

PSLU Committee

From: Tamara A. Paltin
Sent: Tuesday, January 19, 2021 12:04 PM
To: PSLU Committee
Subject: Fwd: PPT for Today's Presentation on Title Insurance
Attachments: MCC Land Use Committee (Title Insurance).pptx

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From: Keanu Sai, Ph.D. <keanu.sai@gmail.com>
Sent: Tuesday, January 19, 2021 12:03:31 PM
To: Tamara A. Paltin <Tamara.Paltin@mauicounty.us>
Subject: PPT for Today's Presentation on Title Insurance

--

Keanu Sai, Ph.D.
P.O. Box 4146
Hilo, HI 96720
Website <http://www2.hawaii.edu/~anu/>

Land Use, Land Title, and Title Insurance in consideration of Hawai‘i’s Status under International Law

Dr. Keanu Sai, *Head*
Royal Commission of Inquiry



United Nations Human Rights Expert



As a professor of international law, the former Secretary of the UN Human Rights Committee, co-author of book, *The United Nations Human Rights Committee Case Law 1977-2008*, and currently serving as the UN Independent Expert on the promotion of a democratic and equitable international order, I have come to understand that the lawful political status of the Hawaiian Islands is that of a sovereign nation-state in continuity; but a nation-state that is under a strange form of occupation by the United States resulting from an illegal military occupation and a fraudulent annexation. As such, international laws (the Hague and Geneva Conventions) require that governance and legal matters within the occupied territory of the Hawaiian Islands must be administered by the application of the laws of the occupied state (in this case, the Hawaiian Kingdom), not the domestic laws of the occupier (the United States).

To: Honorable Gary W. B. Chang, and
Honorable Jeannette H. Castagnetti, and
Members of the Judiciary for the State of Hawaii

Re: The case of Mme Routh Bolomet



As an organization committed to the mission that human rights and the rights of ecosystems are more sacred than property interests, the NLG is deeply concerned that international humanitarian law continues to be flagrantly violated with apparent impunity by the State of Hawai‘i and its County governments. This has led to the commission of war crimes and human rights violations of a colossal scale throughout the Hawaiian Islands. International criminal law recognizes that the civilian inhabitants of the Hawaiian Islands are “protected persons” who are afforded protection under international humanitarian law and their rights are vested in international treaties. There are no statutes of limitation for war crimes, as you must be aware.

We urge you, Governor Ige, to proclaim the transformation of the State of Hawai‘i and its Counties into an occupying government pursuant to the Council of Regency’s proclamation of June 3, 2019, in order to administer the laws of the Hawaiian Kingdom. [10] This would include carrying into effect the Council of Regency’s proclamation of October 10, 2014 that bring the laws of the Hawaiian Kingdom in the nineteenth century up to date. [11] We further urge you and other officials of the State of Hawai‘i and its Counties to familiarize yourselves with the contents of the recent eBook published by the RCI and its reports that comprehensively explains the current situation of the Hawaiian Islands and the impact that international humanitarian law and human rights law have on the State of Hawai‘i and its inhabitants. [12]

Best Regards,

National Lawyers Guild



Royal Commission of Inquiry

- The Royal Commission of Inquiry has acquired legal opinions from the following experts in international law:
 - Professor Matthew Craven, University of London, SOAS, School of Law, on the subject of the continuity of the Hawaiian Kingdom as a State under international law;
 - Professor William Schabas, Middlesex University London, School of Law on the subject of the elements of war crimes committed in the Hawaiian Kingdom;
 - Professor Federico Lenzerini, University of Siena, Italy, Department of Political and International Studies on the subject of human rights violations in the Hawaiian Kingdom and the right of self-determination



Legal Opinions under International Law

- The “writing of scholars” is a source international law as to the applicable rules to a given situation
- According to the U.S. Supreme Court, in *The Paquete Habana* (1900):
 - “where there is no treaty and no controlling executive or legislative act or judicial decision, resort must be had...to the works of jurists and commentators who by years of labor, research, and experience have made themselves peculiarly well acquainted with the subjects of which they treat. Such works are resorted to by judicial tribunals not for the speculations of their authors concerning what the law out to be, but for trustworthy evidence of what the law really is.”



