government in due course of administration should be assumed.

Having secured the Queen's agreement to pursue this wise and humane policy, which it is believed you will speedily obtain, you will then advise the executive of the Provisional Government and his ministers of the President's determination of the question which their action and that of the Queen devolved upon him, and that they are expected to promptly relinquish to her her constitutional authority.

Should the Queen decline to pursue the liberal course suggested, or should the Provisional Government refuse to abide by the President's decision, you will report the facts and await further directions.

In carrying out these general instructions you will be guided largely by your own good judgment in dealing with the delicate situation.

I am, sir, your obedient servant,

W. Q. GRESHAM.

Mr. Gresham to Mr. Willis.

[Telegram sent through dispatch agent at San Francisco.]

DEPARTMENT OF STATE,
Washington, November 24, 1893.

The brevity and uncertainty of your telegrams are embarrassing. You will insist upon amnesty and recognition of obligations of the Provisional Government as essential conditions of restoration. All interests will be promoted by prompt action.

W. Q. GRESHAM.

Mr. Gresham to Mr. Willis.

[Telegram.]

DEPARTMENT OF STATE,
Washington, December 3, 1893.

Your dispatch, which was answered by steamer on the 25th of November, seems to call for additional instructions.

Should the Queen refuse assent to the written conditions, you will at once inform her that the President will cease interposition in her behalf, and that while he deems it his duty to endeavor to restore to the sovereign the constitutional government of the islands, his further efforts in that direction will depend upon the Queen's unqualified agreement that all obligations created by the Provisional Government in a proper course of administration shall be assumed and upon such pledges by her as will prevent the adoption of any measures of proscription or punishment for what has been done in the past by those setting up or supporting the Provisional Government. The President feels that by our original interference and what followed we have incurred responsibilities to the whole Hawaiian community, and it would not be just to put one party at the mercy of the other.

Should the Queen ask whether if she accedes to conditions active steps will be taken by the United States to effect her restoration or to maintain her authority thereafter, you will say that the President can not use force without the authority of Congress.

Should the Queen accept conditions and the Provisional Government refuse to surrender, you will be governed by previous instructions. If the Provisional Government asks whether the United States will hold the Queen to fulfillment of stipulated conditions, you will say, the President, acting under dictates of honor and duty as he has done in endeavoring to effect restoration, will do all in his constitutional power to cause observance of the conditions he has imposed.

GRESHAM.

Exhibit B

APPENDIX II

FOREIGN RELATIONS

OF THE

UNITED STATES

1894

AFFAIRS IN HAWAII



WASHINGTON
GOVERNMENT PRINTING OFFICE
1895

House Ex. Doc. No. 70, Fifty-third Congress, second session.

MESSAGE

FROM THE

PRESIDENT OF THE UNITED STATES,

TRANSMITTING

Certain further information relating to the Hawaiian Islands.

JANUARY 13, 1894.—Referred to the Committee on Foreign Affairs and ordered to be printed.

To the Congress:

I transmit herewith copies of all dispatches from our minister at Hawaii relating in any way to political affairs in that country, except such as have been heretofore laid before the Congress.

I also transmit a copy of the last instructions sent to our minister, dated January 12, 1894, being the only instructions to him not already sent to the Congress.

In transmitting certain correspondence with my message, dated December 18, 1893, I withheld a dispatch from our present minister, numbered 3, and dated November 16, 1893, and also a dispatch from our former minister, numbered 70, and dated October 8, 1892. Inasmuch as the contents of the dispatch of November 16, 1893, are referred to in the dispatches of a more recent date now sent to Congress, and inasmuch as there seems no longer to be sufficient reason for withholding said dispatch, a copy of the same is herewith submitted. The dispatch, numbered 70, and dated October 8, 1892, above referred to, is still withheld for the reason that such a course still appears to be justifiable and proper.

GROVER CLEVELAND.

EXECUTIVE MANSION, *January 13, 1894.*

Mr. Willis to Mr. Gresham.

No. 3.]

LEGATION OF THE UNITED STATES,
Honolulu, November 16, 1893.

SIR: In the forenoon of Monday the 13th instant, by prearrangement, the Queen, accompanied by the royal chamberlain, Mr. Robertson, called at the legation. No one was present at the half-hour interview which followed, her chamberlain having been taken to another room and Consul-General Mills, who had invited her to come, remaining in the front of the house to prevent interruption.

After a formal greeting, the Queen was informed that the President of the United States had important communications to make to her and she was asked whether she was willing to receive them alone and in confidence, assuring her that this was for her own interest and safety. She answered in the affirmative.

I then made known to her the President's sincere regret that, through the unauthorized intervention of the United States, she had been obliged to surrender her sovereignty, and his hope that, with her consent and cooperation, the wrong done to her and to her people might be redressed. To this, she bowed her acknowledgments.

I then said to her, "The President expects and believes that when reinstated you will show forgiveness and magnanimity; that you will wish to be the Queen of all the people, both native and foreign born; that you will make haste to secure their love and loyalty and to establish peace, friendship, and good government." To this she made no reply. After waiting a moment, I continued: "The President not only tenders you his sympathy but wishes to help you. Before fully making known to you his purposes, I desire to know whether you are willing to answer certain questions which it is my duty to ask?" She answered, "I am willing." I then asked her, "Should you be restored to the throne, would you grant full amnesty as to life and property to all those persons who have been or who are now in the Provisional Government, or who have been instrumental in the overthrow of your government." She hesitated a moment and then slowly and calmly answered: "There are certain laws of my Government by which I shall abide. My decision would be, as the law directs, that such persons should be beheaded and their property confiscated to the Government." I then said, repeating very distinctly her words, "It is your feeling that these people should be beheaded and their property confiscated?" She replied, "It is." I then said to her, "Do you fully understand the meaning of every word which I have said to you, and of every word which you have said to me, and, if so, do you still have the same opinion?" Her answer was, "I have understood and meant all I have said, but I might leave the decision of this to my ministers." To this I replied, "Suppose it was necessary to make a decision before you appointed any ministers, and that you were asked to issue a royal proclamation of general amnesty, would you do it?" She answered, "I have no legal right to do that, and I would not do it." Pausing a moment she continued, "These people were the cause of the revolution and constitution of 1887. There will never be any peace while they are here. They must be sent out of the country, or punished, and their property confiscated." I then said, "I have no further communication to make to you now, and will have none until I hear from my Government, which will probably be three or four weeks."

Nothing was said for several minutes, when I asked her whether she was willing to give me the names of four of her most trusted friends, as I might, within a day or two, consider it my duty to hold a consultation with them in her presence. She assented, and gave these names: J. O. Carter, John Richardson, Joseph Nawahi, and E. C. Macfarlane.

I then inquired whether she had any fears for her safety at her present residence, Washington Square. She replied that she did have some fears, that while she had trusty friends that guarded her house every night, they were armed only with clubs, and that men shabbily dressed had been often seen prowling about the adjoining premises—a schoolhouse with large yard. I informed her that I was authorized by the President to offer her protection either on one of our war ships

or at the legation and desired her to accept the offer at once. She declined, saying she believed it was best for her at present to remain at her own residence. I then said to her that at any moment, night or day, this offer of our Government was open to her acceptance.

The interview thereupon, after some personal remarks, was brought to a close.

Upon reflection, I concluded not to hold any consultation at present with the Queen's friends, as they have no official position, and furthermore, because I feared, if known to so many, her declarations might become public, to her great detriment, if not danger, and to the interruption of the plans of our Government.

Mr. J. O. Carter is a brother of Mr. H. A. P. Carter, the former Hawaiian minister to the United States, and is conceded to be a man of high character, integrity, and intelligence. He is about 55 years old. He has had no public experience. Mr. Macfarlane, like Mr. Carter, is of white parentage, is an unmarried man, about 42 years old, and is engaged in the commission business. John Richardson is a young man of about 35 years old. He is a cousin of Samuel Parker, the half-caste, who was a member of the Queen's cabinet at the time of the last revolution. He is a resident of Maui, being designated in the directory of 1889 as "attorney at law, stock-raiser, and proprietor Bismark livery stable." Richardson is "half-caste." Joseph Nawaki is a full-blooded native, practices law (as he told me) in the native courts, and has a moderate English education. He has served twenty years in the legislature, but displays very little knowledge of the structure and philosophy of the Government which he so long represented. He is 51 years old, and is president of the native Hawaiian political club.

Upon being asked to name three of the most prominent native leaders, he gave the names of John E. Bush, R. W. Wilcox, and modestly added, "I am a leader." John E. Bush is a man of considerable ability, but his reputation is very bad. R. W. Wilcox is the notorious half-breed who engineered the revolution of 1889. Of all these men Carter and Macfarlane are the only two to whom the ministerial bureaus could be safely entrusted. In conversation with Sam Parker, and also with Joseph Nawahi, it was plainly evident that the Queen's implied condemnation of the constitution of 1887 was fully indorsed by them.

From these and other facts which have been developed I feel satisfied that there will be a concerted movement in the event of restoration for the overthrow of that constitution which would mean the overthrow of constitutional and limited government and the absolute dominion of the Queen.

The law referred to by the Queen is Chapter VI, section 9 of the Penal Code, as follows:

Whoever shall commit the crime of treason shall suffer the punishment of death and all his property shall be confiscated to the Government.

There are, under this law, no degrees of treason. Plotting alone carries with it the death sentence.

I need hardly add, in conclusion, that the tension of feeling is so great that the promptest action is necessary to prevent disastrous consequences,

I send a cipher telegram asking that Mr. Blount's report be withheld for the present, and I send with it a telegram, not in cipher, as follows:

Views of the first party so extreme as to require further instructions.

I am, etc.

ALBERT S. WILLIS.

Mr. Willis to Mr. Gresham.

No. 6.]

LEGATION OF THE UNITED STATES,
Honolulu, November 19, 1893.

SIR: It will be remembered that in connection with the presentation on the 19th of July, 1893, of a cane to Mr. Claus Spreckels, there was an unwarrantable use of the name of Hon. James H. Blount, late envoy extraordinary and minister plenipotentiary at Honolulu.

On yesterday, November 18, Hon. Sanford B. Dole, minister of foreign affairs, transmitted a letter dated July 24, 1893, addressed by him to Mr. Charles Crighton, calling his (Crighton's) attention to the improper and unauthorized use of Mr. Blount's name and asking an apology therefor. He also inclosed Mr. Crighton's answer to the effect that Mr. Blount—

had no knowledge of the preparation of the said cane nor of the presentation thereof to Col. Spreckels, and it was not the intention of the donors of the same to intimate in any way that he (Mr. Blount) was interested or in any way concerned in or cognizant of the said presentation.

I can further assure your excellency, continues Mr. Crighton, that if Mr. Blount deems that any act of discourtesy to him has been committed that nothing was further from our intentions, and at the time we had no idea that such an inference could be drawn from the occurrence, more than could be drawn from Mr. Johnston's list.

I will file these letters in the Department and presume that the matter will end here.

With high regard, etc.,

ALBERT S. WILLIS.

Mr. Willis to Mr. Gresham.

No. 7.]

LEGATION OF THE UNITED STATES,
Honolulu, December 1, 1893.

SIR: I have the honor to inclose herewith a printed statement presented by Hon. S. M. Damon, minister of finance, showing the financial condition of the Provisional Government for week ending November 29, 1893.

With high regard, etc.,

ALBERT S. WILLIS.

[Inclosure.]

TUESDAY, November 23.

The executive and advisory councils met at 1:30 this afternoon, President Dole in the chair. The members present were: Ministers King, Damon, and Smith, and Councilors Hatch, Ena, Brown, Waterhouse, Emmeluth, Tenney, Wilder, Young, Allen, Morgan, and Mendonca. Minister of Finance Damon then presented his weekly report, as follows:

Finance statement for week ending November 23, 1893.

Current account balance.....	\$136,481.84
Loan fund account balance.....	368.89
Total treasury balance.....	\$136,850.73

HAWAIIAN ISLANDS.

1245

Finance statement for week ending November 23, 1893—Continued.

RECEIPTS.

Interior department.....	\$2,988.00	
Customs.....	7,274.25	
Fines, penalties, and costs.....	36.70	
Revenue stamps.....	336.50	
Water.....	375.00	
Post-office.....	600.00	
Taxes.....	2,452.80	
Crown lands.....	850.00	
		\$14,913.25
		<u>151,763.98</u>

EXPENDITURES.

Finance department, salaries, incidentals, etc.....	\$74.25	
Interest.....	3,583.00	
Attorney-general's department.....	50.00	
Road tax—to special deposit.....	256.00	
School tax—to special deposit.....	258.00	
		\$4,221.25
Current account balance.....	147,173.84	
Loan fund account balance.....	368.89	
		<u>147,542.73</u>
		<u>151,763.98</u>
Outstanding bonds.....	2,653,200.00	
Treasury notes.....	40,000.00	
Due postal savings bank and Postmaster-General's notes.....	705,416.95	
		3,398,616.95
Less loan fund balance.....		368.89
		<u>3,398,248.06</u>

Postal Savings Bank memorandum.

Notices this date of withdrawals maturing in November and December, 1893, and January and February, 1894.....	\$31,474.00
Cash on hand, Postal Savings Bank this day.....	29,381.15

Expenses Provisional Government memorandum.

Expenses Provisional Government this date.....	\$159,954.21
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This amount covers all expenses, including military and items not appropriated by the last legislature.

Memorandum cash in treasury outstanding.

Certificates.....	\$284,000.00
Certificates, withdrawn from circulation, and deposited for safe-keeping.....	28,000.00
Cash in treasury to redeem certificates.....	284,000.00
Certificates in treasury to redeem certificates.....	284,000.00
Cash in treasury to redeem certificates.....	284,000.00
	<u>29,381.15</u>
Cash on hand, Postal Savings Bank.....	51,624.03
Road board fund in treasury.....	38,143.48
School board fund in treasury.....	147,542.73
Available cash, as above.....	<u>266,691.39</u>

This was received and placed on file.

Mr. Willis to Mr. Gresham.

[Confidential.]

No. 8.]

LEGATION OF THE UNITED STATES,
Honolulu, December 5, 1893.

SIR: On November 24 the British war ship *Champion* arrived, Capt. Rooke commanding. He has about 250 men. On reaching here a telegraphic order was handed him, which will detain him until the difficulties here are settled.

On Saturday, December 2, the Japanese cruiser *Naniwa Kau*, Capt. Mosi commanding, arrived. She will also remain here until a settlement.

On Friday, November 24, your letter appeared in the Honolulu papers and created a great sensation. Crowds were gathered at all points on the streets discussing the news, but, although the excitement was so intense, I am glad to report that there was not a single breach of the peace. A public meeting was called, for the following night, of all friends of the Provisional Government. The meeting was held, the annexation papers stating that there were 1,600 present and the royalist papers putting the number at between 700 and 800. The speakers were Mr. Hatch, vice-president of the Provisional Government; Z. S. Spaulding, a large sugar-planter, who was, many years ago, U. S. consul here; Mr. W. R. Castle, a member of the advisory council; Hon. A. F. Judd, chief justice of the supreme court, and Mr. W. G. Smith. Mr. Smith is the editor of the *Hawaiian Star*, which holds very advanced views upon annexation and other political questions. I inclose an account of the meeting from the *Hawaiian Gazette*. The meeting quietly dispersed at 8:30 and there was no disorder of any kind.

On yesterday a protest against the use of force by the United States against their persons or property was presented to me by several gentlemen who, like the other 146 signers, still claim allegiance to our Government. One of the gentlemen, the secretary of the American League, claims to represent 150 members of that body. I inclose a printed copy of the protest. It may become necessary, hereafter, to reply to this protest, as many of its signers are officially connected with the Provisional Government.

On the morning of November 29 I received a letter from Hon. Sanford B. Dole, minister of foreign affairs, which letter I inclose, rescinding the privilege heretofore given to Admiral Skerrett, of landing his troops for drilling purposes. On Friday morning, December 1, I acknowledged the receipt of his letter and informed him that I had transmitted a copy of it to Admiral Irwin for his information and guidance.

In the afternoon of November 29 I received a second communication from Minister Dole, inquiring as to the authenticity of your letter to the President and the intentions of our Government in connection therewith. I inclose a copy of Mr. Dole's letter and of my answer. I should have stated that, on the morning when information of your letter was received, President Dole and Attorney-General Smith called upon me, to know what the United States intended to do. I explained to them my inability at present to comply with their request.

Since then active preparations for defense have been going on. The former palace, now known as the executive building, has been fortified by bags of sand, both in front and around the various porticos. Guns and pistols have been placed in the hands of all who are willing to take them, whether American, foreigners, or natives, and herein lies one of the greatest dangers. Many of those who have received

these weapons, like children with a new toy, are eager to use them; lacking in intelligence and self-restraint and having no property interests at stake, they are liable at any moment to break into mob violence. The Portuguese consul-general, a most intelligent and capable man, called here last night to express his great fears that many of his people would become involved in trouble and disaster, as they had been supplied with arms, and, against his protest, mustered into the volunteer service.

There are over 10,000 Portuguese on the islands of whom one-fourth are in Honolulu. There are over 1,000 in this city of military age. The nationality, however, which, in my judgment, is destined to give most anxiety here is the Japanese, and this because of their aspiration for suffrage. Mr. Irwin, a brother of Admiral Irwin, arrived here yesterday from Japan. He has for many years been the minister of this country at Japan, and negotiated most of the contracts now pending. He is here, he tells me, to protect these contracts. He reports the Emperor of Japan as unwilling to interfere with these islands because of the large interests of our Government. When the contract period is over, the Emperor thinks the Japanese should be accorded the right of suffrage, but admits the propriety of a high educational and property qualification. As there are now 22,000 Japanese here every intelligent observer concedes that this question of suffrage will soon be a very important one.

As to the Queen's safety I do not have any fear at present. There is a telephone in my sleeping room and I have authorized her people to call me up at any hour of the night or day. She also has the privilege, as stated in previous dispatches, of coming here or of going on one of our war vessels.

Aside from my communication with her, in regard to her safety, I have had nothing to say to the Queen or to her representatives since the interview reported in dispatch No. 3 of November 14. There have been various newspaper hints as to the fact of the interview, but none as to the subject-matter thereof. I have made further inquiries as to the Queen's understanding of the English tongue, and find that she is perfectly familiar with it, having been a classmate of Chief-Justice Judd and other prominent citizens.

I received your cipher telegram. My telegram to you was purposely indefinite and obscure, for reasons which you doubtless now understand. I send a cipher telegram to-day by the steamer *Oceanic* covering several of the points above set forth.

After a careful study of my instructions and of all the surroundings I felt it to be my duty to take no further step until I heard from you and the President.

With sentiments of profound regard, I am, etc.,

ALBERT S. WILLIS.

A GREAT MEETING.

The drill shed filled with enthusiastic men.—An immense throng turns out.—The people's voice is raised in indignant protest against Cleveland and Gresham.—Prominent men thrill a vast audience with their patriotic utterances, and show the fallacy of restoring monarchy.—Text of the speeches in full.

Enthusiasm, cheers, indignation at Gresham's late action, American patriotism, and men with their feelings strung up to the highest pitch of excitement, were the features of Saturday evening's mass meeting. Over 1,200 men were present, and not a dissenting voice among them; men who were not only ready and willing, but anxious to express their sentiments on the question now so near the hearts of all good Americans.

An immense crowd was expected and an immense crowd came. By 7:30 o'clock the hall was crowded and from that time till 8:30 many others came in. When the meeting was over the surging crowd of humanity quietly melted away, each one talking to his companion, whether friend or stranger, about the situation.

On one side of the hall a platform had been erected for the use of speakers. On it were seated Vice-President F. M. Hatch, Col. Z. S. Spalding, W. R. Castle, Chief Justice A. F. Judd, P. C. Jones, W. C. Wilder, and W. G. Smith.

F. M. Hatch, president of the Annexation Club, was the first speaker, and he opened the meeting with a rousing speech. He said:

FELLOW CITIZENS: You have been invited to meet to-night to consider our present political situation. We are confronted by the declaration of Secretary Gresham that royalty must be restored and our Government destroyed. A kind Providence has given us this opportunity to be heard before final action will be taken upon this issue. At present we are proceeding merely upon the newspaper reports which have been received here and which certainly we have a right to discuss. We do not know what action will be taken by the President or by Congress. Certainly any action taken by the Congress of the United States of America can not be resisted by anybody in this community. Let us not be misunderstood or misrepresented by a hostile press; we do not meet here to-night to defy the power of the United States, that would be absurd, gentlemen, nor to villify those at present in charge of the Government of the United States. [Cries of "Hear! Hear!" and applause.]

But we meet with the hope that our words will be heard by Congress before action is taken by that body. There are certain features in the letter of Mr. Gresham to the President which show that he is proceeding upon a false assumption. Let us hope that the distinguished Secretary has been misinformed up to this date. It is certainly our prerogative to point out the false assumptions and to challenge them. Now, chief among those false assumptions is the one which seems to underlie the whole letter, that there has been submitted to the arbitration of the President of the United States the question whether or not we had a right to establish a government in this country. Gentlemen, I challenge that assumption. [Great applause, cheers, and cries of "you're right."] The assumption is false in every respect. [Cheers and applause.]

Let me briefly point out why. Two parties can make a contract, but it requires the consent of three to make a valid arbitration—that of the two parties in interest and the arbitrator. The parties must clearly define the subject-matter of the arbitration. It is absurd to contend that there could be any arbitration by inference or imputation. First, has there been any issue framed; has the Provisional Government submitted to the decision of anybody its right to exist? [Cries of "No!" "No!"] Not one word or one act can be produced in support of that contention. Gentlemen, from the nature of things, a government which started in revolution, though now the government *de jure* as well as *de facto*, could not submit the question of the legality of its existence to any arbitration because its right lay in its might. Having satisfied our consciences as to the justness of our cause we depend upon our might, and are answerable to no other power. [Applause.]

I brand as false the claim that we have put in issue the question whether or not we were proceeding legally or not in overturning a corrupt and rotten monarchy. [Great applause, cheers, and cries of "Hear!" "Hear!"] Second, has the President of the United States, up to this point, pretended to have been acting in a judicial capacity? I say his acts do not justify that assumption. An arbitrator or judge would not interfere with the existing status of the parties. The President of the United States immediately upon gaining his seat lowered the American flag and thereby changed the status of the parties. [Cries of "Hear!" "Hear!"] That was not the act of a judge, gentlemen. Again, has he notified anybody that he was proceeding with a judicial investigation? Has he given any notice that a hearing would be had on such a date? Has he notified anybody the witnesses were being examined? Has he given anybody an opportunity to cross-examine those witnesses or to confront them? Has he given anybody on our side an opportunity to cross-examine those witnesses or to confront them? Has he given anybody on our side the opportunity to be heard? [Cries of "no, no; he never has!"]

Now, we do not need the legal knowledge of that distinguished judge, who is now Secretary of State, to know that no arbitration could stand for a moment in law, however insignificant the matter, which was conducted *ex parte*, without an opportunity to be heard; without an inspection of the evidence which has been produced, or opportunity to cross-examine the witnesses. How was the late arbitration conducted in Paris? Did a number of gentlemen get together on the Bering Sea question and in private decide upon that matter? Did they send a private agent off to Bering Sea to look about and scratch the back of the seals [laughter], interview the neighbors and make a report? [Laughter, cheers, and applause.]

Gentlemen, it can hardly be contended that the Provisional Government and we representing the supporters of that Government have submitted our right to

exist to Col. James H. Blount, of Georgia. [Applause.] The President of the United States had the undoubted right, so far as we were concerned, to examine into the status here, the situation of the country, as bearing upon the question whether or not he should continue the negotiations of union pending when he took his seat as President. That was ostensibly the object for which Col. Blount was sent to these shores. We insist that up to this point there has been no judicial investigation in which both parties have been given the opportunity to be heard. [Applause.] And again, as showing conclusively the utter absurdity of the position that this has been an arbitration, could an arbitration of such a nature be possible when the Government of the United States had a treaty pending before it—between it and the power which it is charged was submitting its right to exist to the decision of one man? [Cries of "No, no!"]

We were a power *de facto* then; we were recognized by certain great powers of the world; which made us a power *de jure*, and we were a power having treaty relations with the United States of America. [Applause.] A treaty had been negotiated which bound the Executives of the two nations at the moment President Cleveland took his seat. That treaty awaited ratification to make it final, but it nevertheless was a treaty binding the Executive. Now, gentlemen, I challenge the right of the Chief Executive of that great nation, of his own mere motion, to undo the act of any of his predecessors. [Great applause.] Congress may do it; Congress has the full power; but Grover Cleveland has no more right, legally or morally, to undo the act of Benjamin Harrison than he had to undo any act of Abraham Lincoln. [Great applause and cheers.]

But waiving all those considerations, there remains this fundamental one, that no court of arbitration would have the right to ignore the great question at issue; that is, whether or not Liliuokalani had violated the constitution; had thrown it to the dogs, and had put herself beyond the pale and protection of the law. To ignore all that and decide this great issue upon the petty technicality as to whether or not Mr. Stevens recognized the power of this community five minutes too soon or not, was not in the power of a judge. [Great applause, and cries of "You're right."] I repeat, there has been no submission to arbitration. Let us, therefore, challenge all false assumptions, gentlemen, and let that challenge go on record. Let us hold the President to the true issue, and then if the legally constituted power of the United States, the power which has the right under the Constitution to declare war, overpowers us, we will go down with our colors flying, and with no misrepresentation possible. Let it be known to the world that if that event takes place it will be because the United States has exercised its power, but not its right. Let us hope that the showing we can make will have the effect upon Congress in shaping its course, and that it will also have its effect upon the distinguished Secretary of State and the Chief Executive of the American Nation. [Great applause.]

No. 203.

W. R. CASTLE.

W. R. Castle was the next speaker. His speech follows:

FELLOW-CITIZENS: We come here to-night to voice our indignant protest. [Cheers, and cries of "Hear! Hear!"] It is well, upon great occasions, for people to assemble and express their united voice, as this meeting to-night will speak. Great occasions demand great meetings like this. The history of the world gives us many memorable instances. The history of Hawaii has shown us that when a great occasion demanded, a public assembly was called, and the voice of that assembly has been listened to. When the arrogance of the monarch, Kalakaua, became too great, the mass meeting of 1887 met, and its voice was heard, and the Monarch yielded.

That monarch proved false. His successor has followed in the same footsteps. The people have been patient; we have waited, we have hoped for better things; but when the attempt was made to sweep our rights from under our feet, to take away the liberties of the subject, the result was the mass meeting of January 16, 1893, and the voice of that meeting, as expressed, resulted in the downfall of the monarchy and in the establishment of the Provisional Government. [Cheers.] The Provisional Government, gentlemen, represents you, and no one else. [Applause.] As it was said by one of the leading men of the United States recently, a few people went on the ships in Boston harbor and threw some tea overboard. Had the question been submitted to the people of the colonies at that time: "Shall the colonies separate from Great Britain?" a great majority of the people of the united colonies would have said no. They were afraid to step in the dark.

