

**Stephen Laudig,**  
**Attorney, HBN 8038**  
1914 University Avenue #103 • Honolulu Hawaiian Islands 96822  
Phone: 808-232-1935 • Email: SteveLaudig@gmail.com

1  
2 Monday, April 12, 2021

3  
4 Mr. Bruce A. Schoenberg  
5 Securities Enforcement Branch  
6 335 Merchant Street, Room 205  
7 Honolulu, HI 96810

8  
9 RE: *In the Matter of David Keanu Sai and Kau'i Sai-Dudoit a/k/a Kau'i Goodhue Case no.*  
10 *SEU-2018-0003*

11  
12 Aloha Mr. Schoenberg:

13  
14 On 15 March 2021 the State of Hawai'i [SOH] declared its intent to "commence an enforcement  
15 action against respondents Sai and Goodhue based upon their sale of unregistered Kingdom of  
16 Hawaii Exchequer Bonds, in violation of HRS § 485A-301."

17  
18 The SOH stated that "If your clients would like to resolve this matter prior to the commencement  
19 of formal litigation, please contact me by March 31, 2021."

20  
21 I communicated our response on 26 March 2021 which noted the SOH lacks jurisdiction in this  
22 matter.

23  
24 As of this date, there has been neither an acknowledgement of receipt, nor a response to our 26  
25 March communication by the SOH.

26  
27 In addition to the reasons stated in the communication of the 26<sup>th</sup>, I would add, noting, that

28  
29 **PART II. EXEMPTIONS FROM REGISTRATION OF SECURITIES**

30  
31 [§485A-201] Exempt securities. The following securities are exempt from the  
32 requirements of sections 485A-301 to 485A-305 and 485A-504:

33  
34 (2) A security issued, insured, or guaranteed by a foreign government with  
35 which the United States maintains diplomatic relations, or any of its political  
36 subdivisions, if the security is recognized as a valid obligation by the issuer,  
37 insurer, or guarantor;

38  
39 The only communication from the SOH which could be considered a reply to the communication  
40 of the 26<sup>th</sup> is an 8 April communication from the SOH asking whether I would "accept service  
41 of process on behalf of Mr. Sai and Ms. Goodhue in the above-referenced matter."

42  
43 I have consulted with my clients. I am not authorized to accept service of process until the SOH:  
44 1] acknowledges receipt of the communication of the 26<sup>th</sup>; and, 2] responds to the points made  
45 in it regarding the United States' explicit recognition of the continuity of the Hawaiian Kingdom

46 as a State and the Council of Regency as its government, which it did during arbitral proceedings  
47 at the Permanent Court of Arbitration (PCA) between 8 November 1999, when the arbitral  
48 proceedings were initiated, and 9 June 2000 when the arbitral tribunal was formed. This explicit  
49 recognition by the U.S. Department of State, acting through its embassy in The Hague which sits  
50 as a member of the PCA Administrative Council, triggers the *Supremacy Clause*. According to  
51 the USPS, your office received the communication of 26 March on 29 March.

52  
53 As stated in that communication, the actions taken by the SOH have serious repercussions under  
54 U.S. constitutional law and also international humanitarian law. These include the war crime  
55 of usurpation of sovereignty. This non-response is an acquiescence to the facts and the law cited  
56 in that communication and precludes the SOH from proceeding without violating the *Supremacy*  
57 *Clause*.

58  
59 According to *Notes of Advisory Committee on Proposed Federal Rules of Evidence* (Rule 801):

60  
61 Under established principles an admission may be made by adopting or  
62 acquiescing in the statement of another. While knowledge of contents would  
63 ordinarily be essential, this is not inevitably so: “X is a reliable person and knows  
64 what he is talking about.” See McCormick §246, p. 527, n. 15. Adoption or  
65 acquiescence may be manifested in any appropriate manner. When silence is  
66 relied upon, the theory is that the person would, under the circumstances, protest  
67 the statement made in his presence, if untrue.<sup>1</sup>

68  
69 Furthermore, according to the New York Court of Appeals, in *People v. Vining*, 2017 NY Slip Op  
70 01144:

71  
72 An adoptive admission occurs “when a party acknowledges and assents to  
73 something ‘already uttered by another person, which thus becomes effectively the  
74 party's own admission’” (People v Campney, 94 NY2d 307, 311 [1999], citing 4  
75 Wigmore, Evidence § 1609, at 100 [Chadbourn rev]). Assent can be manifested  
76 by silence, because “a party's silence in the face of an accusation, under  
77 circumstances that would prompt a reasonable person to protest, is generally  
78 considered an admission” (Robert A. Barker & Vincent C. Alexander, Evidence in  
79 New York State and Federal Courts § 8:17 [2016]; see also People v Koerner, 154  
80 NY 355, 374 [1897] [“If he is silent when he ought to have denied, the  
81 presumption of acquiescence arises”). We have also recognized that “an  
82 equivocal or evasive response may similarly be used against [a] party either as an  
83 adoptive admission by silence or an express assent” (Campney, 94 NY2d at 316  
84 [Smith, J., dissenting], quoting 2 McCormick, Evidence, op cit., § 262, at 176).  
85 Here, despite the dissent's characterization, the defendant was not silent in the  
86 face of the victim's accusations. He gave “equivocal or evasive response[s]” (id.).<sup>2</sup>

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88 My clients look forward to the SOH’s response to the communication and the specific points that  
89 were made. Upon receipt I will consult with my clients accordingly, regarding the SOH inquiry  
90 as to service of process.

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<sup>1</sup> Cornell Law School, Legal Information Institute, “Rule 801. Definitions That Apply to This Article; Exclusions from Hearsay,” [https://www.law.cornell.edu/rules/fre/rule\\_801](https://www.law.cornell.edu/rules/fre/rule_801). [Last accessed as of 14 April 2021]

<sup>2</sup> *People v. Vining*, 2017 NY Slip Op 01144, <https://law.justia.com/cases/new-york/court-of-appeals/2017/1.html>. [Last accessed 14 April 2021]

92 If you are of the opinion that I have a mis-stated either a fact, or a principle of international law,  
93 Hawaiian Kingdom law, or United States domestic law, I look forward to you providing what the  
94 SOH contends is authority that, in your opinion, contradicts any of the facts or counters any of  
95 the conclusions of law stated.

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97

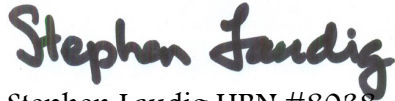
98 Sincerely,

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Stephen Laudig HBN #8038

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105 Via regular US Mail

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cc: U.S. State Department  
108 Royal Commission of Inquiry  
109 Governor Hon. David Ige  
110 Lieutenant Governor Hon. Josh Green  
111 Attorney General Hon. Clare E. Connors  
112 Adjutant General Hon. Kenneth Hara  
113 President of the Senate Hon. Ron Kouchi  
114 Speaker of the House of Representatives Hon. Scott Saiki  
115 City & County of Honolulu Mayor Hon. Rick Blangiardi  
116 Hawai'i County Mayor Hon. Mitch Roth  
117 Maui County Mayor Hon. Michael Victorino  
118 Kaaui County Mayor Hon. Derek Kawakami  
119 United States Senator Hon. Brian Schatz  
120 United States Senator Hon. Mazie Hirono  
121 United States Representative Hon. Ed Case  
122 United States Representative Hon. Kai Kahele  
123 National Lawyers Guild  
124 International Association of Democratic Lawyers