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CHAPTER 5

INTERNATIONAL HUMAN RIGHTS LAW AND SELF-DETERMINATION OF PEOPLES RELATED TO THE UNITED STATES OCCUPATION OF THE HAWAIIAN KINGDOM

Professor Federico Lenzerini

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ertain subjects
prolonged



Royal Commission of Inquiry

- The Royal Commission of Inquiry (RCI) officially began its mandate with providing *Preliminary Reports* on certain subjects in order to bring awareness as to the scope of its investigative authority and the methods of its investigations
- The RCI's latest *Preliminary Report* addressed the status of land titles in Hawai'i, and its *Supplemental Report* addressed the role of title insurance in light of the defects in Hawai'i's land titles



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R-1063

STATE OF HAWAII
BUREAU OF CONVEYANCES
RECORDED

MAY 09, 1994 02:13 PM

Doc No(s) 94-076277

/s/ S. FURUKAWA
REGISTRAR OF CONVEYANCES

CONVEYANCE TAX: \$0.00

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

WHEREAS, the island of Kaho'olawe is a portion of public lands, formerly government lands of the Kingdom of Hawaii, which were ceded and transferred to the UNITED STATES by the Republic of Hawaii under the Joint Resolution Of Annexation of July 7, 1898, 30 Stat. 750, and pursuant to the Hawaii Organic Act of April 30, 1900, 31 Stat. 141; and

TO THE STATE OF HAWAII
FOR THE ISLAND OF KAHOLAWE, HAWAII

WHEREAS, under Hawaii's Admission Act, Public Law 86-3, 73 Stat. 4, and Public Law 88-233, 77 Stat. 472, public lands that are determined by the UNITED STATES to be surplus are to be conveyed to the State of Hawaii, hereinafter referred to as the "STATE"; and

WHEREAS, the island of Kaho'olawe is a portion of public lands, formerly government lands of the Kingdom of Hawaii, which were ceded and transferred to the UNITED STATES by the Republic of Hawaii under the Joint Resolution Of Annexation of July 7, 1898, 30 Stat. 750, and pursuant to the Hawaii Organic Act of April 30, 1900, 31 Stat. 141; and

WHEREAS, under Hawaii's Admission Act, Public Law 86-3, 73 Stat. 4, and Public Law 88-233, 77 Stat. 472, public lands that are determined by the UNITED STATES to be surplus are to be conveyed to the State of Hawaii, hereinafter referred to as the "STATE"; and



Two Significant Events *re* Land Titles

- *Black's Law Dictionary* defines a quitclaim deed as a conveyance that does NOT profess that “such title is valid, or containing any warranty or covenants for title”
- The significance of this 1994 conveyance by way of a “quitclaim deed,” is that the United States explicitly admits that it never acquired a warrantable title to any Government or Crown lands that numbered nearly 1.8 million acres
- Therefore, all Government and Crown lands conveyed by the United States, whether to private individuals, to the State of Hawai‘i under the Section 5 of the 1959 Statehood Act, or by the State of Hawai‘i to individuals thereafter, are all quitclaim deeds and not warranty deeds



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titles

1 LA RECENT DEVELOPMENTS IN TITLE
2 INSURANCE LAW
3 JEN *Jerel J. Hill, Amelia K. Steindorff, and Vanessa H. Widener*
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E-N

The court in *Gumapac v. Deutsche Bank National Trust* found that the owner's policy terminated at foreclosure.¹³ As a condition of a mortgage loan, the homeowners obtained a policy of title insurance for the benefit of the lender.¹⁴ Under the policy, it was the insured's duty to notify the insurer of any title defects.¹⁵ The homeowners defaulted on their mortgage and confusion over the rights and responsibilities claimed over the property prompted them to investigate possible title defects.¹⁶ The lender foreclosed and acquired the property; subsequently, a title report revealed a defect of title by virtue of an executive agreement between President Grover Cleveland and Queen Lili'uokalani of the Hawaiian Kingdom that rendered any notary actions unlawful. Thus, the deed of conveyance to the homeowners was nullified.¹⁷ The lender recorded its mortgagee's quitclaim deed pursuant to power of sale and the homeowners filed a breach of contract suit against Deutsche Bank for, among other things,

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22 CE
23 DE
24 TR
25 TH
26

Jerel J. Hill is the principal in the Law Office of Jerel J. Hill in Houston. Amelia K. Steindorff is a partner in the Birmingham, Alabama, office of Balch & Bingham LLP. Vanessa H. Widener is a partner in the Los Angeles office of Anderson, McPharlin & Connors LLP.