I believe the same is true here. We know that the native population of Hawaii was afraid of what seems to them one step in the dark; but the time will come when they will thank God that there were people willing to risk their lives, their property, their all to establish in Hawaii true liberty. [Great applause and cheers.]

Fellow citizens, Hawaii tends towards one goal and only one; that is, union with its mother across the water. [Great applause.]

If to-day the progress of Hawaii is arrested, is delayed, it is simply delay for a short time. We shall go on, and the time will come, and most of us here will see that time, when Hawaii will rest secure in the bosom of its great and good mother. [Cries of "Hear!" cheers and applause.] In olden times there was a man whose wisdom led him to declare that the world was round; that the world went round the sun; that the stars revolved in their courses, and he was met by the mighty power of the Roman Catholic Church, which declared that he was wrong. Gentlemen, did that make any difference with the facts; did that make any delay in the revolving of the spheres? Can Secretary Gresham stop the onward progress of Hawaii? [Cries of "Never!" and applause.] You sent a commission to Washington to ask that Hawaii might be admitted to the Union.

What was the response of the great heart of that people when we went there? The people welcomed us with a thrill throughout the country from one end to the other. [Applause.] And we went on and were welcomed in Washington. But our enemies, of course, have been alert—they have filled the ears of the present administration in Washington with falsehood; they have stuffed the ears of Secretary Gresham, perhaps of the President, with lies as to what is taking place here. Do they know the facts? We are bound to believe that Secretary Gresham and the President of the United States are trying to execute justice; are trying to do what is right. Whether they are doing it, we know, not they. [Cries of "Hear! Hear!" and applause.] They do not know what the facts are, but we do know, and now it is proposed to take away from us the liberty which we have gained. [Cries of "No! No! They never will do it."]

It is proposed to restore the tottering throne, the monarchy of Hawaii. [Cries of "They can't do it! Never!"] Who proposed to do that? The people of the United States? [Cries of "No! No!"] It is proposed by Secretary Gresham; it is proposed by the President; but the people have spoken. What has been their voice? The people of the United States have, with one accord, voiced our sentiments in favor of liberty. Gentlemen, after the remarks of the president of the Annexation Club it is perhaps unnecessary to dilate any further on the constitutionality of the proposed proceeding of the President of the United States.

In all my reading I fail to find anywhere that the President of the United States is authorized to begin a war, and this proposition to restore the Queen to the throne of Hawaii, if carried out, will be an act of war. Then let us stand firm in our right, and if such a step is taken let him be impeached before the Senate of his country. [Cheers and applause.] Let me call your attention to just one specimen of truthfulness in that report. Mr. Gresham tells the President that the people of Hawaii dare not rise to overthrow the present Government, because they will meet the armed forces of the United States. The President of the United States sent out here his commissioner, his "paramount commissioner" [laughter], and the first act of that commissioner was to take down the American flag. Then he stood by to see us tumble.

Well, gentlemen, we didn't tumble worth a cent. [Laughter.] That taking down of the flag was an invitation, and it was so understood by the people of this country, to overturn the best government this country ever had. [Cries of "Hear, hear!" and "It didn't do it!"] The paramount commissioner waited to see the result, and no such result following, thereupon issued his proclamation, and again invited the people to overthrow this Government. Was not the fact of the flag being taken down known to Secretary Gresham? Has not the proclamation that Commissioner Blount issued in Honolulu, inviting rebellion, inviting the overthrow of this Government, threatening the dire vengeance of the United States upon any and all Americans who assisted us—has not that been published broadcast from one end of the United States to another? Has not Secretary Gresham read that proclamation until he knows it by heart?

The second invitation by the commissioner of the United States to overturn the Government failed in its object, and now the Secretary of the United States blinded, I believe, by false information, again proposes to overturn the Government established by the people of this country. [Cries of "Never!" "He won't do it!"] He proposes to take that position and assumes that the people of this country will not oppose it. [Cries of "He can't do it!"]

Gentlemen, the time is coming when we will see that glorious flag, that emblem of the truest liberty the world knows, floating over our heads—the flag of this country. [Great applause and cheers, and a voice in the crowd shouted: "What is the matter with putting it up there now and keeping it there?"] Gentlemen, the people of the United States wish to hear our voice, they wish to hear what we have to say upon this subject, and I hope that the next vessel that goes to the coast will bear an unmistakable voice from us to-night. At the request of the president of this association, I will now offer the following resolution, which I hope will be adopted without one dissenting voice:

Resolution.

Resolved, That we have read with surprise and regret the recommendation of the Secretary of State of the United States to the President, to restore the monarchy lately existing in Hawaii.

Resolved, That we condemn the assumption of the Secretary that the right of the Provisional Government to exist was terminated by his refusal to re-submit to the Senate the treaty of Union pending between the two countries; and also his assumption that the Provisional Government had at that very time submitted the question of its continued existence to the arbitrament of the President or of any other power.

Resolved, That we support to the best of our ability the Provisional Government, in resisting any attack upon it which may be made contrary to the usage of nations.

Z. S. SPALDING.

Mr. Castle was followed by Col. Z. S. Spalding, the speaker of the evening. His remarks were interrupted many times by cheers and applause. He said:

FELLOW CITIZENS: The State Department at Washington having recently made public some of the ancient history of these islands, in which they did me honor of proving my being "an annexationist" as far back as 1868. [Cries of "Good boy!" and cheers.] I feel that I am entitled to attend this meeting. [Cries of "Hear, hear!"] And I also feel that it was no matter to be ashamed of at that date, when I had the honor of being the representative of the great American Republic at these Islands, it is still less my desire now to repudiate those sentiments or falter in my allegiance to the doctrine so ably upheld by, and so intimately connected with the names of Webster, Seward, and Blaine. [Great applause.]

I have great respect for the honorable gentleman who now holds the portfolio of the State Department at Washington. He and I were two humble units in the great mass of loyal men who helped to save the integrity of the Union in the dark days of the civil war. [Cries of "hear, hear."] I can forgive almost any weakness in the judgment of a man whose heart and hand were on the right side in that bloody strife, but I confess it requires a good deal of charity to overlook the proposition that the same spirit which in 1861 animated the defenders of that Christian civilization and advancement, by means of which the United States have outstripped the world, shall now take a back seat or march to the rear, and leave the work of nearly a century of devoted hearts and willing hands in the enlightenment of this people and the improvement of this country to be destroyed by the ruthless hand of superstition and ignorance. [Cheers and applause.]

It is not my intention to measure swords with the honorable Secretary in the discussion of facts relating to the establishment of the present Government. That it was established and has since been maintained in the interests of the whole country and for the purpose of giving the whole people the benefit of an honest and able administration of its affairs is, in my opinion, beyond dispute. I publicly declare that the newspaper statement attributed to Claus Spreckels, to the effect that "under the management of the Revolutionary Government business on the islands has become depressed * * * and would have continued to diminish as long as the Government had existed," etc., is not borne out by the facts. [Applause.]

If Mr. Spreckels's plantations have not been more remunerative during the past year than for any year since the passage of the McKinley bill it has been on account of the dry weather, and not from any fault of the Provisional Government. [Laughter and applause.] Mr. Jaeger is credited with saying for publication, "the Provisional Government has little to commend it. It could not long endure if left to itself." Such statements would have little effect were the parties uttering them known to the people who read their utterances. [Laughter.] I have lived in this country quite as long as Mr. Jaeger, and I challenge any man to name a cabinet during the last twenty-five years the members of which were the superiors, if indeed the equals, of the men who now hold the various offices under the Provisional Government. [Cheers and applause.]

Now, why are we annexationists? I quite agree with my friend, Mr. Spreckels, that under the conditions he names and fears my business as a sugar-planter would not be benefited by having this country come under the laws and restrictions of the United States regarding Chinese and other labor. [Laughter.] If I owned the whole country, and belonged to the sugar trust, I think it very likely I would not want to be annexed. [Laughter.] But, here again, as I am only a unit, and as I believe the future welfare of the country would be better assured by annexation, I am willing to take my chances under the Stars and Stripes, especially as I believe such union would prove a benefit to the country from which we on these islands have drawn all our support. [Great applause.]

We are here this evening to consider the publication of the views of the Secretary

of State, at Washington, and perhaps decide the question as to whether or not we shall give up the idea of annexation. [Cries of "no, no, never."] If the opinion expressed by the honorable Secretary of State could be considered as the voice of the people of the United States, I should advise that we save our breath to cool our porridge. But from the somewhat forcible opposition expressed by the press and public, I am led to believe that the Secretary found the snow coming down the side of the mountain very rapidly after his letter was made public. [Laughter and applause.] Therefore, I am forced to give my opinion that it would be unwise and unadvisable to give up the fight before the back countries are heard from. [Here a voice in the crowd shouted: "Let us give up our guns hot, and cartridge belts empty." Cheers and applause.]

Here I must beg your indulgence for a personal explanation. Secretary Gresham says in his letter: "Mr. Blount states that while in Honolulu he did not meet a single annexationist who expressed his willingness to submit the question to a vote of the people; he did not talk with one on that subject who did not insist that if the islands were annexed suffrage should be so restricted as to give a complete control to the foreigners or whites, while representative annexationists have repeatedly made similar statements to the undersigned." I had the honor, while in Washington, of an interview with the honorable Secretary, and was asked by him to give my views upon the matter quoted. My reply was, that while I did not consider it proper to submit the terms of a treaty to the people before the treaty was made in Hawaii any more than in the United States, I was, and am perfectly willing to say that under the Constitution and laws of the United States, and especially under such restrictions as the representatives of the United States Government might themselves see fit to make, I would allow every native voter with the ordinary qualifications to vote at any and every election to be held. [Applause.]

I may not have been classed with the "representative annexationists" by the honorable Secretary, but as I had been called upon and had given him my opinion, I object to his wholesale denunciation of "annexationists" under the charge that they would rob the natives of any rights natural to them under the circumstances. [Cries of "Hear, hear!" and "Good boy!"] When the time comes for reestablishment of the right of suffrage in this country the native population may depend upon the annexationists to demand for them the privileges of republican citizenship as fully certainly as granted through the great political party to which the honorable Secretary belongs by the grand old State of Mississippi to its citizens. [Laughter and applause.]

I further object to the position taken by the honorable Secretary in the assumption of the right on the part of the President of the United States to arbitrate between the present Government of these islands and any party whomsoever without being specially invited to such arbitration by this Government. [Cries of "Hear!" "Hear!"] And I heartily concur with the resolution you have passed denouncing the assumption by the Secretary of State at Washington, if we are right in our interpretation of the language ascribed to him, that the Provisional Government of Hawaii, or its powers, terminated with his advice to the President—that the treaty of annexation be not returned to the Senate. [Applause.] The Provisional Government was created (to use the Secretary's own words) "To exist until the terms of the union with the United States have been negotiated and agreed upon." So far, the two Governments have fully "negotiated" the terms of union, but no official agreement has been reached. When either party gives notice to the other of failure to agree, it will be, I think, time enough for the Provisional Government to decide whether such failure is positive and complete, or only temporary, and to act as may seem best for the interests of the people it serves. [Cries of "Hear!" "Hear!" and applause.]

At present I can not accept the opinion expressed by the honorable Secretary of State as the decision or will of the people of that great Republic which for nearly a century has fostered the growth upon these islands of an American sentiment that to-day, in its devotion to the stars and stripes, may challenge the loyalty of even the honorable Secretary himself. [Cheers and applause.] Hawaii is the one spot in all the world outside the strict boundaries of the United States where "Americanism" has grown and flourished even under the blighting influences of an effete monarchy. [Great applause.]

Do you ask how this has been accomplished? I answer, through the kindly influences of that great Republic which has been to these islands a "creator bounteous and benign." By the example and precepts of her missionaries she has let in the light of Christianity where all was dark before. By the sunshine of her favors and the rainfall of her financial benefits to us she has enabled us to change the barren hillsides into productive fields and add largely to the food supply of her people. [Applause.] We, in return, have consumed many of her products, and there has arisen an exchange of commodities between the two countries of mutual benefit. That this would go on under a more perfect union I can not doubt; nor

can I doubt that the interchange would be more generally beneficial than under the monarchical form of government advocated by my friend and naturalized fellow-countryman, who has so strongly expressed himself against this Government.

That the good people of the United States will refuse the admission of Hawaii, under proper regulations, and thus add another star to the galaxy which leads the van in the advance of civilization throughout the world, I can not doubt. [Cheers.] But we must show our right to march in that front rank of civilization, and therefore it behooves us to guard well the structure that has been established, and not to allow its fair fame to be sullied by acts unworthy of the cause in which it was raised. [Cheers and applause.] We believe that the present Government represents the best elements of this country. Let us so show it to the world. [Great applause.]

Mr. HATCH. Gentlemen, I believe that no opportunity should be lost to reiterate the announcement that we have no quarrel with the Hawaiian people, our quarrel is with the Hawaiian monarchy. In this connection I will introduce Chief Justice Judd.

CHIEF-JUSTICE JUDD.

Chief-Justice A. F. Judd followed with the following:

FELLOW CITIZENS: I am glad to be with you this evening. [Cries of "Hear!" "Hear!"] During the last twenty years I have attended but one political meeting before this to-night, and that was in the old Bethel, in 1881. I took a back seat at that time when a few citizens assembled together there to protest against the appointment of Celso Casar Moreno as minister of foreign affairs of this then kingdom. [Applause.] I come before you and wish to say something because I am a Hawaiian. My father came to this country in 1828. I was born here and received the larger part of my education here. I am a Hawaiian by birth, but an American in blood. [Cries of "Hear!" "Hear!" and applause.] My ancestors date back to 1634, when the first Judd came from England and settled in America. I am proud of that ancestry, and I am proud of the fact that I was born in this country. I love this country. It is my country, and it is the "garden of the gods." [Applause.]

My father devoted his life to this country and I have, thus far, conscientiously to the best interests of the Hawaiian people. [Cries of "Hear!" "Hear!"] And I challenge anyone to say that any act of mine has been knowingly done against the best interests of this country. [Applause.] And if the Queen, the classmate and friend of my early years, had listened to the advice of the justices of the supreme court she would not be where she is over there, but she would still be in the building over yonder. [The palace.] I was loyal to the monarchy and supported the autonomy of this country, and I believed, up to the 14th of January, that it was possible to maintain our independence as a Kingdom. But, gentlemen, I spent from 12 o'clock noon until 4 o'clock in the afternoon in that palace and the events which took place there converted me and made me feel that it was impossible that that state of things could continue any longer. [Applause.]

What was attempted on that day? Was it not to promulgate by force a constitution that would have destroyed the independence of the supreme court? What has been the bulwark of this country? I speak humbly; not for myself, but for my associates and predecessors. Has it not been a court that has sustained the law and the constitution and the rights of the people; an independent judiciary appointed for life, subject only to impeachment? And the constitution that was proposed on the 14th of January, was to make the term of office six years, and the salaries dependent upon such legislature as this last one. Could any white man take the commission under such conditions? Not if his name was Judd. [Applause.] This is not a political meeting. If it were a partisan, political meeting, I should have more respect for the office that I have held for nearly twenty years and stayed away. I was the last person that Col. Blount sought an interview with, and wish to say publicly that not one question did he address to me as to my views with regard to whether the revolution of January 17 was accomplished by the aid of Minister Stevens and the troops of the *Boston*. That subject he did not touch upon. [Cries of "He didn't want to touch upon it!"]

I believe, gentlemen, that it was that mass meeting held in the old armory that settled the question, was it not? [Applause.] And this mass meeting, gentlemen, settles the question that we shall be true and resolute and support the present Government, which is, as brother Hatch has called it, not only the Government *de facto*, but as it has lasted nearly a year, and received the recognition of all the great powers of the world, it is the Government *de jure*. I have sworn to support it, I intend to support it, and, gentlemen, I will only say one thing more, that we will all have to hang together or hang separately. [Laughter and applause.]

W. G. SMITH.

W. G. Smith, editor of the Star, spoke as follows:

FELLOW-CITIZENS: If I have any apology to-night for speaking in this distinguished presence, it is that I am a newcomer to these islands. But I think I may atone for that by standing elbow to elbow to you in any trouble that may come to us [cries of "Hear!" "Hear!" and applause], and in encouraging every man newly arrived on this soil to defend the institutions which you have founded, and help preserve the liberty which you have won. [Applause.] This meeting to-night, in a smaller way, must remind us of those meetings which stirred the blood of Boston and the heart of Philadelphia in the last quarter of the previous century. Then, as now, men were met together to band themselves against a despotism. [Cries of "Hear!" "Hear!" and applause.]

Then, as now, they were met to protest to the mother country that she should not betray and outrage her sons. [Applause.] Then, as now, they were met to pledge their lives, their fortunes, and their sacred honor in the cause of liberty. [Applause.] It can not be, fellow-citizens, that any man inheriting a drop of that patriotic blood, with any strain of it in his veins, could want to-day to take the place of old King George and coerce the men of his own flesh, of his own flag, and of his own speech because they are Americans enough not to bow down before a throne. [Great applause and cheers.] I do not believe, fellow-citizens, that any man who has taken that position has a right to Revolutionary sires; but I thank God that there are Americans who have spoken since the infamies of Gresham who have patriot blood and ancestry; and I thank God again that if they get the opportunity to speak in the way they would they will be heard in the earthquake voice of majorities like those of Pennsylvania and New York. [Great applause.]

Fellow-citizens, we are few, but it was said of old that one with God is a majority; and surely that cause which has Christian civilization on its side, which stands for Christianity and morality as well as liberty, will have Almighty aid. [Applause.] I say, gentlemen, we are few. Some of us are Hawaiians of American descent; some of us are Americans by birth, inheritors of Lexington and Concord [cries of "Hear!" "Hear!"]; some of us are Germans, whose sturdy manliness was never known to compromise with an enemy in arms [applause]; some of us are British by birth and inherit, perhaps, the British love of constitutional liberty, not overawed by respect to thrones; some, again, are of Latin blood, and among them centuries of subject life has not quenched the spark of democratic aspiration [applause]; but though we are of many bloods, yet we are of one mind [great applause], and that one mind means loyalty to the Provisional Government no less in its hour of peril than in its hour of apparent triumph. [Great applause.]

If we are dispossessed, I take it that it must be by the armed forces of the United States, illegally and unconstitutionally ordered for a coercive purpose and triumphing over such legal as well as patriotic opposition as our policy may see fit to put in line. Let us have hope and faith that if this outrage comes to us the time will be when the United States, in truer, wiser, and more patriotic hands, will undo the wrong and repair the infamy. [Cries of "Hear, hear!" and applause.] I want to say in closing that it is our duty, forgetting all past dissensions and minor differences, to close in solid ranks about the Provisional Government. [Great applause.] We need to do this for two reasons: One, to suppress all domestic insurrection with a hand of iron, and the other, to compel Mr. Cleveland, if he intends to follow out the course so far outlined, to do it by a violation of the Constitution, which confers the act of war upon Congress alone, and thus expose himself to merited impeachment. [Great applause.]

We can not fire upon the American flag nor upon the men in blue, our brothers and our countrymen, but we can so resist the progress of the American troops as to make their capture of this Government by President Cleveland's orders an infraction of the Constitution. [Great applause.] And that, fellow citizens, I believe we have the power to do, and not only the power to do, but the willingness to do. [Great and continued applause.] Here some one in the crowd called for three cheers for Mr. Smith, which were given with a will.

P. C. JONES.

P. C. Jones was the last speaker. He said:

Grover Cleveland has been heard from. [Laughter.] The American people are being heard from. [Laughter.] The next Congress is yet to be heard from. [Laughter and applause.] I think that Grover Cleveland in completing his plan to restore the monarchy here should have done one more thing, and that is, he should have issued an order that all four of the original members of the executive council of the Provisional Government should be shot on the day of the restoration. (Laughter.)

That in itself would have rounded out the whole scheme and would have afforded a great deal of pleasure to some royalists. [Laughter.]

Our motto you know, is "Liberty or death" [great applause] with, as the fellow said, a very strong preference for the former, [Laughter.] In thinking over the question, fellow-citizens, there is one thing that comes to me very clearly, and that is, our duty at this time to the Provisional Government [cries of "Stick to it!"] is to stand by it and support the executive. They are the men who are bearing the brunt and the burden and the strain of the day. [Applause.] We must help them with our arms, with our hands, with our tongues, with our prayers, and with every instrument that we can serve them with. We should help them. [Cries of "We will."] They are good men and true. I think the time has been taken up with speeches and I must be very brief, fellow-citizens. In 1884 when Grover Cleveland was first chosen President of the United States it was said that he obtained his election by three R's, Rum, Romanism, and Rebellion. You all know the story, and it is unnecessary for me to tell it to you.

To-day, fellow-citizens, Grover Cleveland stands impeached before the American colony of Hawaii by three R's, and I hope that very soon the U. S. Congress will also impeach him unless he retracts. [Cheers and applause.] Now those three R's are the Restoration of a Rotten Royalty. [Laughter and applause.] But, fellow-citizens, we are not alone in condemning this; there are sixty million of our countrymen in our own country backing us up. [Cheers.] And I furthermore believe, fellow-citizens, that God Almighty is with us. [Cheers.] I believe that on the 17th of January He was with us, and I believe He has been with us ever since; and in His own time and in His own way He will let us out into a large place. And so I say let us thank God, and take courage. [Cheers and applause.]

This ended the speeches for the evening. Mr. Hatch again read the resolution, and asked all those in favor of it to signify it. A mighty "aye," that almost shook the building, went up. The contrary minded were then called for, and death-like stillness was the result.

Some one called for three cheers for the Provisional Government, and they were given with a will, and, with a last tiger. The meeting broke up, and one of the most enthusiastic, as well as one of the largest assemblages Honolulu has ever witnessed was over.

[Inclosure 2.]

CITIZENS' PROTEST.

Minister Willis addressed by the people.—He is reminded that interference by his Government will be an act of war.—Full text of the protest.

HONOLULU, HAWAIIAN ISLANDS, December 1, 1893.

His Excellency ALBERT S. WILLIS,
*Envoy Extraordinary and Minister Plenipotentiary
of the United States of America:*

SIR: The undersigned, American residents of Honolulu, in the Island of Oahu, one of the Hawaiian Islands, respectfully represent to your excellency that they are citizens of the United States of America and have done nothing whereby to forfeit or waive their full legal and constitutional rights as such citizens.

That the undersigned made their residences and homes and acquired and owned property in the Hawaiian Islands, relying on the rights secured and guaranteed by the Hawaiian constitutions of 1852 and of 1865, which rights were confirmed and enlarged by the constitution of 1887.

That on the 14th day of January last the undersigned learned that it was the determination of Liliuokalani, then Hawaiian sovereign, to disregard and annul the rights of life, liberty, and property guaranteed, secured, confirmed and enlarged by the said Hawaiian constitutions, and that she publicly proclaimed her determination to repudiate the obligations imposed upon her by virtue of her oath of office as such sovereign to support and maintain the Constitution of the Hawaiian Islands, and publicly announced her intention to govern this country pursuant to her arbitrary, despotic will, to be proclaimed by a public manifesto which she called a new constitution.

That a meeting of many citizens of Honolulu was held upon the afternoon of said day, which was attended by John F. Colburn, then minister of the interior, and Arthur P. Peterson, then attorney-general, by whom it was then publicly stated that such was the determination and intention of said Liliuokalani, and that, if assisted by the citizens, they would oppose the same.

That on said 14th day of January the then legally constituted authorities of the Hawaiian Islands were undoubtedly and avowedly incapable of controlling the elements of the anarchy which was proclaimed and intended by said Liliuokalani, or of preventing impending mob violence, or of keeping the public peace.

That in consequence and by reason of the premises a committee of public safety was chosen at said meeting and on the following Monday, at a mass meeting of the citizens of Honolulu, the said committee was authorized to take measures requisite for the public safety; that, in conformity therewith, on the 17th day of said January the present Government of the Hawaiian Islands was established and proclaimed, and has since governed and controlled the Hawaiian Islands, having been recognized by all foreign representatives in Honolulu, and having diplomatic and consular representatives abroad, especially in the United States of America, who have been and still are recognized and treated as the only accredited representatives of the said Government.

That a treaty of annexation was negotiated with said Government by and in behalf of the U. S. Government, and that no public notice has been given to the undersigned of any intention on the part of the U. S. Government to break off diplomatic relations with the Provisional Government of the Hawaiian Islands, or to do any acts of war or hostility to the said Government.

That no such acts of war or hostility can now be done without endangering the lives and property of the undersigned, and of their families, relatives, and friends in the Hawaiian Islands.

That owing to the insular situation of this country there would be no opportunity for the undersigned to take such steps and do such things as would secure the safety of the lives of themselves, their wives and children, and of their property in case of such acts of war or hostility.

And the undersigned hereby solemnly and respectfully protest to your excellency, and to Grover Cleveland, President of the United States, and to Walter Q. Gresham, Secretary of State, and to Hilary A. Herbert, Secretary of the Navy, and to Rear-Admiral John Irwin, commanding the United States naval forces now in the waters of the Hawaiian Islands, and to all others concerned, that any such acts of war or hostility if taken, attempted, or announced in the time of profound peace now existing between the United States and the Hawaiian Islands, or without any full, formal, and timely announcement thereof, will and would cause all concerned in authorizing the same to be held responsible for all the consequences that may ensue therefrom, not only before Almighty God and in the form of conscience, but by all sanctioned rules and observances of civilized nations in their dealing with each other, and will and would be in violation of the rights of the undersigned, secured and belonging to them as citizens of the United States of America.

We have the honor to be, very respectfully, your obedient servants and fellow-citizens.

[Inclosure No. 3.]

Mr. Dole to Mr. Willis.

DEPARTMENT OF FOREIGN AFFAIRS,
Honolulu, Hawaiian Islands, November 29, 1893.

SIR: On the 7th of August last permission was given by the Government, through the office of the American legation, to Rear-Admiral J. S. Skerrett, commanding U. S. naval force, Pacific Station, at his request to land the crews of the ships under his command for battalion drill when desired.

The Government now wishes to rescind the said privilege in its indefinite character and to return to the former practice under which a request was made at each occasion when the privilege of landing men under arms was desired.

I have the honor to request that this modification of the present arrangement be transmitted through your office to Rear-Admiral Irwin, commanding U. S. naval force, Pacific Station.

With sentiments of the highest consideration and esteem.

I have, etc.,

SANFORD B. DOLE,
Minister of Foreign Affairs.

[Inclosure No. 4.]

