

January 24, 2017

Honorable Derrick H. M. Chan  
Ka`ahumanu Hale  
777 Punchbowl Street  
Honolulu, Hawai`i 96813

RE: Trustee Selection Process

Aloha e Judge Chan,

We the undersigned, all alumni of the Kamehameha Schools, approach this honorable court to express our concerns and share our recommendations regarding the current selection of Kamehameha trustees. In 2015, this court rendered a crucial decision in not reappointing trustee Janeen Olds to a second term, thereby upholding the integrity of the Board as well as acknowledging the concerns expressed by many in the community. These included the Kamehameha 'Ohana, mostly alumni, many of whom had participated in the tumultuous events of the late 90's surrounding our alma mater. But for their efforts, Kamehameha would not likely be where it is today, nor would the selection process be what it is today.

Our concerns are two-fold: trustee qualifications and the trustee selection process.

We believe strongly that the qualifications for trustees should align closely with the vision, mission and needs of Kamehameha Schools as articulated in its Strategic Vision 2040 that drives the Schools' twenty-five-year plan. These qualifications should reflect ethical character, professional expertise, commitment to Hawaiian culture and deep understanding of the trust and its benefactress. Specifically, we believe that prospective trustees, through their professional careers, community service and personal lives, will have already demonstrated:

- genuine concern for the well-being of native Hawaiians;
- deep understanding of the person and legacy of Princess Bernice Pauahi Bishop and how it is manifested and implemented in the mission of Kamehameha Schools;
- expertise in their chosen profession that will add to the total skill set of the Board of Trustees in the oversight of the schools;
- integrity, ethical conduct, moral character and servant leadership at the highest level; and
- strong commitment to advance the culture, language and traditions of native Hawaiians within the broad context of our modern society.

We believe these characteristics reflect the values that shaped Pauahi's worldview and the principles that guided her life. We also believe, very strongly, that they are vital to the continued transformation of Kamehameha Schools as a native Hawaiian institution

moving forward into the 21st Century. We ask the court to include these qualifications in the screening, selection and appointment of the replacement for Janeen Olds.

Our second concern is with the trustee selection process. Specifically, we believe the process for selecting trustees of Kamehameha Schools should be internally driven, not externally managed, as is the process currently in place. We offer three compelling reasons for this view.

First, internally managing the trustee selection process aligns with what is considered best practice for charitable trusts everywhere. Though the specific processes for trustee selection at these trusts may differ, the common thread that weaves its way through all are that they are internally driven and managed. We see no persuasive reason why Kamehameha must be different in this regard.

Second, as stated earlier, Kamehameha stakeholders, in large part alumni, challenged the flawed governance of Kamehameha Schools in the 1990's and led the way in removing the trustees who were responsible. In doing so, we clearly demonstrated the capacity to lead and act in the best interests of Kamehameha Schools. Within the ranks of the Kamehameha 'Ohana, there are the experience, wisdom and values to guide and steward the well being of our School. As important, are the purpose and resolve that prompted the Kamehameha 'Ohana to march quietly with the powerful message that *the time had come for decisions affecting Kamehameha to be made by us and not for us*, including the selection of our own trustees.

Third, precedent was set by the justices of the Hawai'i State Supreme Court in 1998 when they removed themselves from the selection process and gave that responsibility to the Probate Court. The Justices chose to name the Probate Court, but were not compelled to do so. That is our understanding, based on Pauahi's Will that directs the Justices of Hawai'i's Supreme Court, not the Supreme Court, to name successor trustees. If she intended the trustees to be selected by the court system, we believe she would have stated that desire clearly and explicitly. To the contrary, she designated the justices, acting as individuals. This is not surprising, since she would have held such men (they were all males at the time) in high regard and esteem for their wisdom, judgment and integrity. All of this is to say that internalizing the trustee selection process is the next step in its evolution that began in 1998.

Based on these reasons – alignment with best practice, responsible stewardship and precedent – we recommend the process for selecting trustees for Kamehameha Schools be changed by placing this responsibility entirely with Kamehameha stakeholders. This is the right thing to do.

This being said, we recognize that achieving our goal to change the selection process will require further thought and deliberation. We intend to engage a broader cross section of Kamehameha stakeholders in crafting a new process. However, the court can begin this process of involving our stakeholders now by appointing a new screening committee for the replacement of Janeen Olds consisting of representatives of the Kamehameha 'Ohana vis-a-vis representatives of the larger community, as the existing committee is currently comprised. We know of no other educational institution or charitable trust in Hawai'i that manages the selection of its board members through a panel of community members who are not stakeholders of these organizations. In this regard, Kamehameha should not be viewed in a different light.

The qualifications for trusteeship and the process for selecting trustees are critically important for Kamehameha Schools and its stakeholders. Recognizing that our concerns and recommendations raise a number of questions for the court, we are prepared to meet at any time to elaborate further. We greatly appreciate the court's understanding and patience in this matter and for taking the time to read our letter.

Me ke aloha pumehana,