What is Title Insurance

- Most people are unaware as to what is title insurance and how it works
- Typical insurance policies, such as car insurance, insures against a “future” cause of damage
- Title insurance, however, insures against a “past” cause of damage, not a “future” cause of damage
- It is an agreement to indemnify, or pay out, for losses incurred by “on-record and off-record defects that are found in the title or interest in an insured property to have existed on the date of which the policy was issued”



What is Title Insurance

- According to *Black's Law Dictionary*, title insurance is a “policy issued by a title company after searching the title...and insuring the accuracy of its search against claims of title defects”
- In *Stewart Title Guaranty v. West*, the court stated, “the title insurer does not ‘guaranty’ the status of the grantor’s title. As an indemnity agreement, the insurer agrees to reimburse the insured for loss or damage sustained as a result of title problems, as long as the coverage for the damages incurred is not excluded from the policy”



“Title Report” vs. “Title Insurance Policy”

- A title report is a search of issues affecting title both on-record and off-record that traces the current title back to the original Patent
- According to the State of Hawai‘i Real Estate Commission, a title “report includes a search of the public records from the source of title, which may be as early as 1846, up to the current date and time”
- “On-record” is what is revealed in the Bureau of Conveyances, and “off-record” is what is revealed outside of the Bureau, such as government proclamations and decisions



The title report forms the basis for the issuance of the title insurance policy

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SCHEDULE A

~~Premium: \$1,203.75~~
~~Amount of Insurance: \$320,000.00~~
~~Date of Policy: March 15, 2019 at 8:01 a.m.~~
Policy No.: 7227111-98406234
Agent's No.: 201906927

Hawaii Standard Owner's Policy (11/1/10)

1. ~~Name of Insured:~~

DIANNE DEE DYER, single, as Tenant in Severalty, 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.

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SCHEDULE A

~~Premium: \$250.00~~
Amount of Insurance: \$256,000.00
~~Date of Policy: March 15, 2019 at 8:01 a.m.~~
Policy No.: 72307-98503768
Agent's No.: 201906927A
Address Reference: 15-1764 24TH AVENUE, KEAAU, HAWAII 96749

ALTA Loan Policy (06-17-06)

1. Name of Insured:

AXIA FINANCIAL, LLC., a Limited Liability Company, organized and existing under the laws of Washington

2. The estate or interest in the Land that is encumbered by the Insured Mortgage is:

FEE SIMPLE

3. Title is vested in:

DIANNE DEE DYER, single, as Tenant in Severalty, as Fee Owner

4. The Insured Mortgage and its assignments, if any, are described as follows:

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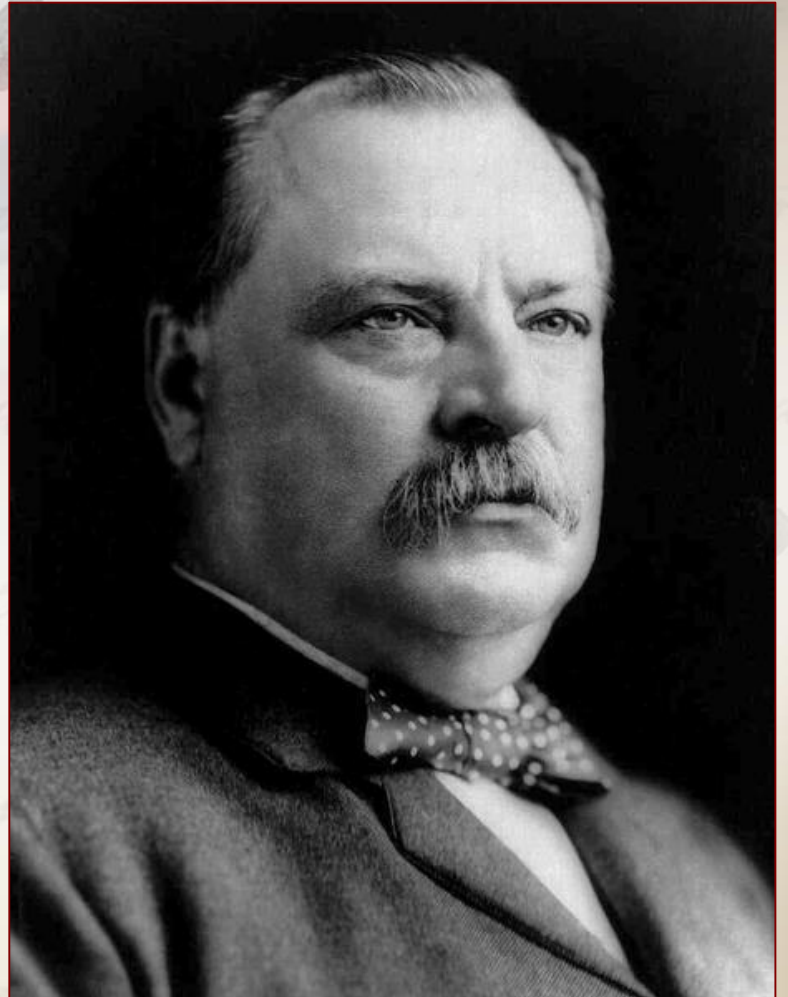
Calculating Loss from Damage