*Mr. Dole to Mr. Willis.*DEPARTMENT OF FOREIGN AFFAIRS,
Honolulu, Hawaiian Islands, November 29, 1893.

SIR: Having received from our minister at Washington, Hon. Lorin A. Thurston, accredited to the Government of the United States of America, information of an official letter from Secretary of State, Hon. Walter Q. Gresham, to President Cleveland, which is of an unfriendly nature toward this Government, recommending hostile action by the President towards us, alleged copies of which letter have been published in the American press, I desire to inquire of you whether the published reports of such letter of Secretary Gresham are substantially correct? If they are, I feel that it is due this Government that it should be informed of the intentions of your Government in relation to the suggestions contained in the said letter of Mr. Gresham.

Accept the assurance of the profound consideration and high esteem with which I have, etc.,

SANFORD B. DOLE,
Minister of Foreign Affairs.

[Inclosure 5.]

*Mr. Willis to Mr. Dole.*LEGATION OF THE UNITED STATES,
Honolulu, December 2, 1893.

SIR: I have the honor to acknowledge the receipt of your note of the 29th ultimo inquiring as to the authenticity of a letter of Hon. W. Q. Gresham, Secretary of State, upon the Hawaiian question, and stating that if the "published reports of such letter are substantially correct" you "feel that it is due this (your) Government that it should be informed of the intentions of your (my) Government in relation to the suggestions contained in the said letter of Mr. Gresham."

As to the letter of Mr. Gresham, I have the honor to call your attention to the fact, as shown by you, that it is a communication from a member of the Cabinet to the President of the United States, and, being a domestic transaction, is not the subject of diplomatic representation.

Answering your note further I must express my sincere regret that it is not in my power at present to inform you of the views or intentions of the United States. The President earnestly desires a speedy settlement of your troubles, and will, in my opinion, be ready to make known his purposes as soon as he is informed of certain matters recently submitted to him.

With high regard, I am, etc.,

ALBERT S. WILLIS.

Mr. Willis to Mr. Gresham.

No. 9.]

DECEMBER 5, 1893.

In this dispatch Mr. Willis speaks solely of the difficulty experienced in translating the naval cipher which he is obliged to use and suggests that he be furnished with a simpler code.

[Confidential.]

Mr. Willis to Mr. Gresham.

No. 10.]

LEGATION OF THE UNITED STATES,
Honolulu, Hawaiian Islands, December 9, 1893. (Received—.)

SIR: On the morning of December 5 C. B. Wilson, who was the marshal of the Queen at the time of her dethronement, called upon me.

I asked him what business he was now in. He said he was doing nothing; he was "awaiting results." I asked: "What results?" He said: "The restoration of the Queen." I asked him where he got any such information. He said: "Nowhere," but he hoped for it. I then turned the conversation to other subjects.

As he was leaving he drew from his pocket a document and gave it to me, saying that he did not know whether it was proper or not and left.

Upon examining the paper I found that it was a detailed "method of procedure" upon the restoration of the Queen, a copy of which I inclose.

I endeavored to have him call on the same afternoon, but he could not be found. On the following morning Mr. Mills, whom I asked to find him, saw him at about 10 o'clock, and he said he would come immediately to see me and started toward the legation. He did not reach here for half an hour. My opinion is that he consulted several parties before coming here.

Upon reaching the legation an interview followed, a copy of which I inclose.

It will be seen that although claiming to be the author of the document, a claim which is doubtful, he finally admitted that it had been submitted to and approved by the Queen, by her attorney, and by all the members of her former ministry, all of whom had received copies.

An analysis of the list of special advisers, whether native or foreign, is not encouraging to the friends of good government or of American interests. The Americans who for over half a century held a commanding place in the councils of state, are ignored, and other nationalities, English especially, are placed in charge. This is true both of the special list of advisers and of the supplementary list. If these lists had been selected by Wilson himself, no special importance would attach to them, but it would seem from the facts that it is a list which has been approved after consultation with leading royalists and most probably with the approval of the Queen.

With high regard I am, etc.,

ALBERT S. WILLIS.

[Inclosure 1 in No. 10.]

PROPOSED COURSE OF PROCEDURE.

Immediately on receiving information officially or otherwise that Her Majesty the Queen, with Her Government as of the 17th day of January, 1893, is to be restored to its former prestige as the permanent Government of the Hawaiian Islands, Her Majesty's Cabinet as of said date will at once call a cabinet meeting for the purpose of considering on and preparing a course of action to be pursued under the circumstances, and adopting such course as will be the best means of securing protection to Her Majesty and Her Government, and the security of life and property generally to the residents of the Kingdom, and the perfect maintenance of law and order throughout the Islands, together with such other matters incident to the restoration as Her Majesty's Cabinet may deem necessary and advisable, so that the laws of the Kingdom may and can be constitutionally enforced, and all unnecessary bloodshed and loss of life through possible fanatical opposition be avoided.

Those possible events should be provided for by the discussion of matters of such a complicated nature and of such far-reaching consequences, in a calm and sober way, prior to the event. None but the best results may be looked for, and if carefully and calmly reasoned out the highest success should be the result; while if left to the last moment for discussion and action, hasty conclusions may bring disappointment, failure, and possibly even serious disaster.

After Her Majesty's cabinet have decided upon a plan and course of procedure they shall invite to their counsels, in a body, the following list of tried and trusty

friends of the monarchy and nation, to act with as advisers and assistants on all matters taking place during the restoration of Her Majesty and her Government to the standing from which they were so unjustly forced until the natural order and tranquillity of former times shall be once more established, and Her Majesty's Government be once more recognized as the lawful and regular Government of the Hawaiian people.

These persons named as advisers and assistants will meet with the cabinet for the purpose of considering, suggesting, and amending, if necessary, and finally approving and adopting the plans laid before them by the cabinet for the attainment of the previously-mentioned objects. After final action by the united meeting the cabinet will at once proceed to lay the result before Her Majesty for her approval, the advisers and assistants meanwhile remaining assembled, to await the return of Her Majesty's cabinet after their meeting with Her Majesty. On their return they shall report the result of their conference with Her Majesty to the meeting, and the joint meeting will then consider and approve it. Upon which, having by vote placed the execution of the approved plans in the hands of the executive, the meeting will adjourn subject to call by the cabinet, they in the meantime to place themselves individually in its hands for orders or for counsel as the executive may require or direct.

The preceding propositions are made in the event of the United States Government, through its officials, causing and compelling the Provisional Government to surrender unconditionally and proceeding to the restoration of Her Majesty's Government as it was on the 17th day of January, 1893, possibly coupled with a request or a recommendation to mercy and leniency on behalf of those who took part as principals in the overthrow of the Queen's Government on that date.

In the event of such restoration taking place in order that the details may be properly attended to, and that an assurance may be given that law and order will be maintained, and that the Constitutional Government of Her Majesty Queen Liliuokalani be once more established on an assured basis, the following important details must be carried out while at the same time having due regard to all recommendations of leniency made by the United States Government.

(If it does not conflict with their instructions from their home Government, the U. S. commander in chief should be requested by Her Majesty's Government to bring and keep his forces on shore, in quarters to be provided for them, till Her Majesty's Government has been fully reorganized and feels itself in a proper condition to maintain law and order; and also, if not in conflict with his instructions from home, that he be asked by Her Majesty's Government to direct that the place and hour of surrender by the Provisional Government and its forces to him and his forces be at 10 o'clock a. m. on _____, the _____ day of _____, 1893, at Palace Square, where they will deliver up to him the possession of the Government and its buildings and archives, and hand over to him all the arms and munitions of war delivered up to them on the 17th day of January, 1893, by Her Majesty's Government, and all other since obtained by them or which have been in their possession since, and surrender all their officers and men to him as prisoners to be subsequently turned over to Her Majesty's Government, to be dealt with by a court specially appointed for that purpose; also the turning over of Government arms and munitions of war, prisoners, etc., by the United States Government to Her Majesty's Government.)

Detail for Consideration and Adoption.

I. Proclamation by the Queen's Government of their reassumption of the control of the Government of the Hawaiian Islands.

II. Appointment of Commander-in-Chief and staff.

III. Proclamation of Martial Law and the suspension of the Writ of Habeas Corpus.

IV. Calling on all loyal citizens and well-wishers of the Government to register their names for service at _____ office; Enrollment of Volunteers.

V. Surrender of all arms and ammunition in private hands, and the prohibition of all sale and transfer of arms and ammunition other than by direction of the Commander-in-Chief.

VI. Taking possession of all Government Buildings and other places necessary by the Queen's forces and placing guards therein.

VII. Proclamation prohibiting the departure of coasting vessels or other vessels to the other Islands.

VIII. Reappointment of all officials and the filling of vacancies.

IX. Arrest of all persons implicated or concerned in the late overthrow.

X. Custody and care of all prisoners made under authority of the above paragraph and those handed over by the U. S. forces.

XI. Receiving of all arms and munitions of war and other Government property surrendered to U. S. forces by the P. G. forces.

XII. Despatch vessels to the other Islands to proclaim the Queen's Government and make all necessary changes and arrests.

We hereby certify that the above thirteen (13) pages have this day been compared with the original type-written four (4) pages and are an exact copy both in words and punctuation.

Witness our hands this 5 Dec., 1893 at 2.30 p. m.

ALBERT S. WILLIS,
E. E. & M. P., U. S. A.
ELLIS MILLS,
Consul General of the U. S.

[Inclosure 2 in No. 10.]

Q. In the paper you left with me yesterday mention is made of certain parties to be invited to your council. You did not give any list.—A. I have the list in my pocket.

Q. Did you intend to leave it with me the other day?—A. No.

Q. Have you any objection to my reading it?—A. No.

(Reading:) Prince David, Prince Cupid, S. Parker, C. P. Jankia, J. H. Boyd.

Q. Who is J. H. Boyd?—A. Clerk in the Interior Department.

(Reading:) J. Richardson, A. Fernandez—that is Mr. Richardson, of Maui?

A. Yes; Richardson and Fernandez are selected. They would be called upon to be present [having a check \checkmark mark].

Q. Then among those that would be called upon to be present at any meeting would be Richardson and Fernandez?—A. Yes. (Reading:) J. F. Colburn, C. White, Hon. Alex. Robertson.

Q. What does the round mark \oplus mean near the name?—A. That they have been Government officers.

(Reading:) W. R. Holt, P. D. Kellett—he has a round mark.

A. He is a clerk.

(Reading:) W. Aylett, Kaunama, Kanuokano, C. Maile.

A. He is not an officer—the mark ought to be rubbed out.

(Reading:) P. Woods.

A. He is a Government officer.

(Reading:) C. Nolein (no mark), J. Cummins, J. E. Bush (mark \checkmark), W. R. Wilcox, Joseph Nawahi, C. L. Hopkins (he is marked \checkmark), Bergemann, G. E. Boardman.

A. He was deputy collector of customs.

(Reading:) J. Testa, H. B. Defrees, S. Dwight, J. D. Holt—he has a round mark.

A. He is a Government officer.

(Reading:) H. Poor, J. L. Kaulakou—he has a round mark—Kahaomi, there is no mark, Alapi, H. Smith, Carl Widdeman. The only names that have check (\checkmark) marks opposite them are John Richardson, A. Fernandez, Kellet, Sam'l K. Pira, Kaluomano, C. L. Hopkins, J. E. Bush, J. L. Kaulokou.

A. Those are all I have selected.

Q. I see you have a second list.—A. Yes; that is the foreign list.

(Reading:) J. O. Carter (check), F. A. Schaefer (check), John H. Phillips (check), J. E. Quinn (check), Dr. Geo. Trousseau (check), J. Campbell (check), C. J. McCarty (check), T. R. Lucas (check), R. More (check).

A. Those with checks are my selection.

(Reading:) P. Neumann, McIntyre, W. H. Rommell, C. W. Ashford, R. F. Bickerton. Is that the judge?

A. Yes.

(Reading:) J. W. Robertson, Daniel Logan, Lloyd A. P. Peterson, E. Narvie, Rickard, Fred. Harrison, W. F. Love, Maj. Seward, W. Cunningham, E. S. Cunha, H. A. Widemann, A. P. Cleghorn, W. G. Irwin, J. B. Peterson, T. R. Walker (British vice consul), Marquise, W. A. Whiting, Crowley, L. G. Levey, C. O. Berger, J. Kenyon, Capt. Jno. Ross, Geo. F. Ross, sr., E. B. Thomas, T. B. Walker, J. F. Bowler, F. Wundenburg. These are foreign names that you had picked?

A. Yes.

Q. Did you pick them yourself?—A. I picked them out to propose to the cabinet.

Q. Who prepared this paper?—A. Kenyon, who was my former secretary and clerk, did the typewriting from the copy I furnished him.

Q. Do I understand that you drew up this without consultation with any other person?—A. Yes, sir.

Q. Did you have any intimation from any person in the world that the Queen would be restored?—A. I had not.

Q. This is your own work entirely?—A. It is.

Q. You are a pretty good lawyer if you drew this up. This is your verbiage?—A. Yes, sir.

- Q. Have you ever studied law?—A. No.
- Q. Did anybody see this?—A. Mr. Peterson.
- Q. Did he aid you?—A. No.
- Q. Who else saw it?—A. Peterson, Paul Neumann, and the Queen saw it.
- Q. When did the Queen see this?—A. The day before your arrival. She saw the original four months ago.
- Q. This has been a long-pending matter, then?—A. Yes.
- Q. Did you have any authority from the Queen to do it?—A. No.
- Q. Did she approve of all this?—A. Yes.
- Q. Who was present?—A. My wife.
- Q. Yourself and your wife were present when you submitted this to the Queen—the original paper, of which this is a copy—and she approved it?—A. Yes.
- Q. What do you mean by saying “to be dealt with by a court especially appointed for that purpose?” Was it a court within or without the law?—A. A court under martial law.
- Q. I see one of your details calls for the “suspension of habeas corpus and trial by martial law?”—A. Yes.
- Q. What is meant in clause 7 by “prohibiting the departure of sailing vessels?”—A. To prevent carrying news to excite the people on the other islands.
- Q. Did you discuss with the Queen as to the time—how long—martial law ought to last?—A. No.
- Q. What do you mean by the “reappointment of officials and filling of vacancies,” in clause 8?—A. The reappointment of those who had been dismissed by the Provisional Government.
- Q. What do you mean by “filling the vacancies?” Take the case of Mr. Dole, would you consider all those offices vacated?—A. Yes.
- Q. Section 9. How about the arrest of “all persons concerned in the late movement?”—A. We propose to arrest all leaders in the revolution.
- Mr. WILLIS. I took this paper. I do not intend that you should draw any inference whatever from that. I am surprised to hear you say you are the sole author of this paper. My idea was that you had been in consultation with others. It seems strange that you should have written this without any knowledge of what the United States meant to do. That you may not misunderstand me I now return the paper. I did not know at the time what its contents were. I wished to inquire from you in regard to the authorship, etc. I would not have taken it had I known its contents.
- Q. You say you gave a copy to Mr. Paul Neumann. Is he now the Queen’s attorney?—A. He is now and always has been. I gave, also, a copy to Mr. Peterson and other members of the cabinet.

Mr. Willis to Mr. Gresham.

No. 11.]

LEGATION OF THE UNITED STATES,
Honolulu, Hawaiian Islands, December 14, 1893.

SIR: The day set apart by the President’s proclamation as a day of thanksgiving was appropriately observed by the American citizens residing in Honolulu. The customary newspaper notices from the U. S. legation were inserted and services were held in the Central Union and St. Andrew’s churches.

Very respectfully,

ALBERT S. WILLIS.

Mr. Willis to Mr. Gresham.

No. 12.]

LEGATION OF THE UNITED STATES,
Honolulu, Hawaiian Islands, December 14, 1893.

SIR: Your cipher telegram of the 2d instant was delivered to me by Capt. Munger of the revenue cutter *Corwin* this Thursday morning, December 14, at about 6:30 o’clock. I gave it to Admiral Irwin within a half-hour. He and his secretary have been engaged in deciphering

it up to this time, 3 p. m. The steamship *Mariposa* was to leave at 12 m., but the agents voluntarily offered to detain her until 5 p. m., which offer I accepted in the hope that after reading your telegram I might answer it.

In view of the length of time required to translate the naval cipher, I desire to most respectfully renew the suggestion made in my dispatch, No. 9, of December 5, that the State Department cipher or the one which I heretofore inclosed to you be hereafter used.

The excitement consequent upon the unexpected arrival of the *Corwin* is intense throughout the city. The President's message, which was published this morning, has increased the excitement, but I hope no immediate outbreak will occur.

With high regard, very respectfully,

ALBERT S. WILLIS.

Mr. Willis to Mr. Gresham.

No. 13.]

LEGATION OF THE UNITED STATES,
Honolulu, Hawaiian Islands, December 14, 1893.

SIR: I have the honor to acknowledge the receipt of Department dispatch, No. 5, inclosing two copies of the report of the electrical congress held in Chicago August 19, 1893, in the matter of units of electrical measure.

Very respectfully,

ALBERT S. WILLIS.

Mr. Willis to Mr. Gresham.

[Confidential.]

No. 14.]

LEGATION OF THE UNITED STATES,
Honolulu, Hawaiian Islands, December 18, 1893.

SIR: Your cipher instructions of December 2 were received as translated at 3 p. m. Thursday, the 14th instant. An arrangement was immediately made for an interview with the Queen for Saturday, December 16 at 9 a. m.

Mr. J. O. Carter was invited to be present. Mr. Carter, as stated in my dispatch No. 3, of November 14, is a brother of the late Mr. H. A. P. Carter, who was the Hawaiian minister to the United States. He is the president and manager of the incorporated company of "C. Brewer & Co.," which does a large general mercantile and commission business, and is agent for a number of large sugar plantations. He is conceded by all factions to be a man of great intelligence and strict integrity. He is a native Hawaiian, but of American parentage.

At the appointed hour the Queen and Mr. Carter came, and the interview was, with their consent, reported stenographically by Mr. Mills, our consul-general.

I inclose the report, verified by the Queen and Mr. Carter. I also send a copy of a part of the interview with the Queen, reported in my dispatch No. 3, of November 14, which is also verified by the Queen, marked A.

Mr. Mills' report includes all that was said. It will be observed that no restrictions were placed upon the Queen or upon Mr. Carter, the object being to secure a full and unreserved expression of views. This interview was held at the legation.

Very respectfully,

ALBERT S. WILLIS.

The Queen was informed that the President of the United States had important communications to make to her and she was asked whether she was willing to receive them alone and in confidence, she being assured that this was for her own interest and safety. She answered in the affirmative.

I then made known to her the President's sincere regret that, through the unauthorized intervention of the United States, she had been obliged to surrender her sovereignty, and his hope that, with her consent and cooperation, the wrong done to her and to her people might be redressed. To this she bowed her acknowledgments.

I then said to her: "The President expects and believes that when reinstated you will show forgiveness and magnanimity, that you will wish to be Queen of all the people, both native and foreign born, that you will make haste to secure their love and loyalty, and to establish peace, friendship, and good government." To this she made no reply. After waiting a moment I continued:

DECEMBER 16, 1893.

Mr. WILLIS (addressing the Queen). I sent word yesterday asking you to come this morning and to bring Mr. Carter, whom you had mentioned in a previous interview as one of your friends. His was the first name given to me in the only interview we have had. My idea was to have some one present as your friend, who could hear what I wish to say to-day.

(Addressing Mr. Carter, Mr. Willis said:)

Mr. Carter, before having any further conversation it is proper I should make known to you what occurred at the previous interview. On the 13th of November I sent word to the Queen asking if she would come here, as there would be less publicity than if I went to her house. She complied, came here with Mr. Robertson, and a conversation ensued the substance of which I have made known to the President. I will read what I have written as an official report to the President, as leading up to the present interview, and as I read [speaking to the Queen] if there is any portion of the interview as given that you think is incorrect do not hesitate to stop me and make such changes as you desire, although it has been already submitted.

[The report in question was at this point read to the Queen by Mr. Willis. It is appended hereto, marked A.]

Mr. WILLIS. I wish to ask you now, and I ask you to deliberate well before answering, whether the views expressed at that time, as read to you now, have been in any respect modified since that conversation?

The QUEEN. They have not.

Mr. WILLIS. You still adhere to your judgment, as then expressed, that all of those persons should be punished according to the law under the constitution of 1887, which is that they should be punished with capital punishment and their property confiscated?

The QUEEN. I feel that if any change should be made that they must not be permitted to remain in the country, and that their property should be confiscated. That is my view.

Mr. CARTER. You do rescind so much of that interview as pronounced upon them the death penalty?

The QUEEN. I do in that respect.

Mr. CARTER. You feel that their remaining in the country would be a constant source of trouble to you and your people?

The QUEEN. I do. I think I mentioned at the time that should they be permitted to remain, that as they have once committed treason and this being the second offense, that the next time would be dangerous for the community and the people. I think I said that in the other conversation.

Mr. CARTER. In general terms, then, you feel that the continued living in this community of these persons who were guilty of the act of 1887, and the act of the 17th of January, would be dangerous and a constant menace to your people?

The QUEEN. I do. I feel also that if they were sent away they should never be permitted to return—they or their children.

Mr. CARTER. Unless you exercised clemency; or would you pronounce against them definitely now?

The QUEEN. I feel so; that they should be permanently banished, and their children.

Mr. WILLIS. The present Provisional Government while in existence has created certain obligations. Would you consent that all such obligations assumed in the proper course of administration should be assumed and paid by you?

Mr. CARTER. May I make it clearer? The minister wishes to know if the obligations the Provisional Government has entered into under the law, you would be willing that your Government should assume and be responsible for those obligations.

The QUEEN. Yes.

Mr. CARTER. I want to make matters clear. I think they have been careful as a rule to observe statutory provisions, but there have been exigencies that demanded actions that are entirely outside statutory provisions—appropriations made, moneys expended. The question is, how far the new Government should be responsible for such acts.

Mr. WILLIS. That is the question to which I desire an answer. Whether, in the exercise of their discretion, they have even adopted measures that may not be strictly conformable to the statutory law of the land, but if the money has been expended for the benefit of the people in the matter of roads or in any other way, and not put into their private pockets. If these expenditures have been of a public character, and there is no charge of corruption, would they be recognized, whether strictly in conformity with the statutory law or not?

The QUEEN. I think such expenditures are legal. I would recognize them.

Mr. CARTER. There has been a very heavy expenditure for military.

Mr. WILLIS. That is a question I wish explicitly answered. Grant that there has been; would you or would you not consider that an expenditure in the proper course of administration?

The QUEEN. I have thought the matter over; but I felt that the confiscation of the properties belonging to these parties would cover.

Mr. CARTER. You believe that persons should be held in their estates liable for such matters—military, police, and other expenditures of like nature?

The QUEEN. I do.

Mr. CARTER. I want to say a word. I have never said one word to Her Majesty on the subject. These questions are entirely new to me.

Mr. WILLIS. It is entirely proper for you to ask such questions as you have. Any question that brings out the exact views of Her Majesty is entirely proper. I understand [speaking to the Queen] then, in answer to the last question, that you would be willing to give an unqualified agreement that all obligations created by the Provisional Government in the ordinary course of administration should be assumed, but that as to the expenditure for police and military defense you would leave the cost of that to be met out of property confiscated from those who were engaged in the revolution? Is that right?

The QUEEN. Yes.

Mr. WILLIS. I understand from you that you would be unwilling to give a pledge that would absolutely prevent the adoption of any measure of proscription or punishment for what has been done in the past, as to those setting up and supporting the Provisional Government. I understand you to be unwilling to give such a pledge?

The QUEEN. I do not understand.

Mr. WILLIS. I understand from the fact that you have affirmed our previous conversation, and from your conversation to-day, that you would not be willing to grant absolute amnesty both as to persons and property to those who have either supported or who have aided in setting up the Provisional Government. That you feel you could not do it?

The QUEEN. I feel I could not do it for the safety of our subjects.

Mr. CARTER. That is, that the continued presence of these people is a continued menace?

Mr. WILLIS. Do you adopt Mr. Carter's words?

The QUEEN. I do.

Mr. CARTER. I would like to make one remark here. Do I understand your Majesty that this matter is one that you may personally decide—that it is not one that you can commit to the ministers that you may appoint?

Mr. WILLIS. I am not instructed to ask such views. It is the views of the Queen herself I wish to ascertain. I have asked you to come here so that there can be no mistake in the matter. I am authorized, directly instructed and absolutely required to know three things—two of which I have asked, and I am now about to ask the third. It is this: Whether in the event of a restoration it would be a restoration under the existing constitution of the country or under a different constitution?

The QUEEN. I believe it would be better to have a government under a new constitution that would be more suited to the present times and to the future. May I add—

Mr. WILLIS. Anything at all. There is no restriction upon what you may say.

The QUEEN. That it would be one that would give the same privileges to my subjects as to the foreign subjects in my country. That they should receive the same advantages as the foreigners of which they have been deprived since 1887.

Mr. WILLIS. If I understand you the objection you have to the constitution of 1887 is the property qualification in voting for nobles, by which the native population is largely excluded from suffrage.

The QUEEN. That is correct.

Mr. WILLIS. Is there any other objection to that constitution?

The QUEEN. That is the principal objection. In the constitution I intended to promulgate, I changed the time of the term of the chief justice to six years, because I felt that if it were a life appointment that there are no bounds by which whoever holds the office—there would be no bounds by which he would carry on. There would be no limit to his actions.

Mr. WILLIS. In your remark as to the supreme court, do you limit it to the chief justice or does it include all the supreme court?

The QUEEN. All of them.

Mr. WILLIS. You mean not only the chief justice, but your judgment is that all of the supreme court should be appointed for six years?

The QUEEN. Yes; but if they proved themselves correct in their department they may be appointed over again for another six years.

Mr. WILLIS. How are their salaries to be determined?

The QUEEN. It would not affect the salary.

Mr. WILLIS. The salary would remain as at present?

The QUEEN. Yes.

Mr. WILLIS. The reason I ask you was that there has been some rumor that the question of salary was to be left to the legislature.

The QUEEN. I think the legislature would appropriate the sum.

Mr. CARTER. The minister wishes to know whether the salary they entered the office with would be the salary they would continue to receive?

The QUEEN. Yes.

Mr. CARTER. The idea is that they are not to be reduced to submit to the will of the legislature.

Mr. WILLIS. Is it your idea that the salaries they receive at the time of their appointment shall not be subject to change by the legislature or other action during the term of six years?

The QUEEN. Yes. These questions may be submitted to the cabinet.

Mr. CARTER. That is another question. The minister wishes to get at your thought.

Mr. WILLIS. You are the only one now authorized to speak for your Government. In the conversation you have had to-day in the presence of Mr. Carter, you fully comprehend the meaning of all that has been said, and all that you have said, and you adhere to it?

The QUEEN. I do.

Mr. WILLIS. You adhere to it?

The QUEEN. I do.

Mr. WILLIS. When this is written out and you have made such changes as you deem proper, I will ask you to sign it. When signed, it will be submitted to the President. Is there anything further you desire to say at the present time?

The QUEEN. I wish to mention, speaking of the new constitution, that it would require some changes. The new constitution I wish to make up would require more members.

Mr. WILLIS. Of the legislature?

The QUEEN. No; in the cabinet.

Mr. WILLIS. Had you determined in your mind how many should be in the cabinet?

The QUEEN. Six instead of four.

Mr. WILLIS. Have you anything more you wish to say?

The QUEEN. Nothing more.

The within report of an interview held between the Queen and Mr. Willis, the United States minister, on the 16th instant (Mr. J. O. Carter being present at the said interview), has been read in our presence by Consul-General Mills, and agreed to by both of us as being full and correct in every particular.

LILIUOKALANI.
J. O. CARTER.

HONOLULU, HAWAIIAN ISLANDS,
December 18, 1893.

Witness:

ELLIS MILLS.

(Indorsement:) Interview with ex-Queen, Saturday, December 16, 1893. This interview took place at the legation.

Mr. Willis to Mr. Gresham.

[Confidential.]

No. 15.]

LEGATION OF THE UNITED STATES,
Honolulu, Hawaiian Islands, December 19, 1893.

SIR: In the forenoon of yesterday (Monday, December 18) Mr. Mills met the Queen and Mr. Carter at the Queen's private residence, "Washington Place," when the report of the interview held at the legation on the preceding Saturday was read over and verified.

After the close of Saturday's interview and the withdrawal of the parties, Mr. Carter returned to inquire whether a supplementary statement by the Queen would be received. He informed me that he had held a conversation with her a few minutes after she left the legation, and he believed that on next Monday (this being Saturday) she would desire another interview. I told him that the object of the President was to ascertain her course of action in the event of restoration; that the United States could not dictate the policy of the Queen, if restored, nor interfere in any way with the domestic affairs of her Kingdom. A certain status or condition of affairs existed on the 17th of January, 1893, which was overthrown by our unlawful intervention. If the President, within constitutional limitations, could remedy this wrong, he was willing to do so, and to this extent only and under these circumstances only he inquired as to the future policy of the Queen. Whatever she determined upon, however, must be her voluntary act.

With this explanation I consented to receive further communications from the Queen.

Accordingly, upon learning that the Saturday interview had been verified, I went to Washington Place, where the interview occurred, a report of which I inclose.

Very respectfully,

ALBERT S. WILLIS.

[Inclosure with No. 15.]

DECEMBER 18, 1893.

Mr. CARTER. I am permitted by Her Majesty to say that I have had a conversation with her this morning concerning the first interview you had with her; that I have said to her that I was surprised and pained at the substance of it; that I have felt that the remarks you have made as coming from the President of the United States are entitled to Her Majesty's consideration, and that they are to carry weight as being the expressions of the President, particularly in reference to this first statement, where the President expresses his sincere regret that through "the unauthorized intervention of the United States she had been obliged to surrender her sovereignty, and his hope that, with her consent and coöperation, the wrong done to her and her people might be redressed."

I have explained as clearly as possible the meaning of the words "consent and coöperation;" that he recognizes he alone can not do all that has to be done.

I then referred to this expression as given by you, that the President believes "that when reinstated you will show forgiveness and magnanimity, that you will wish to be Queen of all the people, both native and foreign born, that you will make haste to secure their love and loyalty and to establish peace, friendship and good government."

I have said to her that I have been deeply impressed with that language and I think that perhaps Her Majesty is now more impressed with this language than she was at first, and I say to her that it seems to me good government is impossible without Her Majesty shows a spirit of forgiveness and magnanimity; that this movement against her and her people embraced a large and respectable portion of the foreign element of this community—an element we can not ignore.

I next came to this expression: "Should you be restored to the throne, would you grant full amnesty as to life and property to all those persons who have been or are now in the Provisional Government, or who have been instrumental in the overthrow of your Government?"

I have said to Her Majesty that it seems to me that the position of Mr. Cleveland is full of difficulties and embarrassments; that as President of the United States he is a ruler among the nations of the earth as Her Majesty was and, I hope, is to be, and that she should make the way as clear to him to carry out his wishes to repair the wrong done as she possibly can, not giving way to any personal feelings in the matter; that she must leave out of consideration in the question any idea of revenge. I told her that I took it as the wish of the President that she should grant amnesty as to life and property.

Then I went on to the remark that she makes that she feels unsettled and unsafe with these people in the country. I am bound to repeat what Her Majesty said to me, although it may not be in accord with my own views, that she feels that these people should leave the country, or peace and good government can not prevail. She thinks any third attempt at revolution on the part of these people would be very destructive to life and property; that her people have stood about all they can stand of this interference with what they consider their rights.

I have gone into the matter of the constitution with her, because I know our views are not as fully in accord as I wish they were. I have said to Her Majesty that I think she can safely put her cause into the hands of the President of the United States, and say to him unreservedly, "You dictate my policy and I will follow it."

Is Your Majesty satisfied with the statement I have made? Is it correct?

The QUEEN. Yes.

Mr. CARTER. Is it your wish?

The QUEEN. I must think a moment.

Mr. CARTER. But you said you are not seeking the lives of these people.

The QUEEN. Not their lives. I am willing their lives should be spared.

Mr. CARTER. And their property?

The QUEEN. Their property should be confiscated to the Government, and they should not be permitted to remain in the Kingdom.

Mr. CARTER. Is Your Majesty willing that this should be taken by the minister as your wish to-day, that this matter should be put unreservedly in the hands of President Cleveland with this statement. This is said by me as a friend, and I think you have always found me such. In the conversation had with you this morning I asked you as a friend to you and your people that you give it prayerful consideration. You need not sign it if you do not wish. It is your privilege to do as you please. I wish you would read it over, consider it, and give it to Mr. Willis at as early a moment as possible.

The QUEEN. I should like to talk with some of my friends.

Mr. CARTER (to Mr. Willis). Can she see some one in the matter?

Mr. WILLIS. I do not think it would be safe. I take it for granted that in matters of such great importance she has ascertained the wishes of her native people and the leaders, and that she has been in consultation with them upon these general propositions. Is not that true, Your Majesty? I mean as to the general policy to be pursued?

The QUEEN. I have. I must mention here (speaking to Mr. Carter) that I have never consulted you in this matter before. But I have talked the situation over with some of my subjects, and I consider their judgment is wise and in accordance with law, and have come to the conclusion that the statement I gave in my first interview was what the people wished. I had hoped some day I might have a chance to confer with you, Mr. Carter, in these matters.

Mr. WILLIS. I understand, then, that you said that the first interview I had with you embodies the views of the leaders of your people with whom you have been in consultation in the present crisis?

The QUEEN. They do.

Mr. WILLIS. And you have no withdrawal to that to make this morning?

The QUEEN. Although I have never stated to them what I had decided personally, still I feel that there may be some clemency, and that clemency should be that they should not remain in the country.

Mr. WILLIS. That is the extent of the clemency—that they should be removed from the country instead of being punished, according to the laws of the country, with death.

The QUEEN. Yes.

Mr. WILLIS. I understand that there is no withdrawal of your conversation of Saturday with reference to military expenses and police expenses that have been incurred by the Provisional Government. You still insist that those expenses should be met out of property confiscated?

The QUEEN. I feel so.

Mr. WILLIS. I understand that you would not be willing that the constitution as it existed on the 17th of January, 1893, should be established permanently in the Islands, believing, as you stated on Saturday, that it discriminated against your native subjects.

The QUEEN. The constitution I wished to promulgate was an improvement on the constitution of 1887, but since then I have considered further, and think that we ought to have a constitution that would be more suited to the future. I would not like to have the government continue under that constitution.

Mr. WILLIS. In the limitation which you now make as to your clemency, do you include their children or just the parents? Last Saturday you said: "They and their children." Do you still adhere to that judgment?

The QUEEN. I do.

Mr. WILLIS. Both parents and children should be permanently removed from the country and their property confiscated?

The QUEEN. I do, and their property confiscated.

Mr. WILLIS. I desire now to read to you in the express terms the judgment of the President. After citing the fact that Mr. Blount had been sent here to ascertain the facts in connection with this revolution, and after expressing a conclusion based upon Mr. Blount's report, that this revolution resulted largely if not entirely from the improper intervention of our then minister, and of the American troops, and expressing his desire within certain limitations to correct the wrong done, he states as follows:

"On your arrival at Honolulu you will take advantage of an early opportunity to inform the Queen of this determination. * * * You will, however, at the same time inform the Queen that when reinstated the President expects that she will pursue a magnanimous course by granting full amnesty to all who participated in the movement against her, including persons who are or have been officially or otherwise connected with the Provisional Government, depriving them of no right or privilege which they enjoyed before the so-called revolution.

"All obligations created by the Provisional Government, in due course of administration, should be assumed."

I read now from a cipher dispatch which has been sent since my communication of the 14th of November, in which it is stated:

"Should the Queen refuse assent to the written conditions, you will inform her at once [which I now do] that the President will cease interference in her behalf, and while he deems it his duty to endeavor to restore to the sovereign the constitutional government of the islands, his further efforts in that direction depend upon the Queen's unqualified agreement that all obligations created by the Provisional Government in the proper course of administration shall be assumed, and upon such pledge by her as shall prevent adoption of any measures of proscription or punishment for what has been done in the past by those setting up or supporting the Provisional Government.

"The President feels that we by our original interference have incurred responsibilities to the whole Hawaiian community, and it would not be just to put one party at the mercy of the other."

The QUEEN. I want to say in regard to the request of Mr. Cleveland asking for complete amnesty—how shall I know that in future our country will not be troubled again, as it has been in the past?

Mr. WILLIS. That is a question of domestic policy of the country which you have to decide largely for yourself. Do you intend to inquire as to whether the United States would support you if restored?

The QUEEN. I do not expect that. The decision I have given is not from any feeling of disrespect to the President nor from a feeling of animosity toward anyone here, but I feel it is a duty I should assume for the benefit of my people.

Mr. WILLIS. I so understand it—that you are of the opinion that under the state of things which existed at the time of this revolution, and also in 1887, that there could not be permanent peace in the islands. That is a matter that the United States has no right to look into or express an opinion upon.

The foregoing has been read to us by Consul-General Mills, and we pronounce it a full and correct report.

Honolulu, H. I., December 18, 1893.

LILIUOKALANI.
J. O. CARTER.

Witness:
ELLIS MILLS.

(On back:) Interview with ex-Queen in presence of Mr. J. O. Carter. Monday, December 18, 1893. This interview occurred at Washington Place, the ex-Queen's private residence.

After this paper was signed, as above, Mr. Mills said to the Queen, in behalf of Mr. Willis, that the reports of the two interviews of Saturday, December 16, and of to-day (Monday, December 18), as attested by her, would be immediately forwarded to the President, and his answer, when received, should be promptly made known to her.

Mr. Willis to Mr. Gresham.

[Confidential.]

No. 16.]

LEGATION OF THE UNITED STATES,
Honolulu, Hawaiian Islands, December 20, 1893.

SIR: On Monday afternoon at 6 p. m., before the report of the Washington Place interview, referred to in my dispatch, No. 15, of December 19, had been written from the stenographic notes, Mr. Carter called at the legation and read to me a note to him, just received from the Queen, in which she unreservedly consented, when restored as the constitutional sovereign, to grant amnesty and assume all obligations of the Provisional Government.

On yesterday (Tuesday) morning at 9 o'clock Mr. Carter brought a letter from the Queen, a copy of which I inclose, and an agreement signed by her, binding herself, if restored, to grant full amnesty, a copy of which I inclose.

Very respectfully,

ALBERT S. WILLIS.

[Inclosure 1 with No 16.]

WASHINGTON PLACE,
Honolulu, December 18, 1893

His Excellency ALBERT WILLIS,
Envoy Extraordinary and Minister Plenipotentiary, U. S. A. :

SIR: Since I had the interview with you this morning I have given the most careful and conscientious thought as to my duty, and I now of my own free will give my conclusions.

I must not feel vengeful to any of my people. If I am restored by the United States I must forget myself and remember only my dear people and my country. I must forgive and forget the past, permitting no proscription or punishment of any one, but trusting that all will hereafter work together in peace and friendship for the good and for the glory of our beautiful and once happy land.

Asking you to bear to the President and to the Government he represents a message of gratitude from me and from my people, and promising, with God's grace, to prove worthy of the confidence and friendship of your people,

I am, etc.,

LILIUOKALANI.

[Inclosure 2 with No. 16.]

I, Liliuokalani, in recognition of the high sense of justice which has actuated the President of the United States, and desiring to put aside all feelings of personal hatred or revenge and to do what is best for all the people of these Islands, both native and foreign born, do hereby and herein solemnly declare and pledge myself that, if reinstated as the constitutional sovereign of the Hawaiian Islands, that I will immediately proclaim and declare, unconditionally and without reservation, to every person who directly or indirectly participated in the revolution of January 17, 1893, a full pardon and amnesty for their offenses, with restoration of all rights, privileges, and immunities under the constitution and the laws which have been made in pursuance thereof, and that I will forbid and prevent the adoption of any measures of proscription or punishment for what has been done in the past by those setting up or supporting the Provisional Government.

I further solemnly agree to accept the restoration under the constitution existing at the time of said revolution and that I will abide by and fully execute that constitution with all the guaranties as to person and property therein contained.

I furthermore solemnly pledge myself and my Government, if restored, to assume all the obligations created by the Provisional Government, in the proper course of

administration, including all expenditures for military or police services, it being my purpose, if restored, to assume the Government precisely as it existed on the day when it was unlawfully overthrown.

Witness my hand this 18th of December, 1893.

LILIUOKALANI.

Attest:

J. O. CARTER.

Mr. Willis to Mr. Gresham.

[Confidential.]

No. 17.]

LEGATION OF THE UNITED STATES,

Honolulu, December 20, 1893.

SIR: On Monday, December 18, the interview with the Queen at her residence, Washington Place, was held, lasting until 1 p. m.

At 5:30 p. m. of the same day I received a communication from the Provisional Government, through the Hon. S. B. Dole, minister of foreign affairs, referring to my visit to the Queen. He asked to be informed whether I was "acting in any way hostile to this (his) Government," and pressed for "an immediate answer." I inclose a copy of the communication.

As I had two days before notified a member of the cabinet, Hon. W. O. Smith, attorney-general, that I would be ready in forty-eight hours to make known to the Provisional Government the President's decision, and as the tone of the communication—doubtless without intention—was somewhat mandatory, I thought it best not to make any reply to it. Moreover, at that hour I had not received the written pledge and agreement of the Queen, without which I could take no step.

This morning at 9:30 o'clock I received the letter and agreement of the Queen, as set forth in my No. 16 of this date. I immediately addressed a note to the minister of foreign affairs, Mr. Dole, informing him that I had a communication from my Government, which I desired to submit in person to the president and ministers of his Government at any hour during the day that it might please him to designate. I inclose a copy of my letter. This note was delivered to the minister of foreign affairs by Mr. Mills, and the hour of 1:30 p. m. was verbally designated for the interview.

At the hour appointed I went to the executive building and met the President and his associate ministers, to whom I submitted the decision of the President of the United States.

A memorandum of what I said upon the occasion was left with them after delivery, a copy of which I inclose.

It may be proper at this time briefly to state my course of action since arriving here on Saturday the 4th day of November last. My baggage containing credentials did not come to hand until 4 o'clock, before which time the offices of the Provisional Government were closed.

On Monday morning following, Mr. Mills, our consul-general, bore a note to the minister of foreign affairs asking that he designate a time for the presentation of Mr. Blount's letter of recall and my letter of credence. Mr. Mills was authorized to say, and did say to him, that I was ready on that day (Monday) to present my credentials. The Provisional Government, however, appointed the following day (Tuesday) at 11 o'clock, at which time I was formally presented.

As our Government had for fifty years held the friendliest relations with the people of these islands—native as well as foreign born—in

addressing the President, who was for the time being the formal representative of these people, I felt no hesitancy in employing the usual terms of friendship, drawing, however, in what I said, a distinction between the Provisional Government as a government and the people of the islands. These statements were not only, as I have said, consistent with the uniform policy and feelings of the United States for half a century, but expressed, as I knew, the personal feelings of the President and of yourself towards the officers of the Provisional Government as men, and the kindly regard and interest felt in the welfare and happiness of all the people who are now under its *de facto* rule.

From that day until last Tuesday at half-past one, there has been no expression, direct or indirect, from the representative of the United States towards the Provisional Government, explaining or defining our relations, present or prospective, towards it. The delay in making any announcement of your policy was, as you well understand, because of the direct verbal and written instructions under which I have been acting. Under those instructions my first duty was to guard the life and safety of those who had by the act of our own minister been placed in a position where there was an apparent antagonism between them and our Government. As I understood from the President and from you, the sole connection which our Government had with the settlement of the Hawaiian question was the undoing of what, from an international standpoint, was considered by the President to have been a wrong to a feeble, defenseless, and friendly power. In undoing this wrong I was, however, instructed first of all to see that proper safeguards were thrown around those who had been probably misled as to the position of our Government and the wishes of our people.

My dispatch No. 3, of November 14, set forth my inability to secure satisfactory guarantees from the Queen upon the points indicated. Until that was done you had directed me to take no further steps, but to inform you of the result, which I did by a cipher telegram as well as by the dispatch referred to. Your cipher instruction in reply thereto, dated December 2 and received by me December 14, by the revenue cutter *Corwin*, reiterated the duty which had been already enjoined upon me to secure these guarantees.

I accordingly renewed my efforts in that direction, and finally, on last Tuesday morning at 9 o'clock, as hereinbefore stated, I secured from the Queen the written pledge and agreement which was the prerequisite of my further action.

Having received this pledge, I was then for the first time in a position to make known to the Provisional Government the decision of the President upon the questions that had been submitted to him by the protest of the Queen, which protest had been acknowledged and accepted by the Provisional Government through its President, Mr. Dole, the immediate effect of which was, according to the statement of Mr. Damon, another honored member of the Provisional Government, the Queen's temporary surrender of her throne.

You will observe that in presenting the decision of the President I have used the language employed by yourself in your instructions to me upon the subject. In my opening statement I thought proper to explain what was known to you, and doubtless to the Provisional Government, that the secrecy which had been observed by our Government was in the interest of the peace and safety of this community.

The President's attention had been called by you to the evidence contained in Mr. Blount's report showing the extraordinary complications and dangers surrounding this community, among which were the racial

prejudices, the intense feeling consequent upon the dethronement of the constitutional sovereign, the presence of so many different nationalities—Chinese, Japanese, Portuguese, Americans, and English—in such large numbers and with such diverse traits and interests, the possibility that the Japanese, now numbering more than one-fifth of the male population of the islands, might take advantage of the condition of affairs to demand suffrage and through it to obtain control of the Government, together with the discontent of the native Hawaiians at the loss of their Government and of the rights secured under it.

In addition to these facts, I was fully apprised by you in your personal conversations of the presence here of many lawless and disorderly characters, owing allegiance to neither party, who would gladly take advantage of the excitement and general derangement of affairs to indulge in rapine and mob violence; and also of the conflict between the active responsible representatives of the Provisional Government and certain men who were not officially connected with it, but who had undertaken to dictate its policy. The danger from this last source I found upon arriving here was much greater than you had supposed. As I stated to you in my dispatch, No. 2, of November 10, the President and ministers of the Provisional Government and a large per cent of those who support them are men of high character and of large material interests in the islands. These men have been inclined to a conservative course toward the Hawaiians.

They had placed in the police and fire departments, and also in many other more important offices, native Hawaiians, thus endeavoring to conciliate the friendship and support of the 40,000 natives of the country. The irresponsible element referred to were pressing for a change of this wise and patriotic policy and insisting that they should be invested with all power, thus intensifying and aggravating the racial feeling already too extreme. Many of these men were open in their threats against the life of the Queen. They have even gone as far in the public prints and elsewhere as to threaten the representatives of the Provisional Government in the event they should listen to the President's supposed policy of peaceful settlement, if it involved the restoration of the Queen.

Besides this danger, which would have been precipitated by any premature announcement of the policy of our Government, there was another danger deserving serious attention.

The native Hawaiians, under the wise advice of their best native leaders supplemented by that of many sympathizing foreigners, have maintained the policy of peace during the settlement of this question. While, however, they have been always known as a peaceful and law-abiding people, the evidence of the most thoughtful men in these islands, including Mr. Damon, the present minister of finance, called attention to the fact that under proper leadership they might collect quite an effective and aggressive following; hence his opinion given to Mr. Blount while here and to me since that a strong force should be retained by the Provisional Government or else trouble might result from a sudden attack on their part.

The history of the Hawaiian people, their well-known devotion to the cause of royalty or chieftainship, their willingness to sacrifice themselves in defense of their supposed rights or in redress of the wrongs imposed upon those whom they revered confirmed the opinion expressed by Mr. Damon as to their manly spirit and courage.

Repeatedly since I reached these islands I have been advised by those in the confidence of the native Hawaiians that it was very diffi-

cult to further restrain them. They were looking with confidence to the United States for an amicable settlement of their grievances, and this had exercised a wholesome influence upon their conduct. Any sudden announcement of an adverse result, or any attempt upon the dignity or life of the Queen, might, in their judgment, precipitate the most serious consequences.

Under this state of affairs, which was known in part, although not fully, to the Provisional Government, the policy of silence, to which you advised, until the time had arrived for definite action, was unquestionably wise and humane. My deliberate judgment is that a different course would have proved disastrous.

No one can estimate to what extent the presence of the different war vessels has prevented demonstrations of marked or other violence.

I need not assure you that I have endeavored faithfully to comply with the views and instructions of the President in regard to the military or naval forces of the United States. The two war ships now here were here when I came. During the month of last August a general license had been granted Admiral Skerrett by the Provisional Government to land and drill his forces whenever he so desired. On the 29th day of November, as has been stated in my dispatch No. 8 of December 5, the Provisional Government addressed me a note revoking this license, which action on behalf of our Government was promptly acquiesced in. No such privilege has been since exercised. So punctilious has been the doctrine of non-intervention that when the band of the *Philadelphia* came ashore one afternoon during a reception of some of the ladies of the navy Admiral Irwin's attention having been called to the fact that it had excited some comment he promptly issued an order that there should be no repetition of this incident.

The Japanese and English legations have been guarded by marines from their respective vessels, but no American soldier has been stationed here, and none will be. No official communication has been conveyed from me to the Provisional Government by any representative of the naval forces of the United States; nor did I, under my instructions, feel at liberty, as I otherwise gladly would have done, to consult with the admiral and high officers in command of our fleet, whose clear and intelligent judgment would have been of great advantage to me in the frequent and delicate questions that have arisen.

In a word, neither directly nor indirectly have I conveyed or countenanced the idea that our Government proposed to interfere by force in the domestic affairs of these islands. My visits to the United States men-of-war have for this reason been limited to two or three social occasions.

There has been, therefore, as little foundation for criticism in this direction as there was for the temporary secrecy observed, as we have seen, as a safeguard against sudden outbreak and mob violence.

Under these circumstances, and guided by your imperative instructions, I submitted the decision of the President as one which was of the greatest gravity and importance. What the answer will be I do not know, but hope to be able to report in a very short time, as President Dole stated that the Provisional Government would take the matter under its immediate advisement.

I have, etc.,

ALBERT S. WILLIS.

HAWAIIAN ISLANDS.

[Inclosure No. 1 with No. 17.]

*Mr. Dole to Mr. Willis.*DEPARTMENT OF FOREIGN AFFAIRS,
Honolulu, Hawaiian Islands, December 18, 1893.

SIR: I am informed that you are in communication with Liliuokalani, the ex-Queen, with a view of re-establishing the monarchy in the Hawaiian Islands and of supporting her pretensions to the sovereignty. Will you inform me if this report is true or if you are acting in any way hostile to this Government.

I appreciate fully the fact that any such action upon your part in view of your official relations with this Government would seem impossible; but as the information has come to me from such sources that I am compelled to notice it, you will pardon me for pressing you for an immediate answer.

Accept the assurances of distinguished consideration with which I have the honor to be sir,

Your excellency's obedient, humble servant,

SANFORD B. DOLE,
Minister of Foreign Affairs.

[Inclosure No. 2 with No. 17.]

*Mr. Willis to Mr. Dole.*LEGATION OF THE UNITED STATES,
Honolulu, December 19, 1893.

SIR: I have the honor to inform you that I have a communication from my Government which I desire to submit to the President and ministers of your Government at any hour to-day which it may please you to designate.

With high regard and sincere respect, I am, etc.,

ALBERT S. WILLIS.

[Inclosure No. 3 with No. 17.]

*Memorandum.***Mr. PRESIDENT AND GENTLEMEN:**

The President of the United States has very much regretted the delay in the consideration of the Hawaiian question, but it has been unavoidable. So much of it as has occurred since my arrival has been due to certain conditions precedent, compliance with which was required before I was authorized to confer with you. The President also regrets, as most assuredly do I, that any seeming secrecy should have surrounded the interchange of views between our two Governments. I may say this, however, that the secrecy thus far observed, has been in the interest and for the safety of all your people.

I need hardly premise that the President's action upon the Hawaiian question has been under the dictates of honor and duty? It is now, and has been from the beginning, absolutely free from prejudice and resentment, and entirely consistent with the long-established friendship and treaty ties which have so closely bound together our respective Governments.

The President deemed it his duty to withdraw from the Senate the treaty of annexation which had been signed by the Secretary of State and the agents of your Government, and to dispatch a trusted representative to Hawaii to impartially investigate the causes of your revolution, and ascertain and report the true situation in these islands. This information was needed, the better to enable the President to discharge a delicate and important duty. Upon the facts embodied in Mr. Blount's reports, the President has arrived at certain conclusions and determined upon a certain course of action with which it becomes my duty to acquaint you.

The Provisional Government was not established by the Hawaiian people or with their consent or acquiescence, nor has it since existed with their consent. The Queen refused to surrender her powers to the Provisional Government until convinced that the minister of the United States had recognized it as the *de facto* authority and would support and defend it with the military force of the United States, and that resistance would precipitate a bloody conflict with that force. She was advised and assured by her ministers and by leaders of the movement for the overthrow of her

Government that if she surrendered under protest her case would afterwards be fairly considered by the President of the United States. The Queen finally yielded to the armed forces of the United States then quartered in Honolulu, relying on the good faith and honor of the President, when informed of what had occurred, to undo the action of the minister and reinstate her and the authority which she claimed as the constitutional sovereign of the Hawaiian Islands.

After a patient examination of Mr. Blount's reports the President is satisfied that the movement against the Queen, if not instigated, was encouraged and supported by the representative of this Government at Honolulu; that he promised in advance to aid her enemies in an effort to overthrow the Hawaiian Government and set up by force a new government in its place, and that he kept this promise by causing a detachment of troops to be landed from the *Boston* on the 16th of January, and by recognizing the Provisional Government the next day when it was too feeble to defend itself and the Constitutional Government was able to successfully maintain its authority against any threatening force other than that of the United States already landed.

The President has therefore determined that he will not send back to the Senate for its action thereon the treaty which he withdrew from that body for further consideration on the 9th day of March last.

In view of these conclusions, I was instructed by the President to take advantage of an early opportunity to inform the Queen of this determination and of his views as to the responsibility of our Government.

The President, however, felt that we, by our original interference, had incurred responsibilities to the whole Hawaiian community, and that it would not be just to put one party at the mercy of the other. I was, therefore, instructed, at the same time, to inform the Queen that when reinstated, that the President expected that she would pursue a magnanimous course by granting full amnesty to all who participated in the movement against her, including persons who are or who have been officially or otherwise connected with the Provisional Government, depriving them of no right or privilege which they enjoyed before the so-called revolution. All obligations created by the Provisional Government in due course of administration should be assumed.

In obedience to the command of the President I have secured the Queen's agreement to this course, and I now read and deliver a writing signed by her and duly attested, a copy of which I will leave with you.

(The agreement was here read.)

It becomes my further duty to advise you, sir, the executive of the Provisional Government and your ministers, of the President's determination of the question, which your action and that of the Queen devolved upon him, and that you are expected to promptly relinquish to her her constitutional authority.

And now, Mr. President, and gentlemen of the Provisional Government, with a deep and solemn sense of the gravity of the situation and with the earnest hope that your answer will be inspired by that high patriotism which forgets all self-interest, in the name and by the authority of the United States of America, I submit to you the question, "Are you willing to abide by the decision of the President?"

Mr. Willis to Mr. Gresham.

[Confidential.]

No. 18.]

LEGATION OF THE UNITED STATES,
Honolulu, December 23, 1893.—12 midnight.

SIR: President Dole has just delivered in person at this hour (midnight) the answer of the Provisional Government, declining for reasons therein stated to accept the decision of the President of the United States, a copy of which is herewith inclosed.

The revenue cutter *Corwin* is under sailing orders and will leave here in a few minutes for San Francisco. The captain has been instructed to slow up, if necessary, and enter the harbor of San Francisco at night and to deliver in person the dispatches numbered 14, 15, 16, 17, 18, and 19 to our dispatch agent at that place.

The object of this is to enable the President to receive these official

communications before any intimation of their character can be telegraphed.

I will on Tuesday acknowledge the receipt of the answer of the Provisional Government, notifying it that the President of the United States will be informed thereof, and that no further steps will be taken by me until I shall have heard from him. I shall deliver a similar communication to the Queen.

The very great excitement prevailing here and the peculiar conditions surrounding this people prompt the above course, which, I trust, will meet with the approbation of the President and of yourself.

I think it proper to acknowledge in this public way the efficient services rendered to the Government of the United States by our consul-general, Mr. Mills, since my arrival at this place.

I have, etc.,

ALBERT S. WILLIS.

[Inclosure with No. 18.]

Mr. Dole to Mr. Willis.

DEPARTMENT OF FOREIGN AFFAIRS,
Honolulu, December 23, 1893.

SIR: Your excellency's communication of December 19, announcing the conclusion which the President of the United States of America has finally arrived at respecting the application of this Government for a treaty of political union with that country, and referring also to the domestic affairs of these islands, has had the consideration of the Government.

While it is with deep disappointment that we learn that the important proposition which we have submitted to the Government of the United States, and which was at first favorably considered by it, has at length been rejected, we have experienced a sense of relief that we are now favored with the first official information upon the subject that has been received through a period of over nine months.

While we accept the decision of the President of the United States, declining further to consider the annexation proposition, as the final conclusion of the present administration, we do not feel inclined to regard it as the last word of the American Government upon this subject, for the history of the mutual relations of the two countries, of American effort and influence in building up the Christian civilization which has so conspicuously aided in giving this country an honorable place among independent nations, the geographical position of these islands, and the important and, to both countries, profitable reciprocal commercial interests which have long existed, together with our weakness as a sovereign nation, all point with convincing force to political union between the two countries as the necessary logical result from the circumstances mentioned. This conviction is emphasized by the favorable expression of American statesmen over a long period in favor of annexation, conspicuous among whom are the names of W. L. Marcy, William H. Seward, Hamilton Fish, and James G. Blaine, all former Secretaries of State, and especially so by the action of your last administration in negotiating a treaty of annexation with this Government and sending it to the Senate with a view to its ratification.

We shall therefore continue the project of political union with the United States as a conspicuous feature of our foreign policy, confidently hoping that sooner or later it will be crowned with success, to the lasting benefit of both countries.

The additional portion of your communication referring to our domestic affairs with a view of interfering therein, is a new departure in the relations of the two governments. Your information that the President of the United States expects this Government "to promptly relinquish to her (meaning the ex-Queen) her constitutional authority," with the question "are you willing to abide by the decision of the President?" might well be dismissed in a single word, but for the circumstance that your communication contains, as it appears to me, misstatements and erroneous conclusions based thereon, that are so prejudicial to this Government that I can not permit them to pass unchallenged; moreover, the importance and menacing character of this proposition make it appropriate for me to discuss somewhat fully the questions raised by it.

We do not recognize the right of the President of the United States to interfere in our domestic affairs. Such right could be conferred upon him by the act of this

Government, and by that alone, or it could be acquired by conquest. This I understand to be the American doctrine, conspicuously announced from time to time by the authorities of your Government.

President Jackson said in his message to Congress in 1836: "The uniform policy and practice of the United States is to avoid all interference in disputes which merely relate to the internal government of other nations, and eventually to recognize the authority of the prevailing party, without reference to the merits of the original controversy."

This principle of international law has been consistently recognized during the whole past intercourse of the two countries, and was recently reaffirmed in the instructions given by Secretary Gresham to Commissioner Blount on March 11, 1893, and by the latter published in the newspapers in Honolulu in a letter of his own to the Hawaiian public. The words of these instructions which I refer to are as follows: "The United States claim no right to interfere in the political or domestic affairs or in the internal conflicts of the Hawaiian Islands other than as herein stated (referring to the protection of American citizens) or for the purpose of maintaining any treaty or other rights which they possess." The treaties between the two countries confer no right of interference.

Upon what, then, Mr. Minister, does the President of the United States base his right of interference? Your communication is without information upon this point, excepting such as may be contained in the following brief and vague sentences: "She (the ex-Queen) was advised and assured by her ministers and leaders of the movement for the overthrow of her government that if she surrendered under protest her case would afterward be fairly considered by the President of the United States. The Queen finally yielded to the armed forces of the United States, then quartered in Honolulu, relying on the good faith and honor of the President, when informed of what had occurred, to undo the action of the minister and reinstate her and the authority which she claimed as the constitutional sovereign of the Hawaiian Islands." Also, "it becomes my further duty to advise you, sir, the Executive of the Provisional Government, and your ministers, of the President's determination of the question which your action and that of the Queen devolved upon him, and that you are expected to promptly relinquish to her her constitutional authority."

I understand that the first quotation is referred to in the following words of the second, "which your action and that of the Queen devolved upon him" (the President of the United States), and that the President has arrived at his conclusion from Commissioner Blount's report. We have had as yet no opportunity of examining this document, but from extracts published in the papers and for reasons set forth hereafter, we are not disposed to submit the fate of Hawaii to its statements and conclusions. As a matter of fact no member of the executive of the Provisional Government has conferred with the ex-Queen, either verbally or otherwise, from the time the new Government was proclaimed till now, with the exception of one or two notices which were sent to her by myself in regard to her removal from the palace and relating to the guards which the Government first allowed her and perhaps others of a like nature. I infer that a conversation which Mr. Damon, then a member of the advisory council, is reported by Mr. Blount to have had with the ex-Queen on January 17, and which has been quoted in the newspapers, is the basis of this astounding claim of the President of the United States of his authority to adjudicate upon our right as a government to exist.

Mr. Damon, on the occasion mentioned, was allowed to accompany the cabinet of the former Government, who had been in conference with me and my associates, to meet the ex-Queen. He went informally, without instructions and without authority to represent the Government or to assure the ex-Queen "that if she surrendered under protest her case would afterwards be fairly considered by the President of the United States." Our ultimatum had already been given to the members of the ex-cabinet who had been in conference with us. What Mr. Damon said to the ex-Queen he said on his individual responsibility and did not report it to us. Mr. Blount's report of his remarks on that occasion furnish to the Government its first information of the nature of those remarks. Admitting for argument's sake that the Government had authorized such assurances, what was "her case" that was afterwards to "be fairly considered by the President of the United States?"

Was it the question of her right to subvert the Hawaiian constitution and to proclaim a new one to suit herself, or was it her claim to be restored to the sovereignty, or was it her claim against the United States for the alleged unwarrantable acts of Minister Stevens, or was it all these in the alternative; who can say? But if it had been all of these, or any of them, it could not have been more clearly and finally decided by the President of the United States in favor of the Provisional Government than when he recognized it without qualification and received its accredited commissioners, negotiated a treaty of annexation with them, received its accredited envoy extraordinary and minister plenipotentiary, and accredited successively two envoys extraordinary and ministers plenipotentiary to it; the ex-Queen in the mean-

time being represented in Washington by her agent who had full access to the Department of State.

The whole business of the Government with the President of the United States is set forth in the correspondence between the two governments and the acts and statements of the minister of this Government at Washington and the annexation commissioners accredited to it. If we have submitted our right to exist to the United States, the fact will appear in that correspondence and the acts of our minister and commissioners. Such agreement must be shown as the foundation of the right of your Government to interfere, for an arbitrator can be created only by the act of two parties.

The ex-Queen sent her attorney to Washington to plead her claim for a reinstatement in power, or failing that for a money allowance or damages. This attorney was refused passage on the Government dispatch boat, which was sent to San Francisco with the annexation commissioners and their message. The departure of this vessel was less than two days after the new Government was declared, and the refusal was made promptly upon receiving the request therefor either on the day the Government was declared or on the next day. If an intention to submit the question of the reinstatement of the ex-Queen had existed, why should her attorney have been refused passage on this boat? The ex-Queen's letter to President Harrison, dated January 18, the day after the new Government was proclaimed, makes no allusion to any understanding between her and the Government for arbitration. Her letter is as follows :

"His Excellency BENJAMIN HARRISON,
"President of the United States:

"MY GREAT AND GOOD FRIEND: It is with deep regret that I address you on this occasion. Some of my subjects aided by aliens, have renounced their loyalty and revolted against the constitutional Government of my Kingdom. They have attempted to depose me and to establish a provisional government in direct conflict with the organic law of this Kingdom. Upon receiving incontestible proof that his excellency the minister plenipotentiary of the United States, aided and abetted their unlawful movements and caused United States troops to be landed for that purpose, I submitted to force, believing that he would not have acted in that manner unless by the authority of the Government which he represents.

"This action on my part was prompted by three reasons: The futility of a conflict with the United States; the desire to avoid violence, bloodshed and the destruction of life and property, and the certainty which I feel that you and your Government will right whatever wrongs may have been inflicted upon us in the premises.

"In due time a statement of the true facts relating to this matter will be laid before you, and I live in the hope that you will judge uprightly and justly between myself and my enemies. This appeal is not made for myself personally, but for my people, who have hitherto always enjoyed the friendship and protection of the United States.

"My opponents have taken the only vessel which could be obtained here for the purpose, and hearing of their intention to send a delegation of their number to present their side of this conflict before you, I requested the favor of sending by the same vessel an envoy to you, to lay before you my statement, as the facts appear to myself and my loyal subjects.

"This request has been refused, and I now ask you that in justice to myself and to my people that no steps be taken by the Government of the United States until my cause can be heard by you.

"I shall be able to dispatch an envoy about the 2d of February, as that will be the first available opportunity hence, and he will reach you by every possible haste that there may be no delay in the settlement of this matter.

"I pray you, therefore, my good friend, that you will not allow any conclusions to be reached by you until my envoy arrives.

"I beg to assure you of the continuance of my highest consideration.

"LILIUOKALANI R.

"HONOLULU, January 18, 1893."

If any understanding had existed at that time between her and the Government to submit the question of her restoration to the United States, some reference to such an understanding would naturally have appeared in this letter, as every reason would have existed for calling the attention of the President to that fact, especially as she then knew that her attorney would be seriously delayed in reaching Washington. But there is not a word from which such an understanding can be predicated. The Government sent its commissioners to Washington for the sole object of procuring the confirmation of the recognition by Minister Stevens of the new Government and to enter into negotiations for political union with the United States. The protest of the ex-Queen, made on January 17, is equally with the let-

ter devoid of evidence of any mutual understanding for a submission of her claim to the throne to the United States. It is very evidently a protest against the alleged action of Minister Stevens as well as the new Government, and contains a notice of her appeal to the United States.

The document was received exactly as it would have been received if it had come through the mail. The indorsement of its receipt upon the paper was made at the request of the individual who brought it as evidence of its safe delivery. As to the ex-Queen's notice of her appeal to the United States, it was a matter of indifference to us. Such an appeal could not have been prevented, as the mail service was in operation as usual. That such a notice, and our receipt of it without comment, should be made a foundation of a claim that we had submitted our right to exist as a government to the United States had never occurred to us until suggested to us by your Government. The protest is as follows:

"I, Liliuokalani, by the grace of God and under the constitution of the Hawaiian Kingdom, Queen, do hereby solemnly protest against any and all acts done against myself and the constitutional Government of the Hawaiian Kingdom by certain persons claiming to have established a provisional government of and for this Kingdom.

"That I yield to the superior force of the United States of America, whose minister plenipotentiary, his excellency John L. Stevens, has caused United States troops to be landed at Honolulu, and declared that he would support the said Provisional Government.

"Now, to avoid any collision of armed forces, and perhaps the loss of life, I do, under this protest, and impelled by said force, yield my authority until such time as the Government of the United States shall, upon the facts being presented to it, undo the action of its representative and reinstate me in the authority which I claim as the constitutional sovereign of the Hawaiian Islands.

"Done at Honolulu the 17th day of January, A. D. 1893.

"LILIUOKALANI, R.

"SAMUEL PARKER,

"*Minister of Foreign Affairs.*

"WILLIAM H. CORNWELL,

"*Minister of Finance.*

"JOHN F. COLBURN,

"*Minister of the Interior.*

"A. P. PETERSON,

"*Attorney-General.*

"S. B. DOLE, Esq., and others,

"*Composing the Provisional Government of the Hawaiian Islands.*"

(Indorsed:) "Received by the hands of the late cabinet this 17th day of January, A. D. 1893. Sanford B. Dole, chairman of executive council of Provisional Government."

You may not be aware, but such is the fact, that at no time until the presentation of the claim of the President of the United States of his right to interfere in the internal affairs of this country, by you on December 19, has this Government been officially informed by the United States Government that any such course was contemplated. And not until the publication of Mr. Gresham's letter to the President of the United States on the Hawaiian question had we any reliable intimation of such a policy. The adherents of the ex-Queen have indeed claimed from time to time that such was the case, but we have never been able to attach serious importance to their rumors to that effect, feeling secure in our perfect diplomatic relations with your country, and relying upon the friendship and fairness of a government whose dealings with us had ever shown full recognition of our independence as a sovereign power, without any tendency to take advantage of the disparity of strength between the two countries.

If your contention that President Cleveland believes that this Government and the ex-Queen have submitted their respective claims to the sovereignty of this country to the adjudication of the United States is correct, then, may I ask, when and where has the President held his court of arbitration? This Government has had no notice of the sitting of such a tribunal and no opportunity of presenting evidence of its claims. If Mr. Blount's investigations were a part of the proceedings of such a court, this Government did not know it and was never informed of it; indeed, as I have mentioned above, we never knew until the publication of Secretary Gresham's letter to President Cleveland a few weeks ago, that the American Executive had a policy of interference under contemplation. Even if we had known that Mr. Blount was authoritatively acting as a commissioner to take evidence upon the question of the restoration of the ex-Queen, the methods adopted by him in making his investigations were, I submit, unsuitable to such an examination or any examination upon which human interests were to be adjudicated.

As I am reliably informed, he selected his witnesses and examined them in secret, freely using leading questions, giving no opportunity for a cross-examination, and often not permitting such explanations by witnesses themselves as they desired to make of evidence which he had drawn from them. Is it hardly necessary for me to suggest that under such a mode of examination some witnesses would be almost helpless in the hands of an astute lawyer, and might be drawn into saying things which would be only half-truths, and standing alone would be misleading or even false in effect. Is it likely that an investigation conducted in this manner could result in a fair, full, and truthful statement of the case in point? Surely the destinies of a friendly Government, admitting by way of argument that the right of arbitration exists, may not be disposed of upon an *ex parte* and secret investigation made without the knowledge of such Government or an opportunity by it to be heard or even to know who the witnesses were.

Mr. Blount came here as a stranger and at once entered upon his duties. He devoted himself to the work of collecting information, both by the examination of witnesses and the collection of statistics and other documentary matter, with great energy and industry, giving up, substantially, his whole time to its prosecution. He was here but a few months, and during that time was so occupied with this work that he had little opportunity left for receiving those impressions of the state of affairs which could best have come to him, incidentally, through a wide social intercourse with the people of the country and a personal acquaintance with its various communities and educational and industrial enterprises. He saw the country from his cottage in the center of Honolulu mainly through the eyes of the witnesses whom he examined. Under these circumstances is it probable that the most earnest of men would be able to form a statement that could safely be relied upon as the basis of a decision upon the question of the standing of a government?

In view, therefore, of all the facts in relation to the question of the President's authority to interfere and concerning which the members of the executive were actors and eye-witnesses, I am able to assure your excellency that by no action of this Government, on the 17th day of January last or since that time, has the authority devolved upon the President of the United States to interfere in the internal affairs of this country through any conscious act or expression of this Government with such an intention.

You state in your communication—

"After a patient examination of Mr. Blount's reports the President is satisfied that the movement against the Queen if not instigated was encouraged and supported by the representative of this Government at Honolulu; that he promised in advance to aid her enemies in an effort to overthrow the Hawaiian Government and set up by force a new government in its place; that he kept his promise by causing a detachment of troops to be landed from the *Boston* on the 16th of January, 1893, and by recognizing the Provisional Government the next day when it was too feeble to defend itself and the Constitutional Government was able to successfully maintain its authority against any threatening force other than that of the United States already landed."

Without entering into a discussion of the facts I beg to state in reply that I am unable to judge of the correctness of Mr. Blount's report from which the President's conclusions were drawn, as I have had no opportunity of examining such report. But I desire to specifically and emphatically deny the correctness of each and every one of the allegations of fact contained in the above-quoted statement; yet, as the President has arrived at a positive opinion in his own mind in the matter, I will refer to it from his standpoint.

My position, is briefly, this: If the American forces illegally assisted the revolutionists in the establishment of the Provisional Government that Government is not responsible for their wrong-doing. It was purely a private matter for discipline between the United States Government and its own officers. There is, I submit, no precedent in international law for the theory that such action of the American troops has conferred upon the United States authority over the internal affairs of this Government. Should it be true, as you have suggested, that the American Government made itself responsible to the Queen, who, it is alleged lost her throne through such action, that is not a matter for me to discuss, except to submit that if such be the case, it is a matter for the American Government and her to settle between them. This Government, a recognized sovereign power, equal in authority with the United States Government and enjoying diplomatic relations with it, can not be destroyed by it for the sake of discharging its obligations to the ex-Queen.

Upon these grounds, Mr. Minister, in behalf of my Government I respectfully protest against the usurpation of its authority as suggested by the language of your communication.

It is difficult for a stranger like yourself, and much more for the President of the United States, with his pressing responsibilities, his crowding cares and his want of familiarity with the condition and history of this country and the inner life of its

people, to obtain a clear insight into the real state of affairs and to understand the social currents, the race feelings and the customs and traditions which all contribute to the political outlook. We, who have grown up here or who have adopted this country as our home, are conscious of the difficulty of maintaining a stable government here. A community which is made up of five races, of which the larger part but dimly appreciate the significance and value of representative institutions, offers political problems which may well tax the wisdom of the most experienced statesman.

For long years a large and influential part of this community, including many foreigners and native Hawaiians, have observed with deep regret the retrogressive tendencies of the Hawaiian monarchy, and have honorably striven against them, and have sought through legislative work, the newspapers, and by personal appeal and individual influence to support and emphasize the representative features of the monarchy and to create a public sentiment favorable thereto, and thereby to avert the catastrophe that seemed inevitable if such tendencies were not restrained. These efforts have been met by the last two sovereigns in a spirit of aggressive hostility. The struggle became at length a well-defined issue between royal prerogative and the right of representative government, and most bitterly and unscrupulously has it been carried on in the interests of the former. The King's privilege of importing goods for his own use without paying the duties thereon was abused to the extent of admitting large quantities of liquors, with which to debauch the electorate. He promoted the election of Government officers, both executive and judicial, to the legislative assembly, and freely appointed to office elected members thereof.

In the legislature of 1886, of which I was a member, the party supporting the Government was largely in the majority, and nearly every member of such majority held some appointment from the Government, and some of them as many as two or three, thereby effectually placing the legislative branch of the Government under the personal and absolute control of the King. The constitutional encroachments, lawless extravagance, and scandalous and open sales of patronage and privilege to the highest bidder by Kalakaua brought in at length the revolution of 1887, which had the full sympathy and moral support of all the diplomatic representatives in Honolulu, including Minister Merrill, who was at that time President Cleveland's minister here.

This revolution was not an annexation movement in any sense, but tended toward an independent republic, but, when it had the monarchy in its power, conservative counsels prevailed, and a new lease of life was allowed that institution on the condition of royal fidelity to the new constitution, which was then promulgated and which greatly curtailed the powers of the sovereign. Kalakaua was not faithful to this compact, and sought as far as possible to evade its stipulations. The insurrection of 1889 was connived at by him, and the household guards under his control were not allowed to take part in suppressing it. The Princess Liliuokalani was in full sympathy with this movement, being a party to it, and furnished her suburban residence to the insurgents for their meetings. The arrangements were there made, and the insurgents marched thence for their attack upon the Government. The affair was suppressed in a few hours of fighting, with some loss of life to the insurgents, by the party which carried through the revolution of 1887.

The ex-Queen's rule was even more reckless and retrogressive than her brother's. Less politic than he, and with less knowledge of affairs, she had more determination and was equally unreliable and deficient in moral principle. She, to all appearance, unhesitatingly took the oath of office to govern according to the constitution, and evidently regarding it merely as a formal ceremony began, according to her own testimony to Mr. Blount, to lay her plans to destroy the constitution and replace it with one of her own creation. With a like disregard of its sanctions, she made the most determined efforts to control all of the appointments to office, both executive and judicial. The session of the legislature of 1892 was the longest that had ever occurred in our history, and was characterized by a most obstinate struggle for personal control of the Government and the legislature on the part of the Queen. This was strenuously resisted by the opposition.

During this contest four ministerial cabinets were appointed and unseated, and the lottery-franchise bill, which had been withdrawn early in the session for want of sufficient support, was at the last moment, when the opposition was weakened by the absence of several of its members, again brought forward and passed through the exercise of improper and illegitimate influences upon the legislators, among which were personal appeals on the part of the Queen to them. The cabinet which represented the opposition and the majority of the legislature which the Queen had been compelled to appoint was unseated by similar means, and with a new cabinet of her own choice the legislature was prorogued. This lottery franchise was of a character corresponding with similar institutions which have been driven out of every State of the American Union by an indignant public sentiment. If it had been established here it would in a brief period have obtained full control of the Government patronage and corrupted the social and political life of the people.

Although the situation at the close of the session was deeply discouraging to the community, it was accepted without any intention of meeting it by other than legal means. The attempted *coup d'état* of the Queen followed, and her ministers, threatened with violence, fled to the citizens for assistance and protection; then it was that the uprising against the Queen took place, and, gathering force from day to day, resulted in the proclamation of the Provisional Government and the abrogation of the monarchy on the third day thereafter.

No man can correctly say that the Queen owed her downfall to the interference of American forces. The revolution was carried through by the representatives, now largely reinforced, of the same public sentiment which forced the monarchy to its knees in 1887, which suppressed the insurrection of 1889, and which for twenty years has been battling for representative government in this country. If the American forces had been absent the revolution would have taken place, for the sufficient causes for it had nothing to do with their presence.

I, therefore, in all friendship of the Government of the United States, which you represent, and desiring to cherish the good will of the great American people, submit the answer of my Government to your proposition, and ask that you will transmit the same to the President of the United States for his consideration.

Though the Provisional Government is far from being "a great power" and could not long resist the forces of the United States in a hostile attack, we deem our position to be impregnable under all legal precedents, under the principles of diplomatic intercourse, and in the forum of conscience. We have done your Government no wrong; no charge of discourtesy is or can be brought against us. Our only issue with your people has been that, because we revered its institutions of civil liberty, we have desired to have them extended to our own distracted country, and because we honor its flag and deem that its beneficent and authoritative presence would be for the best interests of all of our people, we have stood ready to add our country, a new star, to its glory, and to consummate a union which we believed would be as much for the benefit of your country as ours. If this is an offense, we plead guilty to it.

I am instructed to inform you, Mr. Minister, that the Provisional Government of the Hawaiian Islands respectfully and unhesitatingly declines to entertain the proposition of the President of the United States that it should surrender its authority to the ex-Queen.

This answer is made not only upon the grounds hereinbefore set forth, but upon our sense of duty and loyalty to the brave men whose commissions we hold, who have faithfully stood by us in the hour of trial, and whose will is the only earthly authority we recognize. We cannot betray the sacred trust they have placed in our hands, a trust which represents the cause of Christian civilization in the interests of the whole people of these islands.

With assurances of the highest consideration,
I have, etc.,

SANFORD B. DOLE,
Minister of Foreign Affairs.

His Excellency ALBERT S. WILLIS,
U. S. Envoy Extraordinary and Minister Plenipotentiary.

Mr. Willis to Mr. Gresham.

No. 19.]

DECEMBER 23, 1893.

This communication simply transmits minister's salary account.

[Telegram.]

WASHINGTON, *January 12, 1894.*

W. A. COOPER,
*U. S. Dispatch Agent,
Post-Office Building, San Francisco, Cal.:*

Forward following telegram to Hon. A. S. Willis, U. S. minister,
Honolulu, by steamer *Mariposa* to-morrow.

W. Q. GRESHAM.

WILLIS,

WASHINGTON, *January 12, 1894.**Minister, Honolulu:*

Your numbers 14 to 18, inclusive, show that you have rightly comprehended the scope of your instructions, and have, as far as was in your power, discharged the onerous task confided to you.

The President sincerely regrets that the Provisional Government refuses to acquiesce in the conclusion which his sense of right and duty and a due regard for our national honor constrained him to reach and submit as a measure of justice to the people of the Hawaiian Islands and their deposed sovereign. While it is true that the Provisional Government was created to exist only until the islands were annexed to the United States, that the Queen finally, but reluctantly, surrendered to an armed force of this Government illegally quartered in Honolulu, and representatives of the Provisional Government (which realized its impotency and was anxious to get control of the Queen's means of defense) assured her that, if she would surrender, her case would be subsequently considered by the United States, the President has never claimed that such action constituted him an arbitrator in the technical sense, or authorized him to act in that capacity between the Constitutional Government and the Provisional Government. You made no such claim when you acquainted that Government with the President's decision.

The solemn assurance given to the Queen has been referred to, not as authority for the President to act as arbitrator, but as a fact material to a just determination of the President's duty in the premises.

In the note which the minister of foreign affairs addressed to you on the 23d ultimo it is stated in effect that even if the Constitutional Government was subverted by the action of the American minister and an invasion by a military force of the United States, the President's authority is limited to dealing with our own unfaithful officials, and that he can take no steps looking to the correction of the wrong done. The President entertains a different view of his responsibility and duty. The subversion of the Hawaiian Government by an abuse of the authority of the United States was in plain violation of international law and required the President to disavow and condemn the act of our offending officials, and, within the limits of his constitutional power, to endeavor to restore the lawful authority.

On the 18th ultimo the President sent a special message to Congress communicating copies of Mr. Blount's reports and the instructions given to him and to you. On the same day, answering a resolution of the House of Representatives, he sent copies of all correspondence since March 4, 1889, on the political affairs and relations of Hawaii, withholding, for sufficient reasons, only Mr. Stevens' No. 70 of October 8, 1892, and your No. 3 of November 16, 1893. The President therein announced that the conditions of restoration suggested by him to the Queen had not proved acceptable to her, and that since the instructions sent to you to insist upon those conditions he had not learned that the Queen was willing to assent to them. The President thereupon submitted the subject to the more extended powers and wider discretion of Congress, adding the assurance that he would be gratified to cooperate in any legitimate plan which might be devised for a solution of the problem consistent with American honor, integrity, and morality.

Your reports show that on further reflection the Queen gave her unqualified assent in writing to the conditions suggested, but that the

Provisional Government refuses to acquiesce in the President's decision.

The matter now being in the hands of Congress the President will keep that body fully advised of the situation, and will lay before it from time to time the reports received from you, including your No. 3, heretofore withheld, and all instructions sent to you. In the meantime, while keeping the Department fully informed of the course of events, you will, until further notice, consider that your special instructions upon this subject have been fully complied with.

GRESHAM.

Exhibit C

95
7569



L-206 STATE OF HAWAII
OFFICE OF ASSISTANT REGISTRAR
RECORDED

FEB 24, 2003 08:01 AM

Doc No(s) 2895104
on Cert(s) 505,052

Issuance of Cert(s) 637,651

/s/ CARL T. WATANABE
ASSISTANT REGISTRAR
CONVEYANCE TAX: \$177.02



7 1/2 24

LAND COURT

REGULAR SYSTEM

AFTER RECORDATION, RETURN BY: MAIL (X) PICK-UP ()

Mr & Mrs Kale Gumapac
16-643 #15
Kipimana Street
Keaau, HI 96749

TG: 200023300-13
TGE: A0-302-0454
Yvonne Santos

Lc
①

(Total Document Pages = 7)

Affects TMK: (3) 1-5-055-062 and TCT No. 505,052

WARRANTY DEED

THIS DEED is made this 17th day of April,
2002, by and between the following parties:

“Grantor”: **LINDA VIVIAN LITTLE**, single, and **ALICE EVELYN LITTLE**,
unmarried, both whose address is 1206 E. Turner Drive, Longview, Texas
75601-6705.

“Grantee”: **KALE KEPEKAIO GUMAPAC and DIANNE** DEE
GUMAPAC, husband and wife, whose address is 16-643 Kipimana Street
15, Keaau, Hawaii 96749.

W I T N E S S E T H:

That in consideration of the sum of TEN DOLLARS (\$10.00) and other valuable consideration paid by the Grantee, the receipt of which is hereby acknowledged, the Grantor does hereby grant, bargain, sell and convey unto the Grantee, in fee simple, all of that certain property described in *Exhibit "A"* attached hereto and by reference made a part hereof, as **Tenants by the Entirety**, and Grantee's assigns and the survivor of the Grantee and his or her heirs, devisees, personal representatives and assigns.

And the reversions, remainders, rents, issues and profits thereof and all of the estate, right, title and interest of the Grantor, both at law and in equity, therein and thereto.

TO HAVE AND TO HOLD the same, together with all buildings, improvements, rights, easements, privileges and appurtenances thereon and thereto belonging or appertaining or held and enjoyed therewith, unto the Grantee according to the tenancy herein set forth, forever.

AND, in consideration of the premises, the Grantor does hereby covenant with the Grantee that the Grantor is seised of the property herein described in fee simple; that said property is free and clear of and from all liens and encumbrances, except for the lien of real property taxes not yet by law required to be paid, and except as may herein specifically be set forth; that the Grantor has good right to sell and convey said property, as aforesaid; and, that the Grantor will WARRANT AND DEFEND the same unto the Grantee against the lawful claims and demands of all persons, except as aforesaid.

The rights and obligations of the Grantor and the Grantee shall be binding upon and inure to the benefit of their respective estates, heirs, personal representatives, successors, successors in trust and assigns. All obligations undertaken by two or more persons shall be deemed to be joint and several unless a contrary intention shall be clearly expressed elsewhere herein.

The conveyances herein set forth and the warranties of the Grantor concerning the same are expressly declared to be in favor of the Grantee, Grantee's assigns, and the survivor of the Grantee and his or her heirs, devisees, personal representatives and assigns.

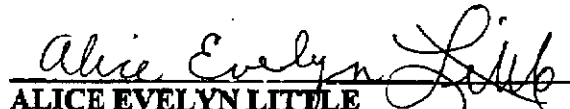
The terms "Grantor" and "Grantee," as and when used herein, or any pronouns used in place thereof, shall mean and include the masculine or feminine, the singular or plural number, individuals, partnerships, corporations, or fiduciaries and their and each of their respective successors, successors in trust, heirs, personal representatives and assigns, according to the context thereof. If these presents shall be signed by two or more

Grantors or by two or more Grantees, all covenants of such parties shall for all purposes be joint and several.


IN WITNESS WHEREOF, the Grantor has executed this *Warranty Deed* as of the day and year first above written.

GRANTOR:


LINDA VIVIAN LITTLE

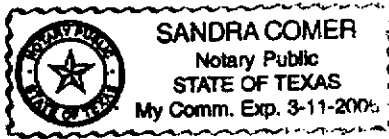

ALICE EVELYN LITTLE

APPROVED AS TO FORM:
TSUKAZAKI YEH & MOORE
A Limited Liability Law Company

By 
THOMAS L. YEH
November 24, 2000

STATE OF TEXAS)
COUNTY OF Gregg) ss.

On this 17 day of April, ²⁰⁰²~~2000~~, before me personally appeared **LINDA VIVIAN LITTLE**, to me known (or who has proven to me on the basis of satisfactory evidence) to be the person described in and who executed the attached *Warranty Deed*, and who acknowledged that she executed said instrument as her free act and deed.



[Seal]

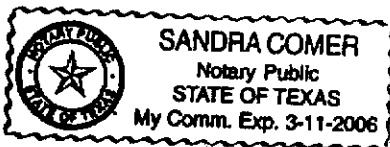
Sandra Comer
(Notary's signature)

SANDRA COMER
(Type/Print clearly notary's name)
Notary Public, State of Texas

My commission expires: 3-11-2006

STATE OF TEXAS)
COUNTY OF Gregg) ss.

On this 17 day of April, ²⁰⁰²~~2000~~, before me personally appeared **ALICE EVELYN LITTLE**, to me known (or who has proven to me on the basis of satisfactory evidence) to be the person described in and who executed the attached *Warranty Deed*, and who acknowledged that she executed said instrument as her free act and deed.



[Seal]

Sandra Comer
(Notary's signature)

SANDRA COMER
(Type/Print clearly notary's name)
Notary Public, State of Texas

My commission expires: 3-11-2006

EXHIBIT "A"

All of that certain parcel of land situate at Keaau, District of Puna, Island and County of Hawaii, State of Hawaii, described as follows:

-PARCEL FIRST:-

LOT 2787, area 1.00 acre, more or less, **BLOCK 7**, as shown on Map 58 filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 1053 (amended) of W. H. Shipman, Limited.

-PARCEL SECOND:-

An undivided 1/5750th interest in Lots 60, 62, 8297, 8363, 8385, 8387 and 3115 in Block 7, and Lot 1 in Block 10, as shown on Maps 10, 10, 55, 56, 56, 57, 58 and 65, respectively, of said Land Court Application No. 1053 (amended), and Lot 4-B, as shown on Map 2 of Land Court Application No. 1689 of W. H. Shipman, Limited, to be used in common with others entitled thereto for roadway and utility purposes only.

Being the land(s) described in Transfer Certificate of Title No. **505,052** issued to Linda Vivian Little, single, and Alice Evelyn Little, unmarried, as Joint Tenants.

BEING THE PREMISES ACQUIRED BY WARRANTY DEED

GRANTOR : COLUMBIA CEDAR PRODUCTS INCORPORATED,
a Hawaii corporation

GRANTEE : LINDA VIVIAN LITTLE, single, and ALICE EVELYN
LITTLE, unmarried, as Joint Tenants

DATED : January 30, 1998

FILED : Land Court Document No. 2436992

SUBJECT, HOWEVER, to the following:

-AS TO PARCEL SECOND:-

- (A) -AS TO LOTS 60 AND 62 ONLY:- A right of way in favor of Lot 58, as granted by Deed dated September 24, 1945 filed as Land Court Document No. 104733.
- (B) -AS TO LOT 62 ONLY:- Designation of Easement "29" for utility purposes, as shown on Map 10, as set forth by Land Court Order No. 17102 filed April 24, 1959.
- (C) -AS TO LOT 8387 ONLY:- Designation of Easement "30" for utility purposes, as shown on Map 57, as set forth by Land Court Order No. 17102 filed April 24, 1959.
- (D) -AS TO LOTS 62 AND 8387 ONLY:- Grant in favor of Hawaii Electric Light Company, Inc. dated April 24, 1959, filed as Land Court Document No. 236028, granting easements over said Easements "29" and "30".
- (E) -AS TO LOT 4-B ONLY:-
 - (1) Reservation in favor of the State of Hawaii of all mineral and metallic mines.
 - (2) Lease of right of way for utility purposes in favor of GTE Hawaiian Telephone Company Incorporated dated May 6, 1955, filed as Land Court Document No. 181820, for a term of 30 years from May 6, 1955, and thereafter from year to year until terminated by either party on ninety (90) days written notice.
 - (3) Unrecorded right of way in favor of Olaa Sugar Company, Limited.

- (F) Exception, reservation and power in favor of Hawaiian Paradise Park Corp., its successors and assigns, to grant licenses, easements and privileges to others in, over, across and through said roadway lots for utilities, access and other service purposes, as set forth in Deed dated October 15, 1965, filed as Land Court Document No. 382223.
- (G) -AS TO LOTS 8297 AND 8387 ONLY:- Final Order of Condemnation filed in Civil No. 89-212 in the Circuit Court of the Third Circuit, State of Hawaii, on August 20, 1990, filed as Land Court Document No. 2276014 on December 4, 1995, in favor of the State of Hawaii, condemning a portion of Lots 8297 and 8387 and more particularly described therein. *(Not noted on Transfer Certificate of Title referred to herein).*
- (H) Various waterline easements and grants appurtenant to all lots entitled thereto.
- (I) Rights of others who own undivided interest(s) in the land described herein.

Exhibit D

25

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L-404 STATE OF HAWAII
OFFICE OF ASSISTANT REGISTRAR
RECORDED
DEC 19, 2005 08:02 AM
Doc No(s) 3368985
on Cert(s) 637,651

I hereby certify that this is
a true copy from the records
of the Bureau of Conveyances.

[Signature]
Registrar of Conveyances
Assistant Registrar, Land Court
State of Hawaii



/s/ CARL T. WATANABE
ASSISTANT REGISTRAR

20 1/1 21

mm
STL
LL

After Recordation Return By: Mail Pickup To:

Argent Mortgage Company, LLC
P.O. Box 5047
Rolling Meadows, IL 60008

STC-419665/25050126

TMK:3-1-5-055-062

[Space Above This Line For Recording Data]

Total Pages ¹⁹ 20

MORTGAGE

DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

(A) "Security Instrument" means this document, which is dated December 12, 2005 together with all Riders to this document.

(B) "Borrower" is KALE KEPEKAIO GUMAPAC and DIANNE DEE GUMAPAC, Husband and Wife, As Tenants By the Entirety

Borrower is the mortgagor under this Security Instrument.

0091447151 - 9504

HAWAII-Single Family-Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

Form 3012 1/01

10510-6(HI) (0005)

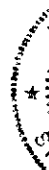
Page 1 of 15

Initials: *[Signature]*

VMP MORTGAGE FORMS - (800)821-7291

12/12/2005 11:43:27

006-01hi (05/2005)Rev.01



(C) "Lender" is Argent Mortgage Company, LLC

Lender is a Limited Liability Company organized and existing under the laws of Delaware Lender's address is 3 Park Plaza 10th Floor Irvine, CA 92614

Lender is the mortgagee under this Security Instrument.

(D) "Note" means the promissory note signed by Borrower and dated December 12, 2005 The Note states that Borrower owes Lender two hundred ninety thousand and 00/100

(U.S. \$290,000.00) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than January 1, 2036

(E) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."

(F) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.

(G) "Riders" means all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower [check box as applicable]:

- Adjustable Rate Rider
- Balloon Rider
- VA Rider
- Condominium Rider
- Planned Unit Development Rider
- Biweekly Payment Rider
- Second Home Rider
- 1-4 Family Rider
- Other(s) [specify]

(H) "Applicable Law" means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions.

(I) "Community Association Dues, Fees, and Assessments" means all dues, fees, assessments and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization.

(J) "Electronic Funds Transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.

(K) "Escrow Items" means those items that are described in Section 3.

(L) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.

(M) "Mortgage Insurance" means insurance protecting Lender against the nonpayment of, or default on, the Loan.

(N) "Periodic Payment" means the regularly scheduled amount due for (i) principal and interest under the Note, plus (ii) any amounts under Section 3 of this Security Instrument.

(O) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. Section 2601 et seq.) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to

0091447151 504
Invoice

01HI 10008

time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.

(P) "Successor in Interest of Borrower" means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to Lender, with power of sale, the following described property located in the County of HAWAII:

[Type of Recording Jurisdiction]

[Name of Recording Jurisdiction]

EXHIBIT A ATTACHED HERETO AND MADE A PART HEREOF:

Parcel ID Number: 1-5-055-062
15-1716 2ND AVENUE
KAAU
("Property Address"):

which currently has the address of
[Street]
[City], Hawaii 96749 [Zip Code]

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

0091447151 0604

Initials: *[Handwritten Signature]*

006-03hi (0005)

Page 3 of 15

12/12/2005 11:43:27 Form 3012 1/01

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. Payment of Principal, Interest, Escrow Items, Prepayment Charges, and Late Charges.

Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any prepayment charges and late charges due under the Note. Borrower shall also pay funds for Escrow Items pursuant to Section 3. Payments due under the Note and this Security Instrument shall be made in U.S. currency. However, if any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer.

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 15. Lender may return any payment or partial payment if the payment or partial payments are insufficient to bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payments in the future, but Lender is not obligated to apply such payments at the time such payments are accepted. If each Periodic Payment is applied as of its scheduled due date, then Lender need not pay interest on unapplied funds. Lender may hold such unapplied funds until Borrower makes payment to bring the Loan current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Borrower might have now or in the future against Lender shall relieve Borrower from making payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

2. Application of Payments or Proceeds. Except as otherwise described in this Section 2, all payments accepted and applied by Lender shall be applied in the following order of priority: (a) interest due under the Note; (b) principal due under the Note; (c) amounts due under Section 3. Such payments shall be applied to each Periodic Payment in the order in which it became due. Any remaining amounts shall be applied first to late charges, second to any other amounts due under this Security Instrument, and then to reduce the principal balance of the Note.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note.

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

3. Funds for Escrow Items. Borrower shall pay to Lender on the day Periodic Payments are due under the Note, until the Note is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over this Security Instrument as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums for any and all insurance required by Lender under Section 5; and (d) Mortgage Insurance premiums, if any, or any sums payable by Borrower to Lender in lieu of the payment of Mortgage Insurance premiums in accordance with the provisions of Section 10. These items are called "Escrow Items." At origination or at any time during the term of the Loan, Lender may require that Community

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Association Dues, Fees and Assessments, if any, be escrowed by Borrower, and such dues, fees and assessments shall be an Escrow Item. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. Borrower shall pay Lender the Funds for Escrow Items unless Lender waives Borrower's obligation to pay the Funds for any or all Escrow Items. Lender may waive Borrower's obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be in writing. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within such time period as Lender may require. Borrower's obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in this Security Instrument, as the phrase "covenant and agreement" is used in Section 9. If Borrower is obligated to pay Escrow Items directly, pursuant to a waiver, and Borrower fails to pay the amount due for an Escrow Item, Lender may exercise its rights under Section 9 and pay such amount and Borrower shall then be obligated under Section 9 to repay to Lender any such amount. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with Section 15 and, upon such revocation, Borrower shall pay to Lender all Funds, and in such amounts, that are then required under this Section 3.

Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under RESPA; and (b) not to exceed the maximum amount a lender can require under RESPA. Lender shall estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with Applicable Law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Lender shall not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and Applicable Law permits Lender to make such a charge. Unless an agreement is made in writing or Applicable Law requires interest to be paid on the Funds, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender can agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds as required by RESPA.

If there is a surplus of Funds held in escrow, as defined under RESPA, Lender shall account to Borrower for the excess funds in accordance with RESPA. If there is a shortage of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the shortage in accordance with RESPA, but in no more than twelve monthly payments. If there is a deficiency of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the deficiency in accordance with RESPA, but in no more than twelve monthly payments.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender.

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any, and Community Association Dues, Fees, and Assessments, if any. To the extent that these items are Escrow Items, Borrower shall pay them in the manner provided in Section 3.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith

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by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 4.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan.

5. Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Borrower.

If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 5 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law

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requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2.

If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 22 or otherwise, Borrower hereby assigns to Lender (a) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due.

6. Occupancy. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within 60 days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control.

7. Preservation, Maintenance and Protection of the Property; Inspections. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Whether or not Borrower is residing in the Property, Borrower shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 5 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of Borrower's obligation for the completion of such repair or restoration.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

8. Borrower's Loan Application. Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's principal residence.

9. Protection of Lender's Interest in the Property and Rights Under this Security Instrument. If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or

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regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 9, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 9.

Any amounts disbursed by Lender under this Section 9 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

10. Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan, Borrower shall pay the premiums required to maintain the Mortgage Insurance in effect. If, for any reason, the Mortgage Insurance coverage required by Lender ceases to be available from the mortgage insurer that previously provided such insurance and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the Mortgage Insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the Mortgage Insurance previously in effect, from an alternate mortgage insurer selected by Lender. If substantially equivalent Mortgage Insurance coverage is not available, Borrower shall continue to pay to Lender the amount of the separately designated payments that were due when the insurance coverage ceased to be in effect. Lender will accept, use and retain these payments as a non-refundable loss reserve in lieu of Mortgage Insurance. Such loss reserve shall be non-refundable, notwithstanding the fact that the Loan is ultimately paid in full, and Lender shall not be required to pay Borrower any interest or earnings on such loss reserve. Lender can no longer require loss reserve payments if Mortgage Insurance coverage (in the amount and for the period that Lender requires) provided by an insurer selected by Lender again becomes available, is obtained, and Lender requires separately designated payments toward the premiums for Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to maintain Mortgage Insurance in effect, or to provide a non-refundable loss reserve, until Lender's requirement for Mortgage Insurance ends in accordance with any written agreement between Borrower and Lender providing for such termination or until termination is required by Applicable Law. Nothing in this Section 10 affects Borrower's obligation to pay interest at the rate provided in the Note.

Mortgage Insurance reimburses Lender (or any entity that purchases the Note) for certain losses it may incur if Borrower does not repay the Loan as agreed. Borrower is not a party to the Mortgage Insurance.

Mortgage insurers evaluate their total risk on all such insurance in force from time to time, and may enter into agreements with other parties that share or modify their risk, or reduce losses. These agreements are on terms and conditions that are satisfactory to the mortgage insurer and the other party (or parties) to these agreements. These agreements may require the mortgage insurer to make payments using any source of funds that the mortgage insurer may have available (which may include funds obtained from Mortgage Insurance premiums).

As a result of these agreements, Lender, any purchaser of the Note, another insurer, any reinsurer, any other entity, or any affiliate of any of the foregoing, may receive (directly or indirectly) amounts that derive from (or might be characterized as) a portion of Borrower's payments for Mortgage Insurance, in exchange for sharing or modifying the mortgage insurer's risk, or reducing losses. If such agreement

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provides that an affiliate of Lender takes a share of the insurer's risk in exchange for a share of the premiums paid to the insurer, the arrangement is often termed "captive reinsurance." Further:

(a) Any such agreements will not affect the amounts that Borrower has agreed to pay for Mortgage Insurance, or any other terms of the Loan. Such agreements will not increase the amount Borrower will owe for Mortgage Insurance, and they will not entitle Borrower to any refund.

(b) Any such agreements will not affect the rights Borrower has - If any - with respect to the Mortgage Insurance under the Homeowners Protection Act of 1998 or any other law. These rights may include the right to receive certain disclosures, to request and obtain cancellation of the Mortgage Insurance, to have the Mortgage Insurance terminated automatically, and/or to receive a refund of any Mortgage Insurance premiums that were unearned at the time of such cancellation or termination.

11. Assignment of Miscellaneous Proceeds; Forfeiture. All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to Miscellaneous Proceeds.

Borrower shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if acceleration has occurred, reinstated as provided in Section 19, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

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All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

12. **Borrower Not Released; Forbearance By Lender Not a Waiver.** Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower. Lender shall not be required to commence proceedings against any Successor in Interest of Borrower or to refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities or Successors in Interest of Borrower or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy.

13. **Joint and Several Liability; Co-signers; Successors and Assigns Bound.** Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument but does not execute the Note (a "co-signer"): (a) is co-signing this Security Instrument only to mortgage, grant and convey the co-signer's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent.

Subject to the provisions of Section 18, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 20) and benefit the successors and assigns of Lender.

14. **Loan Charges.** Lender may charge Borrower fees for services performed in connection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note). Borrower's acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

15. **Notices.** All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. If Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated herein unless Lender has designated another address by notice to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually

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received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

16. Governing Law; Severability; Rules of Construction. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument or the Note conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision.

As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action.

17. Borrower's Copy. Borrower shall be given one copy of the Note and of this Security Instrument.

18. Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

19. Borrower's Right to Reinstate After Acceleration. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 18.

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Initials: *[Signature]*

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20. Sale of Note; Change of Loan Servicer; Notice of Grievance. The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower. A sale might result in a change in the entity (known as the "Loan Servicer") that collects Periodic Payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law. There also might be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA requires in connection with a notice of transfer of servicing. If the Note is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 15) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 22 and the notice of acceleration given to Borrower pursuant to Section 18 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 20.

21. Hazardous Substances. As used in this Section 21: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, hazardous substances in consumer products).

Borrower shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge, (b) any

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Initials: 
 8(HI) (0005)

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Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

22. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Section 18 unless Applicable Law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by Applicable Law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 22, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, Lender shall give Borrower notice of sale in the manner provided in Section 15. Lender shall publish a notice of sale and shall sell the Property at the time and place and under the terms specified in the notice of sale. Lender or its designee may purchase the Property at any sale. The proceeds of the sale shall be applied in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

23. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument. Borrower shall pay any recordation costs. Lender may charge Borrower a fee for releasing this Security Instrument, but only if the fee is paid to a third party for services rendered and the charging of the fee is permitted under Applicable Law.

24. Waivers. Borrower relinquishes all right of dower and curtesy in the Property.

009447151 8504
Initials: *[Handwritten Signature]*

009447151 -6(HI) (0005)

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it.

Witnesses:

Dianne Dee Gumapac (Seal)
 DIANNE DEE GUMAPAC -Borrower

Rale Kepepaio Gumapac (Seal)
 RALE KEPEPAIO GUMAPAC -Borrower

_____ (Seal)
 -Borrower

_____ (Seal)
 -Borrower

_____ (Seal)
 -Borrower

_____ (Seal)
 -Borrower

_____ (Seal)
 -Borrower

_____ (Seal)
 -Borrower

0091447151 - 9504

6(HI) (0005)

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STATE OF HAWAII,

County of Hawaii

SS:

On this

12th
Day

day of

DECEMBER 2005
Month/Year

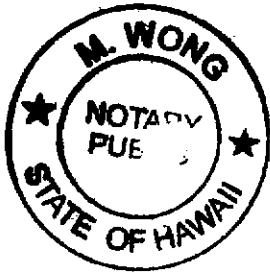
before me personally appeared

KALE KEPEKAIO GUMAPAL AND DIANNE DEE GUMAPAL

to me known to be the person described in and who executed the foregoing instrument and acknowledged that he/she/they executed the same as his/her/their free act and deed.

My Commission Expires:

JUN 05 2009



Notary Public, State of Hawaii

M. WONG



ADJUSTABLE RATE RIDER

(LIBOR Six-Month-Index (As Published in the Wall Street Journal)- Rate Caps)

THIS ADJUSTABLE RATE RIDER is made this 12th day of December, 2005 and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Adjustable Rate Note (the "Note") to Argent Mortgage Company, LLC (the "Lender") of the same date and covering the property described in the Security Instrument and located at:

15-1716 2ND AVENUE, KEAAU, HI 96749
 [Property Address]

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE MONTHLY PAYMENT. THE NOTE LIMITS THE AMOUNT THE BORROWER'S INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE THE BORROWER MUST PAY.

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial interest rate of 10.700%. The Note provides for changes in the interest rate and the monthly payments, as follows:

4. INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates

The interest rate I will pay may change on the first day of January, 2008, and on that day every sixth month thereafter. Each date on which my interest rate could change is called a "Change Date."

(B) The Index

Beginning with the first Change Date, my interest rate will be based on an index. The "Index" is the average of interbank offered rates for six-month U.S. dollar-denominated deposits in the London market ("LIBOR"), as published in the Wall Street Journal. The most recent Index figure available as of the date 45 days before each Change Date is called the "Current Index."

If the Index is no longer available, the Note Holder will choose a new index which is based upon comparable information. The Note Holder will give me notice of this choice.


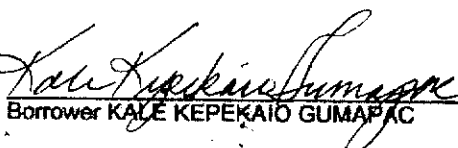
Initials 

Loan Number: 0091447151 - 9504

If all or any part of the Property or any interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by federal law. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

To the extent permitted by Applicable Law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender may also require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing. If Lender exercises the option to require immediate payment in full, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Adjustable Rate Rider.

 (Seal)  (Seal)
 Borrower DIANNE DEE GUMAPAC Borrower KALE KEPEKAIIO GUMAPAC

 Borrower (Seal) Borrower (Seal)

Loan Number: 0091447151 - 9504

EXHIBIT "A"

All of that certain parcel of land situate at Keaau, District of Puna, Island and County of Hawaii, State of Hawaii, described as follows:

Lot 2787, area 1.00 acre, more or less, Block 7, as shown on Map 58, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 1053 (amended) of W. H. Shipman, Limited;

TOGETHER WITH an undivided 1/5750 interest in Lots 60, 62, 8297, 8363, 8385, 8387 and 3115 in Block 7, and Lot 1 in Block 10; as shown on Maps 10, 10, 55, 56, 56, 57, 58 and 65, respectively, of said Land Court Application No. 1053 (amended); and Lot 4-b, as shown on Map 2 of Land Court Application No. 1689 of W. H. Shipman, Limited, to be used in common with others entitled thereto, for roadway and utility purposes only;

Being all of the land described in Transfer Certificate of Title No. 637,651.

Exhibit E

Stewart Title Guaranty Company

SCHEDULE A

Order No.: 25050126

Policy No.: M-9994-8370850

Liability: \$290,000.00

Premium Amount.: \$1,050.00

Date of Policy: December 19, 2005 at 8:02 a. m.

1. Name of Insured:

ARGENT MORTGAGE COMPANY, LLC, a Limited Liability Company, organized and existing under the laws Delaware

2. The estate or interest referred to herein is at Date of Policy vested in:

KALE KEPEKAI O GUMAPAC and **DIANNE DEE GUMAPAC**, husband and wife, as Tenants by the Entirety

3. The estate or interest in the land described in Schedule "C" and which is encumbered by the insured mortgage is:

FEE SIMPLE ESTATE

4. The mortgage, herein referred to as the insured mortgage, and the assignments thereof, if any, are described as follows:

MORTGAGE

Mortgagor: Kale Kepekaio Gumapac and Dianne Dee Gumapac, husband and wife, as Tenants by the Entirety

Mortgagee: Argent Mortgage Company, LLC, a Limited Liability Company, organized and existing under the laws Delaware

Dated: December 12, 2005

Recorded: December 19, 2005

Document No. 3368985

To Secure: \$290,000.00

5. The land referred to in this policy is described as follows:

SEE SCHEDULE C ATTACHED HERETO

Schedule B

EXCEPTIONS FROM COVERAGE

Order No.: 25050126

Policy No.: M-9994-8370850

PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorney's fees or expenses) which arise by reason of:

1. TAXES Tax Map Key: HAWAII 1-5-055-062

Hawaii 2005-2006 TAX ROLL

	2005	VALUE	EXEMPTION	NET
BLDG		144,300	111,800	32,500
LAND		14,600	0	14,600
TOTAL		158,900		47,100

Taxes for the Fiscal Year 2005-2006 are a lien; payable as follows:

1st Installment:	\$130.71	PAID
2nd Installment:	\$130.70	DUE FEBRUARY 20, 2006

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.

3. AS TO LOTS 60 AND 62 ONLY:

GRANT

In Favor of:	Lot 58
Dated:	September 24, 1945
Document No.	104733
Purpose:	Easement for right-of-way purposes over and across a portion of the land herein described

Schedule B

EXCEPTIONS FROM COVERAGE - (Continued)

Order No.: 25050126

Policy No.: M-9994-8370850

4. AS TO LOT 4-B ONLY:

- a) The terms and provisions of:

LEASE OF RIGHT-OF-WAY

In Favor of: Hawaiian Telephone Company, now known as Hawaiian Telcom, Inc., a Hawaii corporation

Dated: May 6, 1955, and thereafter from year to year until terminated

Document No. 181820

Term: 30 years from May 6, 1955, &c

Purpose: Easement for utility purposes over, under, across and through a portion of the land herein described

- b) Perpetual covenants as contained in Deed

Dated: October 15, 1965

Document No. 382223

Re: Reservation in favor of Hawaiian Paradise Park Corp., its successors and assigns, to grant licenses, easements and privileges to others in, over, across and through said roadway lots for utilities, access and other service purposes

- c) Unrecorded right of way in favor of Oloa Sugar Company, Limited, as set forth in Deed

Dated: February 24, 2003

Document No. 2895104

5. AS TO LOTS 62 AND 8387 ONLY:

- a) Easement 29 over and across Lot 62, as shown on Map 10, and Easement 30 over and across Lot 8387, as shown on Map 57, for utility purposes, as set forth by Land Court Order No. 17102, filed on April 24, 1959.

- b) GRANT

In Favor of: Hilo Electric Light Company, Limited, now known as Hawaii Electric Light Company, Inc.

Dated: April 24, 1959

Document No. 236028

Purpose: Easement for right-of-way purposes over and across a portion of the land herein described

Schedule B

EXCEPTIONS FROM COVERAGE - (Continued)

Order No.: 25050126

Policy No.: M-9994-8370850

6. AS TO LOTS 60, 62, 8297, 8363, 8385, 8387, 3115, 1 AND 4-B ONLY:

a) Reservations and exceptions as contained in:

DEED

Dated: July 22, 1964
Document No. 347375
to which reference is hereby made

b) AS TO LOTS 8297, 8363, 8385, 3115 AND 1 ONLY:

QUITCLAIM ASSIGNMENT OF RESERVATION OF RIGHTS

Said Hawaiian Paradise Park Corp., assigns all of their estate, right, title and interest in and to those certain exceptions, reservations and powers to grant licenses, easements and privileges to others in, over, across and through Roadway Lots for utilities, access and other service purposes, to Paradise Hui Hanalike, a Hawaii nonprofit corporation, as set forth by Land Court Order No. 77755, filed on April 2, 1986.

7. The effects, if any, of the Supreme Court opinion rendered on April 25, 1983, Supreme Court Case No. 8699, concerning road maintenance fees for the Hawaiian Paradise Park Subdivision, to-wit:

"Roads-abutting lot owners-duty to contribute to maintenance. Where a subdivision is created consisting of lots and private roadways servicing them and the lot deeds are silent as to any duty to contribute to the maintenance of the roads, owners of lots abutting the roads have a legal duty to contribute to necessary road maintenance."

(NOTE: Not noted on the Transfer Certificate of Title referred to herein.)

8. AS TO THE UNDIVIDED INTEREST IN LOTS 8297 AND 8387 ONLY:

FINAL ORDER OF CONDEMNATION - CIVIL NO. 89-212 - THIRD CIRCUIT COURT

In Favor of: State of Hawaii
Dated: August 20, 1990
Purpose: condemnation of a portion of the lots more particularly described therein

(NOTE: Not noted on the Transfer Certificate of Title referred to herein.)

Schedule B

PART II

Order No.: **25050126**

Policy No.: **M-9994-8370850**

In addition to the matters set forth in Part I of this Schedule, the title to the estate or interest in the land described or referred to in Schedule (A) is subject to the following matters, if any be shown, but the Company insures that these matters are subordinate to the lien or charge of the insured mortgage upon the estate or interest:

NONE

SCHEDULE C

All of that certain parcel of land situate at Keaau, District of Puna, Island and County of Hawaii, State of Hawaii, described as follows:

Lot 2787, area 1.00 acre, more or less, Block 7, as shown on Map 58, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 1053 (amended) of W. H Shipman, Limited;

TOGETHER WITH an undivided 1/5750 interest in Lots 60, 62, 8297, 8363, 8385, 8387 and 3115 in Block 7, and Lot 1 in Block 10; as shown on Maps 10, 10, 55, 56, 56, 57, 58 and 65, respectively, of said Land Court Application No. 1053 (amended); and Lot 4-b, as shown on Map 2 of Land Court Application No. 1689 of W. H. Shipman, Limited, to be used in common with others entitled thereto, for roadway and utility purposes only;

Being all of the land described in Transfer Certificate of Title No. 637,651.

ENDORSEMENT 100

Attached to and forming a part of
Policy No. M-9994-8370850
Issued by

Stewart Title Guaranty Company

The Company hereby insures against loss which the insured shall sustain by reason of any of the following matters:

1. Any incorrectness in the assurance which the Company hereby gives:
 - (a) That there are no covenants, conditions or restrictions under which the lien of the mortgage referred to in Schedule A can be cut off, subordinated, or otherwise impaired;
 - (b) That there are no present violations on the land of any enforceable covenants, conditions or restrictions;
 - (c) That, except as shown in Schedule B, there are no encroachments of buildings, structures or improvements located on the land onto adjoining lands, nor any encroachments onto the land of buildings, structures or improvements located on adjoining lands.
2.
 - (a) Any future violations on the land of any covenants, conditions or restrictions occurring prior to acquisition of title to the estate or interest referred to in Schedule A by the insured, provided such violations result in impairment or loss of the lien of the mortgage referred to in Schedule A, or result in impairment or loss of the title to the estate or interest referred to in Schedule A if the insured shall acquire such title in satisfaction of the indebtedness secured by the insured mortgage;
 - (b) Unmarketability of the title to the estate or interest referred to in Schedule A by reason of any violations on said land, occurring prior to acquisition of title to the estate or interest referred to in Schedule A by the insured, of any covenants, conditions or restrictions.
3. Damage to existing improvements, including lawns, shrubbery or trees
Which are located or encroach upon that portion of the land subject to any easement shown in Schedule B, which damage results from the exercise of the right to use or maintain such easement for the purposes for which the same was granted or reserved;
4. Any final court order or judgment requiring removal from any land adjoining the land of any encroachment shown in Schedule B.


Wherever in this endorsement any or all the words "covenants, conditions or restrictions" appear, they shall not be deemed to refer to or include the terms, covenants and conditions contained in any lease referred to in Schedule A.

For purposes of this endorsement, the words "covenants," "conditions" or "restrictions" shall not be deemed to refer to or include any covenants, conditions or restrictions relating to environmental protection, except to the extent that a notice of a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy and is not excepted in Schedule B.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.


**Security Title Corporation, as Agent for
Stewart Title Guaranty Company**

Dated: December 19, 2005 at 8:02 a. m.



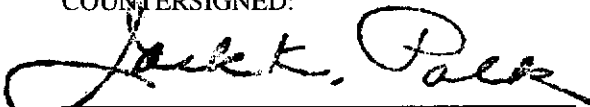
President





Chairman of the Board

COUNTERSIGNED:



Authorized Officer or Agent

ORDER NO. 25050126

ENDORSEMENT 110.9
Attached to and forming a part of
Policy No. M-9994-8370850
Issued by

Stewart Title Guaranty Company

The insurance afforded by this endorsement is only effective if the land is to be used primarily for residential purposes.

The Company insures the Insured against loss or damage sustained by reason of lack of priority of the lien of the insured mortgage over:

- (a) any environmental protection lien which, at Date of Policy, is recorded in those records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge, or filed in the records of the clerk of the United States District Court for the district in which the land is located, except as set forth in Schedule B; or
- (b) any environmental protection lien provided for by any state statute in effect at Date of Policy, except environmental protection liens provided by the following state statutes:

NONE

This endorsement is made a part of said policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

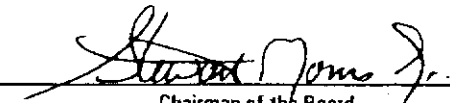
Dated: December 19, 2005 at 8:02 a. m.

**Security Title Corporation, as Agent for
Stewart Title Guaranty Company**



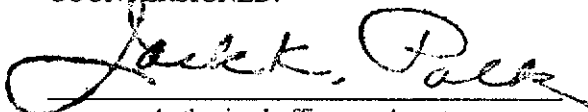
President





Chairman of the Board

COUNTERSIGNED:



Authorized officer or Agent

ORDER NO. 25050126

ENDORSEMENT 116

Attached to and forming a part of
Policy No. M-9994-8370850
Issued by

Stewart Title Guaranty Company

The Company assures the insured that at Date of Policy there is located on said land a **single family dwelling** known as **15-1716 2nd Avenue, Keaau, HI 96749** and that the map attached to this policy shows the correct location and dimensions of said land according to those records which, under the recording laws impart said notice as to said land.

The Company hereby insures the insured against loss which the insured shall sustain in the event that the assurance herein shall prove to be incorrect.

The total liability of the Company under said policy and any endorsements therein shall not exceed, in the aggregate, the face amount of said policy and costs which the Company is obligated under the conditions and stipulations thereof to pay,

This endorsement is made a part of said policy and is subject to the exclusions from coverage, schedules, conditions and stipulations therein, except as modified by the provisions hereof.

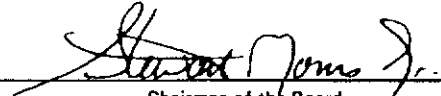
Dated: December 19, 2005 at 8:02 a. m.

**Security Title Corporation, as Agent for
Stewart Title Guaranty Company**



President





Chairman of the Board

COUNTERSIGNED:



Authorized officer or Agent

ORDER NO. 25050126

ENDORSEMENT 100.29
Attached to and forming a part of
Policy No. M-9994-8370850
Issued by

Stewart Title Guaranty Company

The Company insures the insured against loss which the insured shall sustain by reason of

damage to existing improvements, including lawns, shrubbery or trees, resulting from the exercise of any right to use the surface of the land for the extraction or development of the minerals excepted from the description of the land or shown as a reservation in Schedule B.

This endorsement is made a part of the policy and is subject to all the terms and provisions thereof and of any prior endorsements thereto. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof..

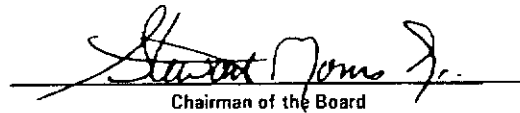
Dated: December 19, 2005 at 8:02 a. m.

**Security Title Corporation, as Agent for
Stewart Title Guaranty Company**



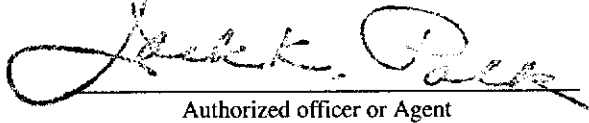
President





Chairman of the Board

COUNTERSIGNED:



Authorized officer or Agent

ORDER NO. 25050126

ENDORSEMENT 111.5

Attached to and forming a part of
Policy No. M-9994-8370850
Issued by

Stewart Title Guaranty Company

The Company insures the owner of the indebtedness secured by the insured mortgage against loss or damage sustained by reason of:

1. The invalidity or unenforceability of the lien of the insured mortgage resulting from the provisions therein which provide for changes in the rate of interest.
2. Loss of priority of the lien of the insured mortgage as security for the unpaid principal balance of the loan, together with interest as changed in accordance with the provisions of the insured mortgage, which loss of priority is caused by the changes in the rate of interest.

"Changes in the rate of interest", as used in this endorsement, shall mean only those changes in the rate of interest calculated pursuant to the formula provided in the insured mortgage at Date of Policy.


This endorsement does not insure against loss or damage based upon

- (a) usury, or
- (b) any consumer credit protection or truth in lending law.

This endorsement is made a part of the policy and is subject to all of the terms and provisions thereof and of any prior endorsements thereto, except that the insurance afforded by this endorsement is not subject to Section 3(d) of the Exclusions From Coverage. Except to the extent expressly stated, it neither modifies any of the terms and provisions of the policy and any prior endorsements, nor does it extend the effective date of the policy and any prior endorsements, nor does it increase the face amount thereof.

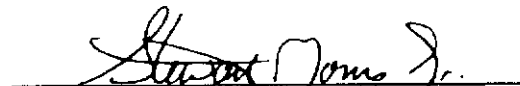
Dated: December 19, 2005 at 8:02 a. m.

**Security Title Corporation, as Agent for
Stewart Title Guaranty Company**




President





Chairman of the Board

COUNTERSIGNED:



Authorized officer or Agent

Exhibit F

Policy of Title Insurance

**Hawaii Standard
Owner's Policy
(1998)**

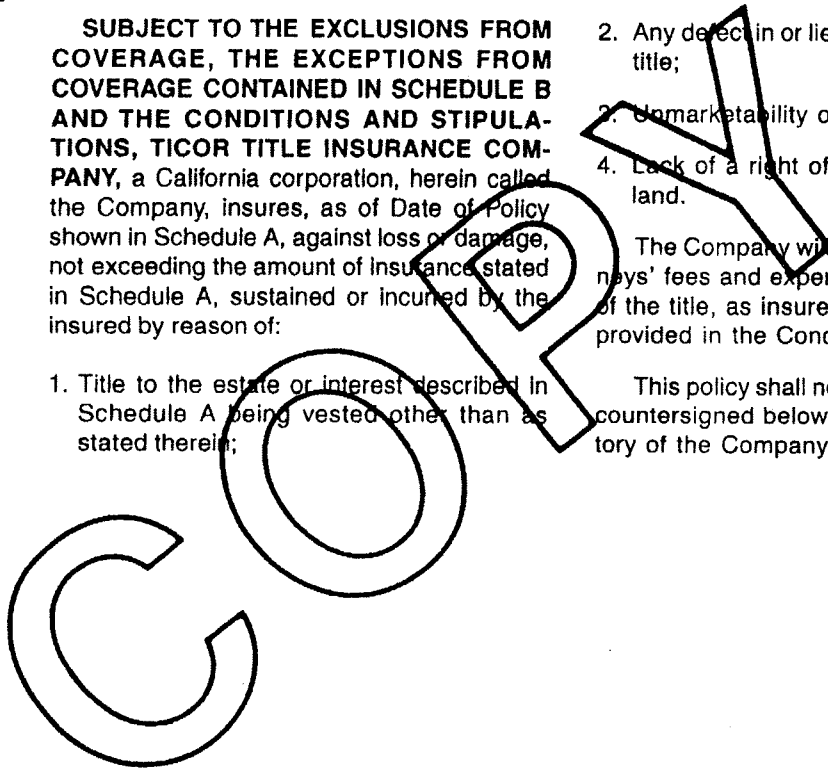
**SUBJECT TO THE EXCLUSIONS FROM
COVERAGE, THE EXCEPTIONS FROM
COVERAGE CONTAINED IN SCHEDULE B
AND THE CONDITIONS AND STIPULA-
TIONS, TICOR TITLE INSURANCE COM-
PANY, a California corporation, herein called
the Company, insures, as of Date of Policy
shown in Schedule A, against loss or damage,
not exceeding the amount of insurance stated
in Schedule A, sustained or incurred by the
insured by reason of:**

2. Any defect in or lien or encumbrance on the title;
3. Unmarketability of the title;
4. Lack of a right of access to and from the land.

The Company will also pay the costs, attorneys' fees and expenses incurred in defense of the title, as insured, but only to the extent provided in the Conditions and Stipulations.

1. Title to the estate or interest described in Schedule A being vested other than as stated therein;

This policy shall not be valid or binding until countersigned below by an authorized signatory of the Company.



Countersigned at Honolulu,
Hawaii, by Title Guaranty
of Hawaii, Incorporated
P.O. Box 3084
Honolulu, Hawaii 96802

TICOR TITLE INSURANCE COMPANY

By

President

Attest

Secretary

Authorized Signatory



Exclusions from Coverage

The following matters are expressly excluded from the coverage of this Policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant or any agent of the insured claimant and not disclosed in writing to the Company by the insured prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
 - (i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
 - (ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (a) to timely record the instrument of transfer; or
 - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.
5. Taxes, assessments or obligations levied or created for any public purpose or improvement, unless the amount thereof has been fixed, is payable and is shown as a lien in the public records at Date of Policy.
6. Any facts, rights, interest or claims which are not recorded in the public records at Date of Policy but which could be ascertained by an inspection of the land or by making inquiry of persons in possession thereof or of the lessors in any lease of the land.
7. Easements or claims of easements which are not recorded in the public records at Date of Policy.
8. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other facts which a correct survey or archaeological study would disclose.
9. Claims arising out of customary and traditional rights and practices, including without limitation those exercised for subsistence, cultural, religious, access or gathering purposes, as provided for in the Hawaii Constitution or the Hawaii Revised Statutes.
10. Rights or claims of persons or entities other than the insured involving or arising out of: mineral or metallic mines; geothermal resources; water; fishing, commerce or navigation; creation or loss of the land or any portion thereof by accretion, avulsion, erosion or artificial means; persons residing on or otherwise in possession of the land or any portion thereof; trails, roadways or other rights of way, including without limitation any such rights or claims under Chapter 264, Hawaii Revised Statutes.
11. Any lien (or claim of lien) for services, labor or material arising from an improvement or work related to the land, whether furnished before or after Date of Policy and regardless of the legal effective date of any such lien or claim, unless at the Date of Policy such lien or claim was recorded in the public records or filed in the Circuit Court pursuant to Chapter 507, Hawaii Revised Statutes.
12. Any claim arising as a result of the inability or failure of the insured to comply with applicable doing business laws of the State of Hawaii.

Conditions and Stipulations

1. DEFINITION OF TERMS

The following terms when used in this policy mean:

(a) "insured": the insured named in Schedule A, and, subject to any rights or defenses the Company would have had against the named insured, those who succeed to the interest of the named insured by operation of law as distinguished from purchase including, but not limited to, heirs, distributees, devisees, survivors, personal representatives, next of kin, or corporate or fiduciary successors.

(b) "insured claimant": an insured claiming loss or damage.

(c) "knowledge" or "known": actual knowledge, not constructive knowledge or notice which may be imputed to an insured by reason of the public records as defined in this policy or any other records which impart constructive notice of matters affecting the land.

(d) "land": the land described or referred to in Schedule A, or in Schedule C if not provided for in Schedule A, and improvements affixed thereto which by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in the applicable Schedule, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways, but nothing herein shall modify or limit the extent to which a right of access to and from the land is insured by this policy.

(e) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.

(f) "public records": records established under state statutes at Date of Policy for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge. With respect to Section 1(a)(iv) of the Exclusions from Coverage, "public records" shall also include environmental protection liens filed in the records of the clerk of the United States District Court for the district in which the land is located.

(g) "unmarketability of the title": an alleged or apparent matter affecting the title to the land, not excluded or excepted from coverage, which would entitle a purchaser of the estate or interest described in Schedule A to be released from the obligation to purchase by virtue of a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF INSURANCE AFTER CONVEYANCE OF TITLE

The coverage of this policy shall continue in force as of Date of Policy in favor of an insured only so long as the insured retains an estate or interest in the land, or holds an indebtedness secured by a purchase money mortgage given by a purchaser from the insured, or only so long as the insured shall have liability by reason of covenants or warranty made by the insured in any transfer or conveyance of the estate or interest. This policy shall not continue in force in favor of any purchaser from the insured of either (i) an estate or interest in the land, or (ii) an indebtedness secured by a purchase money mortgage given to the insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

The insured shall notify the Company promptly in writing (i) in case of any litigation as set forth in Section 4(a) below, (ii) in case knowledge shall come to an insured hereunder of any claim of title or interest which is

adverse to the title to the estate or interest, as insured, and which might cause loss or damage for which the Company may be liable by virtue of this policy, or (iii) if title to the estate or interest, as insured, is rejected as unmarketable. If prompt notice shall not be given to the Company, then as to the insured all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required; provided, however, that failure to notify the Company shall in no case prejudice the rights of any insured under this policy unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

4. DEFENSE AND PROSECUTION OF ACTIONS: DUTY OF INSURED CLAIMANT TO COOPERATE

(a) Upon written request by the insured and subject to the options contained in Section 6 of these Conditions and Stipulations, the Company, at its own cost and without unreasonable delay, shall provide for the defense of an insured in litigation in which any third party asserts a claim adverse to the title or interest as insured, but only as to those stated causes of action alleging a defect, lien or encumbrance or other matter insured against by this policy. The Company shall have the right to select counsel of its choice (subject to the right of the insured to object for reasonable cause) to represent the insured as to those stated causes of action and shall not be liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs or expenses incurred by the insured in the defense of those causes of action which allege matters not insured against by this policy.

(b) The Company shall have the right, at its own cost, to institute and prosecute any action or proceeding or to do any other act which in its opinion may be necessary or desirable to establish the title to the estate or interest, as insured, or to prevent or reduce loss or damage to the insured. The Company may take any appropriate action under the terms of this policy, whether or not it shall be liable hereunder, and shall not thereby concede liability or waive any provision of this policy. If the company shall exercise its rights under this paragraph, it shall do so diligently.

(c) Whenever the Company shall have brought an action or interposed a defense as required or permitted by the provisions of this policy, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves that right, in its sole discretion, to appeal from any adverse judgment or order.

(d) In all cases where this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding, the insured shall secure to the Company the right to so prosecute or provide defense in the action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of the insured for this purpose. Whenever requested by the Company, the insured, at the Company's expense shall give the Company all reasonable aid (i) in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement, and (ii) in any other lawful act which in the opinion of the Company may be necessary or desirable to establish the title to the estate or interest as insured. If the company is prejudiced by the failure of the insured to furnish the required cooperation, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such cooperation.

5. PROOF OF LOSS OR DAMAGE

In addition to and after the notices required under Section 3 of these Conditions and Stipulations have been provided the Company, a proof of loss or damage signed and sworn to by the insured claimant shall be furnished to the Company within 90 days after the insured claimant shall ascertain the facts giving rise to the loss or damage. The proof of loss or damage shall describe the defect in, or lien or encumbrance on the title, or other matter insured against by this policy which constitutes the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage. If the Company is prejudiced by the failure of the insured claimant to provide the required proof of loss or damage, the Company's obligations to the insured under the policy shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, with regard to the matter or matters requiring such proof of loss or damage.

In addition, the insured claimant may reasonably be required to submit to examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Policy, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the insured claimant shall grant its permission, in writing, for any authorized representative of the Company

to examine, inspect and copy all records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by the insured claimant provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgment of the Company, it is necessary in the administration of the claim. Failure of the insured claimant to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in this paragraph shall terminate any liability of the Company under this policy as to that claim.

6. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS: TERMINATION OF LIABILITY

In case of a claim under this policy, the Company shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Insurance.

To pay or tender payment in the amount of insurance under this policy together with any costs, attorneys' fees and expenses incurred by the insured claimant, which were authorized by the Company, up to the time of payment or tender of payment and which the Company is obligated to pay.

Upon the exercise by the Company of this option, all liability and obligations to the insured under this policy, other than to make the payment required, shall terminate, including any liability or obligation to defend, prosecute, or continue any litigation, and the policy shall be surrendered to the Company for cancellation.

(b) To Pay or Otherwise Settle with Parties Other than the Insured or With the Insured Claimant.

(i) to pay or otherwise settle with other parties for or in the name of an insured claimant any claim insured against under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by Company up to the time of payment and which the Company is obligated to pay; or

(ii) to pay or otherwise settle with the insured claimant the loss or damage provided for under this policy, together with any costs, attorneys' fees and expenses incurred by the insured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay.

Upon the exercise by the Company of either of the options provided for in paragraphs b(i) or (ii), the Company's obligations to the insured under this policy for the claimed loss or damage, other than the payments required to be made, shall terminate, including any liability or obligation to defend, prosecute or continue any litigation.

7. DETERMINATION, EXTENT OF LIABILITY AND COINSURANCE

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by the insured claimant who has suffered loss or damage by reason of matters insured against by this policy and only to the extent herein described.

(a) The liability of the Company under this policy shall not exceed the least of:

(i) the amount of insurance stated in Schedule A; or

(ii) the difference between the value of the insured estate or interest as insured and the value of the insured estate or interest subject to the defect, lien or encumbrance insured against by this policy.

(b) In the event the Amount of Insurance stated in Schedule A at the Date of Policy is less than 80 percent of the value of the insured estate or interest or the full consideration paid for the land, whichever is less, or if subsequent to the Date of Policy an improvement is erected on the land which increases the value of the insured estate or interest by at least 20 percent over the amount of insurance stated in Schedule A, then this Policy is subject to the following:

(i) where no subsequent improvement has been made, as to any partial loss, the Company shall only pay the loss pro rata in the proportion that the amount of insurance at Date of Policy bears to the total value of the insured estate or Interest at Date of Policy; or

(ii) where a subsequent improvement has been made, as to any partial loss, the Company shall only pay the loss pro rata in the proportion that 120 percent of the Amount of Insurance stated in Schedule A bears to the sum of the Amount of Insurance stated in Schedule A and the amount expended for the improvement.

The provisions of this paragraph shall not apply to costs, attorneys' fees and expenses for which the Company is liable under this policy, and shall only apply to that portion of any loss which exceeds, in the aggregate, 10 percent of the Amount of insurance stated in Schedule A.

(c) The Company will pay only those costs, attorneys' fees and expenses incurred in accordance with Section 4 of these Conditions and Stipulations.

8. APPORTIONMENT

If the land described in the applicable Schedule consists of two or more parcels which are not used as a single site, and a loss is established affecting one or more of the parcels but not all, the loss shall be computed and settled on a pro rata basis as if the amount of insurance under this policy was divided pro rata as to the value on Date of Policy of each separate parcel to the whole, exclusive of any improvements made subsequent to Date of Policy, unless a liability or value has otherwise been agreed upon as to each parcel by the Company and the insured at the time of the issuance of this policy and shown by an express statement or by an endorsement attached to this policy.

9. LIMITATION OF LIABILITY

(a) If the Company establishes the title, or removes the alleged defect, lien or encumbrance, or cures the lack of a right of access to or from the land, or cures the claim of unmarketability of title, all as insured, in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.

(b) In the event of any litigation, including litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title as insured.

(c) The Company shall not be liable for loss or damage to any insured for liability voluntarily assumed by the insured in settling any claim or suit without the prior written consent of the Company.

10. REDUCTION OF INSURANCE; REDUCTION OR TERMINATION OF LIABILITY

All payments under this policy, except payments made for costs, attorneys' fees and expenses, shall reduce the amount of the insurance pro tanto.

11. LIABILITY NONCUMULATIVE

It is expressly understood that the amount of insurance under this policy shall be reduced by any amount the Company may pay under any policy insuring a mortgage to which exception is taken in Schedule B or to which the insured has agreed, assumed, or taken subject, or which is hereafter executed by an insured and which is a charge or lien on the estate or interest described or referred to in Schedule A, and the amount so paid shall be deemed a payment under this policy to the insured owner.

12. PAYMENT OF LOSS

(a) No payment shall be made without producing this policy for endorsement of the payment unless the policy has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.

(b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within 30 days thereafter.

13. SUBROGATION UPON PAYMENT OR SETTLEMENT

(a) The Company's Right of Subrogation.

Whenever the Company shall have settled and paid a claim under this policy, all right of subrogation shall vest in the Company unaffected by any act of the insured claimant.

The Company shall be subrogated to and be entitled to all rights and remedies which the insured claimant would have had against any person or property in respect to the claim had this policy not been issued. If requested by the Company, the insured claimant shall transfer to the Company all rights

and remedies against any person or property necessary in order to perfect this right of subrogation. The insured claimant shall permit the Company to sue, compromise or settle in the name of the insured claimant and to use the name of the insured claimant in any transaction or litigation involving these rights or remedies.

If a payment on account of a claim does not fully cover the loss of the insured claimant, the Company shall be subrogated to these rights and remedies in the proportion which the Company's payment bears to the whole amount of the loss.

If loss should result from any act of the insured claimant, as stated above, that act shall not void this policy, but the Company, in that event, shall be required to pay only that part of any losses insured against by this policy which shall exceed the amount, if any, lost to the Company by reason of the impairment by the insured claimant of the Company's right of subrogation.

(b) The Company's Rights Against Non-Insured Obligors.

The Company's right of subrogation against non-insured obligors shall exist and shall include, without limitations, the rights of the insured to indemnities, guaranties, other policies of insurance or bonds, notwithstanding any terms or conditions contained in those instruments which provide for subrogation rights by reason of this policy.

14. ARBITRATION

Unless prohibited by applicable law, either the Company or the insured may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the insured arising out of or relating to this policy, any service of the Company in connection with its issuance or the breach of a policy provision or other obligation. All arbitrable matters when the Amount of Insurance is \$1,000,000 or less shall be arbitrated at the option of either the Company or the insured. All arbitrable matters when the Amount of Insurance is in excess of \$1,000,000, shall be arbitrated only when agreed to by both the Company and the insured; Arbitration pursuant to this policy and under the Rules in effect on the date the demand for arbitration is made or, at the option of the insured, the Rules in effect at Date of Policy shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permit a court to award attorneys' fees to a prevailing party. Judgment upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

The law of the situs of the land shall apply to an arbitration under the Title Insurance Arbitration Rules.

A copy of the Rules may be obtained from the Company upon request.

15. LIABILITY LIMITED TO THIS POLICY; POLICY ENTIRE CONTRACT

(a) This policy together with all endorsements, if any attached hereto by the Company is the entire policy and contract between the insured and the Company. In interpreting any provision of this policy, this policy shall be construed as a whole.

(b) Any claim of loss or damage, whether or not based on negligence, and which arises out of the status of the title to the estate or interest covered hereby or by any action asserting such claim, shall be restricted to this policy.

(c) No amendment of or endorsement to this policy can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

16. SEVERABILITY

In the event any provision of the policy is held invalid or unenforceable under applicable law, the policy shall be deemed not to include that provision, all other provisions shall remain in full force and effect.

17. NOTICES, WHERE SENT

All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this policy and shall be addressed to the Company at Titor Title Insurance Company, Claims Department, P.O. Box 2233, Los Angeles, California 90051.



SCHEDULE A

Premium: \$660.00
Amount of Insurance: \$178,000.00
Date of Policy: February 24, 2003 at 8:01 a.m.
Policy No.: T76-000020391
Agent's No.: 200023300

Hawaii Standard Owner's Policy (1998)

1. Name of Insured:

KALE KEPEKAIO GUMAPAC and DIANNE DEE GUMAPAC, husband and wife,
as Tenants by the Entirety, as Fee Owner

2. Title to the estate or interest in the land is vested in:

THE NAMED INSURED

3. The estate or interest in the land which is covered by this
policy is:

FEE SIMPLE

4. The land referred to in this policy is described as follows:

See Schedule C.

SCHEDULE B

All matters set forth in the paragraphs below the caption "Exclusions from Coverage" on the inside cover of this Policy and the following matters are expressly excluded from the coverage of this Policy and the Company will not pay loss or damage, costs, attorney's fees or expenses which arise by reason thereof.

1. Real Property Taxes have been fully paid up to and including June 30, 2003.

Tax Key: (3) 1-5-055-062 Area Assessed: 1.000 acre

Land Classification: HOMEOWNER

Street Address: 15-1712 SECOND AVENUE, KEAAU, HAWAII 96749

2. -AS TO PARCEL SECOND:-

(A) -AS TO LOTS 60 AND 62 ONLY:- A right of way in favor of Lot 58, as granted by Deed dated September 24, 1945, filed as Land Court Document No. 104733.

(B) -AS TO LOT 62 ONLY:- Designation of Easement "29" for utility purposes, as shown on Map 10, as set forth by Land Court Order No. 17102, filed April 24, 1959.

(C) -AS TO LOT 8387 ONLY:- Designation of Easement "30" for utility purposes, as shown on Map 57, as set forth by Land Court Order No. 17102, filed April 24, 1959.

SCHEDULE B CONTINUED

- (D) -AS TO LOTS 62 AND 8387 ONLY:- Grant in favor of Hawaii Electric Light Company, Inc., dated April 24, 1959, filed as Land Court Document No. 236028; granting easements over said Easements "29" and "30".
- (E) -AS TO LOT 4-B ONLY:-
- (1) Reservation in favor of the State of Hawaii of all mineral and metallic mines.
 - (2) Lease of right of way for utility purposes in favor of GTE Hawaiian Telephone Company Incorporated, now known as Verizon Hawaii, Inc., dated May 6, 1955, filed as Land Court Document No. 181820, for a term of 30 years from May 6, 1955, and thereafter from year to year until terminated by either party on ninety (90) days written notice.
 - (3) Unrecorded right of way in favor of Olaa Sugar Company, Limited.
- (F) Exception, reservation and power in favor of Hawaiian Paradise Park Corp., its successors and assigns, to grant licenses, easements and privileges to others in, over, across and through said roadway lots for utilities, access and other service purposes, as set forth in Deed dated October 15, 1965, filed as Land Court Document No. 382223.
- Said exception, reservation and power was assigned to Paradise Hui Hanalike, a Hawaii nonprofit corporation, by that certain Quitclaim Assignment of Reservation of Rights dated December 18, 1985, as referenced in Land Court Order No. 77755, filed April 2, 1986.
- (G) -AS TO LOTS 8297 AND 8387 ONLY:- Final Order of Condemnation filed in Civil No. 89-212 in the Circuit Court of the Third Circuit, State of Hawaii, on August 20, 1990, filed as Land Court Document No. 2276014 on December 4, 1995, in favor of the State of Hawaii, condemning a portion of Lots 8297 and 8387 more particularly described therein. (Not noted on Transfer Certificate of Title referred to herein)

SCHEDULE B CONTINUED

(H) Various waterline easements and grants appurtenant to all lots entitled thereto.

(I) Rights of others who own undivided interest(s) in the land described herein.

3. MORTGAGE

LOAN/ACCOUNT NO. 1001944-7000064195-0

MORTGAGOR : KALE KEPEKAIO GUMAPAC and DIANNE DEE GUMAPAC,
 husband and wife

MORTGAGEE : MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC.,
 solely as a nominee for FREMONT INVESTMENT & LOAN,
 a corporation organized and existing under the laws
 of California

DATED : February 11, 2003
FILED : Land Court Document No. 2895105
AMOUNT : \$115,000.00

END OF SCHEDULE B

SCHEDULE C

The land referred to in this policy is described as follows:

All of those certain parcels of land situate at Keaau, District of Puna, Island and County of Hawaii, State of Hawaii, described as follows:

-PARCEL FIRST:-

LOT 2787, area 1.00 acre, more or less, BLOCK 7, as shown on Map 58, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 1053 (amended) of W. H. Shipman, Limited;

-PARCEL SECOND:-

An undivided 1/5750 interest in Lots 60, 62, 8297, 8363, 8385, 8387 and 3115 in Block 7, and Lot 1 in Block 10; as shown on Maps 10, 10, 55, 56, 56, 57, 58 and 65, respectively, of said Land Court Application No. 1053 (amended); and Lot 4-B, as shown on Map 2 Land Court Application No. 1689 of W. H. Shipman, Limited, to be used in common with others entitled thereto, for roadway and utility purposes only;

Being the land(s) described in Transfer Certificate of Title No. 637,651 issued to KALE KEPEKAIO GUMAPAC and DIANNE DEE GUMAPAC, husband and wife, as Tenants by the Entirety.

GENERAL NOTES

1. There is hereby omitted from any covenants, conditions and reservations contained herein any covenant or restriction based on race, color, religion, sex, handicap, familial status or national origin, unless and only to the extent that said covenant (i) is exempt under Chapter 42, Section 3607 of the United States Code or (ii) relates to handicap but does not discriminate against handicapped persons.

Exhibit “4”

COPY

FILED
DISTRICT COURT OF
THE THIRD CIRCUIT
STATE OF HAWAII

2011 AUG 24 AM 7:57

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P. ANTIDA

Attorneys for Defendant
Dianne Dee Gumapac

IN THE DISTRICT COURT OF THE THIRD CIRCUIT

NORTH AND SOUTH HILO DIVISION

STATE OF HAWAII

DEUTSCHE BANK NATIONAL
TRUST COMPANY, AS TRUSTEE
IN TRUST FOR THE BENEFIT OF
THE CERTIFICATEHOLDERS FOR
ARGENT SECURITIES INC.,
ASSET-BACKED PASS-THROUGH
CERTIFICATES, SERIES 2006-W2,

Plaintiff,

vs.

DIANNE DEE GUMAPAC; JOHN DOES 1-
50; AND JANE DOES 1-50,

Defendants.

) **DC CIVIL NO. 3RC 11-1-150**
) **(EJECTMENT)**
)
) **ORDER: (1) GRANTING DEFENDANT**
) **DIANNE DEE GUMAPAC'S**
) **MOTION TO DISMISS PLAINTIFF'S**
) **VERIFIED COMPLAINT FOR**
) **EJECTMENT FILED FEBRUARY 9, 2011,**
) **FILED APRIL 29, 2011 AND (2) DENYING**
) **PLAINTIFF'S MOTION FOR SUMMARY**
) **JUDGMENT FILED APRIL 14, 2011**

) **Hearing:**
) **Date: July 1, 2011**
) **Time: 8:30 a.m.**
) **Judge: Hon. Harry P.N. Freitas**
)

**ORDER: (1) GRANTING DEFENDANT DIANNE DEE GUMAPAC'S MOTION
TO DISMISS PLAINTIFF'S VERIFIED COMPLAINT FOR EJECTMENT FILED
FEBRUARY 9, 2011, FILED APRIL 29, 2011 AND (2) DENYING PLAINTIFF'S
MOTION FOR SUMMARY JUDGMENT FILED APRIL 14, 2011**

I hereby certify that this is a full, true
and correct copy of the original on file
in my office.
P. Antida
Clerk, District Court of the Third Circuit,
State of Hawaii

Plaintiff's Motion for Summary Judgment and Writ of Possession filed herein on
April 14, 2011 and Defendant Dianne Dee Gumapac's, Motion to Dismiss Plaintiff's Verified
Complaint for Ejectment filed February 9, 2011, filed herein on April 29, 2011, having come on

for hearing before the Honorable Harry Freitas in his courtroom on July 1, 2011, Peter K. Keegan, Esq. having appeared for Plaintiff and Dexter K. Kaiama, Esq. having appeared for Defendant Dianne Dee Gumapac.

The court having carefully read and considered all the memoranda, declaration and exhibits presented, having heard and considered the oral arguments, and good cause appearing therefore,

IT IS HEREBY ORDERED that:

1. Defendant Dianne Dee Gumapac's Motion to Dismiss Plaintiff's Verified Complaint for Ejectment filed February 9, 2011, filed herein on April 29, 2011 is granted and Plaintiff's Verified Complaint for Ejectment filed February 9, 2011 is dismissed with prejudice as a question of title has been raised divesting this Court of Subject Matter Jurisdiction; and

2. Plaintiff's Motion for Summary Judgment and Writ of Possession filed herein on April 14, 2011 is ~~denied~~. *not*

DATED: Hilo , Hawai'i, August , 24 2011.

HARRY P. FREITAS (SEAL)

HONORABLE HARRY P.N. FREITAS
JUDGE OF THE ABOVE-ENTITLED COURT

APPROVED AS TO FORM:

Peter K. Keegan
Attorney for Plaintiff

IN THE DISTRICT COURT OF THE THIRD CIRCUIT
STATE OF HAWAII

DEUTSCHE BANK NATIONAL TRUST
COMPANY, AS TRUSTEE IN TRUST
FOR THE BENEFIT OF THE
CERTIFICATE HOLDERS FOR
ARGENT SECURITIES, INC.,
ASSET-BACKED PASS THROUGH
CERTIFICATES, SERIES 2006-W2

Plaintiff,

vs.

DIANNE DEE GUMAPAC; JOHN
DOES 1-50; AND JANE DOES
1-50,

Defendant.

CIVIL NO.
3RC11-1-000150

ORIGINAL

TRANSCRIPT OF PROCEEDINGS

before the Honorable Harry Freitas, Judge, District Court
Division, presiding on Friday, July 1, 2011.
(Transcribed from FTR)

HEARING ON PLAINTIFF'S MOTION FOR SUMMARY JUDGMENT.
HEARING ON DEFENDANT'S MOTION TO DISMISS.

APPEARANCES:

PETER KEEGAN
MICHAEL WONG
For Deutsche Bank National Trust Company

DEXTER KAIAMA
For Dianne Gumapac

REPORTED BY: Audrey Tanouye, CSR 225
Official Court Reporter, State of Hawaii
Audrey S. Tanouye, CSR 225
Official Court Reporter, State of Hawaii

1 FRIDAY, JULY 1, 2011

9:13 O'CLOCK A.M.

2 --000--

3 THE CLERK: Going to case number two from the 8:30
4 civil calendar 3RC 11-1-000150, Deutsche Bank National,
5 et cetera versus Dianne Dee Gumapac.

6 MR. KAIAMA: Gumapac.

7 THE CLERK: Gumapac. Thank you.

8 MR. KEEGAN: Peter Keegan on behalf of the
9 Plaintiff Deutsche Bank National Trust Company.

10 MR. WONG: Along with Mike Wong. Michael Wong.

11 MR. KAIAMA: Good morning, Your Honor. Dexter
12 Kaiama on behalf of Dianne Gumapac. Miss Gumapac is not
13 present. But, Your Honor, Mr. Kelly Gumapac who's also
14 on the mortgage is present in the courtroom.

15 THE COURT: I'm just -- I'm looking at the
16 Complaint, I didn't see Mr. Gumapac.

17 MR. KAIAMA: Yes. It's interesting, Your Honor,
18 Mr. Gumapac is not on the Complaint.

19 THE COURT: Any comment as to that, Mr. Keegan?

20 MR. KEEGAN: Ah, just one moment, Your Honor. I
21 need to, ah, review that.

22 Your Honor, if I may request a short recess? I
23 may have hurried this along more quickly than I had
24 anticipated.

25 THE COURT: Okay. Any comment?

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Official Court Reporter, State of Hawaii

1 MR. KAIAMA: No objection.

2 THE COURT: Okay, we'll take a recess.

3 MR. KEEGAN: Thank you, Your Honor.

4 THE COURT: If counsels want to talk you can come
5 back. Up to you.

6 THE CLERK: Court is in recess.

7 (Recessed at 9:15 a.m. and reconvened at 9:34 a.m.)

8 THE CLERK: All rise, court is reconvened.

9 You may be seated.

10 Recalling case number two on the civil calendar
11 3RC 11-1-000150, Deutsche Bank National et cetera versus
12 Dianne Dee Gumapac.

13 THE COURT: Okay. Court notes the presence of Mr.
14 Keegan and Mr. Wong on behalf of Plaintiffs, also Mr.
15 Kaiama on behalf of Defendants.

16 So earlier we were discussing the fact of Mr.
17 Gumapac not being in the paperwork or anything else,
18 where are we at as far as that is concerned?

19 MR. KEEGAN: Well, Your Honor, it appears that at
20 one point Mr. Gumapac did make an appearance but was not
21 added to this case. Ah, based on that, we would submit
22 on the argument. If Plaintiff's Counsel wishes to make
23 -- excuse me, if Defendant's Counsel wishes to make
24 further argument, we would just submit to the Court on
25 that argument.

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Official Court Reporter, State of Hawaii

1 THE COURT: When you say "argument" which argument
2 are we referring to?

3 MR. KEEGAN: On his Motion to Dismiss or in
4 opposition to our Motion for Summary Judgment.

5 MR. KAIAMA: Under 12.1 --

6 THE COURT: Okay, so you're not going to address
7 the fact that Mr. Gumapac is or may be on the deed and
8 may have a right to title? And you want me to just
9 address the fact that Ms. Gumapac has been brought into
10 this action and we're just going to address her portion
11 of it?

12 MR. KEEGAN: That's correct, Your Honor. As Mr.
13 Gumapac was never given proper notice under service, we
14 request we move forward in the instant matter.

15 THE COURT: Okay.

16 MR. KAIAMA: Your Honor, I think since the issue
17 has been raised I'm obligated to inform the Court that
18 it's clear -- and it's also attached to their motion,
19 Your Honor, and part of the exhibit -- the mortgage. And
20 the mortgage itself is attached as Exhibit Four. Clearly
21 indicates that Mr. Gumapac was one of parties to the
22 mortgage along with Miss Gumapac.

23 So it's our position, Your Honor, that the -- that
24 the whole process that they went through as far as
25 foreclosing of course is invalid. Mr. Gumapac was never

1 given notice of a foreclosure sale. Never given any
2 notice to evict the property. So that because of his
3 interest in the property, Your Honor, it's our position
4 that they can't move forward with this Complaint against
5 Miss Gumapac and that their Complaint should be
6 dismissed.

7 THE COURT: Any comment, Mr. Keegan? As you can
8 see he is not even touching your motions. He is going
9 all the way back to the initial portion of it.

10 MR. KEEGAN: I see that, Your Honor. I can't
11 speak to whether Mr. Gumapac was given notice, because I
12 don't know at the current time what the status of service
13 was on the Defendants. And that is not at issue and has
14 not been brought forward.

15 I would request, if anything, that the current
16 motions before the Court be ruled on, invalidating the
17 foreclosure. Something that I believe is what the
18 Defendant is referring to right now. I don't believe
19 there is sufficient evidence that he has put forth for
20 his clients indicating that Mr. Gumapac did not receive
21 proper notice of the foreclosure as he was on the
22 mortgage. I don't have the note in front of me either.
23 And I request that Your Honor refrain from ruling on that
24 matter in the instant case, because those are not issues
25 before the Court in a eviction case.

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Official Court Reporter, State of Hawaii

1 THE COURT: I was under the impression the deed
2 was attached, or the mortgage.

3 MR. KAIAMA: It is Exhibit Four as part of their
4 exhibits, Your Honor.

5 THE COURT: Okay. If I remember correctly, I want
6 to say was February 24th, 2003, filed or --

7 MR. KAIAMA: According to this Exhibit Four,
8 actually it was recorded on December 19th, 2005, Your
9 Honor.

10 THE COURT: Okay. You have a whole bunch of
11 exhibits so can I ask Exhibit Four in which portion?
12 Which motion?

13 MR. KAIAMA: Oh, actually, Your Honor, it is
14 actually -- what I'm referring to is they provided Your
15 Honor, the Court, an exhibit list.

16 THE COURT: Okay.

17 MR. KAIAMA: And this is the bank's exhibit list.
18 And it is Exhibit Four to their exhibit list.

19 THE COURT: Okay.

20 MR. KAIAMA: And it provides mortgage recorded
21 12/19/05.

22 Your Honor, if I may briefly address the position
23 taken by Mr. Keegan? It is their Complaint, Your Honor.
24 There is nothing in their Complaint which provides --
25 only notice that they provide in their complaints and in

1 their motion papers, including the Notice of Foreclosure,
2 only addresses Mrs. Gumapac. There is nothing in
3 anything -- they haven't provided a single shred of
4 evidence to provide that Notice of Foreclosure was given
5 to Mr. Gumapac, that he received Notice of Foreclosure.
6 In fact, the Notice of Foreclosure again doesn't include
7 his name. Or that he was provided any notice to vacate
8 the premises.

9 THE COURT: Mr. Keegan, would you agree that Mr.
10 Gumapac is on one of the deeds? I'm still trying to find
11 that exhibit, I'm sorry, gentlemen.

12 MR. KAIAMA: If I may, Your Honor, I can approach
13 the bench.

14 MR. KEEGAN: I can provide you a copy, Your Honor,
15 as well.

16 THE COURT: Okay. Either that or you can just
17 tell me whether or not he's on it. I would take your
18 word for it.

19 MR. KEEGAN: Yes, Your Honor, the defendant, ah,
20 Mr. Gumapac is on Exhibit Four submitted in our exhibit
21 list.

22 THE COURT: Okay.

23 MR. KEEGAN: The mortgage.

24 THE COURT: Okay, then --

25 MR. KEEGAN: Excuse me, he was not made a

1 defendant though, as my co-counsel had just pointed out.
2 But he is a co-mortgagee.

3 THE COURT: Okay. Then I'm going to rule that
4 just based on that fact alone, that the question of title
5 exists in this matter. And I'm going to grant the Motion
6 to Dismiss.

7 I'll deny the Motion for Summary Judgment based on
8 the fact that I'm granting the Motion to Dismiss. And
9 that's it.

10 MR. KEEGAN: Thank you, Your Honor.

11 THE COURT: Thank you very much, gentlemen.

12 MR. KAIAMA: Thanks, Judge.

13 THE CLERK: All rise. Court is in recess.

14 (9:40 a.m.)

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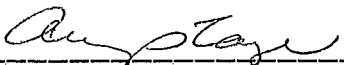
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STATE OF HAWAII)
COUNTY OF HAWAII)
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I, AUDREY TANOUYE, CSR 225, an Official Court reporter for the Third Circuit Court, State of Hawaii, hereby certify that the foregoing was transcribed to the best of my ability from the proceedings recorded by FTR for the above-entitled cause.

Dated this 30th day of August, 2011.

OFFICIAL COURT REPORTER



AUDREY S. TANOUYE, CSR 225

Audrey S. Tanouye, CSR 225
Official Court Reporter, State of Hawaii