- Title insurance calculates the \$ amount of damage by taking the value of the property without the damage, which is what is the total amount of the coverage, minus the value of the property with the damage
- If there is a total loss of title, however, as a result of the title defect, the loss is the total amount of coverage in the policy
- A total loss of title of the owner/borrower renders a total loss of the mortgage where the loss paid to the lender is the remaining debt owed



Off-Record Defects in Hawai‘i Titles

- By direction of Hawai‘i’s Queen Lili‘uokalani, President Cleveland in March of 1893 initiated the investigation of the overthrow of the Hawaiian Kingdom government on January 17, 1893
- On December 18, 1893, the President reported to the Congress his findings and conclusions of the investigation



Off-Record Defects in Hawai‘i Titles

- President Cleveland’s Message to Congress:
 - “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*”



Off-Record Defects in Hawai‘i Titles

- President Cleveland’s Message to Congress:
 - “the Government of the Queen was undisputed and was both the *de facto* and the *de jure* government”
 - “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 declared it to exist”
 - “It was neither a government *de facto* nor *de jure*”



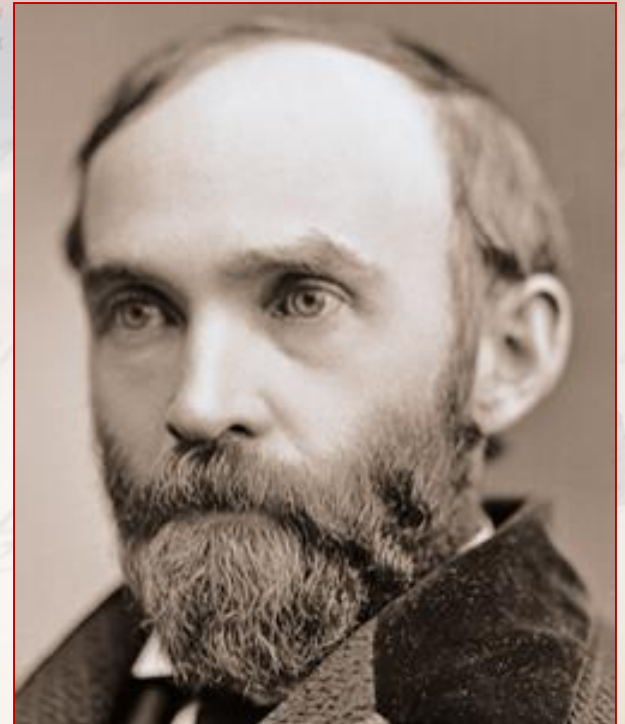
Off-Record Defects in Hawai‘i Titles

- President Cleveland’s Message to Congress:
 - “By an *act of war* 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”
 - “The provisional government owes its existence to an armed invasion by the United States”



Off-Record Defects in Hawai‘i Titles

- A month prior to Cleveland’s Message to Congress, U.S. Diplomat Albert Willis met with Queen Lili‘uokalani at the U.S. Legation in Honolulu
 - He conveyed to the Queen 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 her people might be redressed



Off-Record Defects in Hawai‘i Titles

- Willis stated that 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
- The Queen was then asked, 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?

Off-Record Defects in Hawai‘i Titles

- On December 18, 1893, the same day of Cleveland’s message to the Congress, the Queen agreed to the conditions of granting amnesty to the insurgents “after” she’s restored
- International law calls this type of agreement an *executive agreement, by exchange of notes*, which is a treaty
- Annexationists in the Congress, however, blocked Cleveland from restoring the Queen that consequently left the insurgents without amnesty, and, therefore, fugitives
- Under this treaty, the United States admits that the members of the provisional government were never a government but rather insurgents



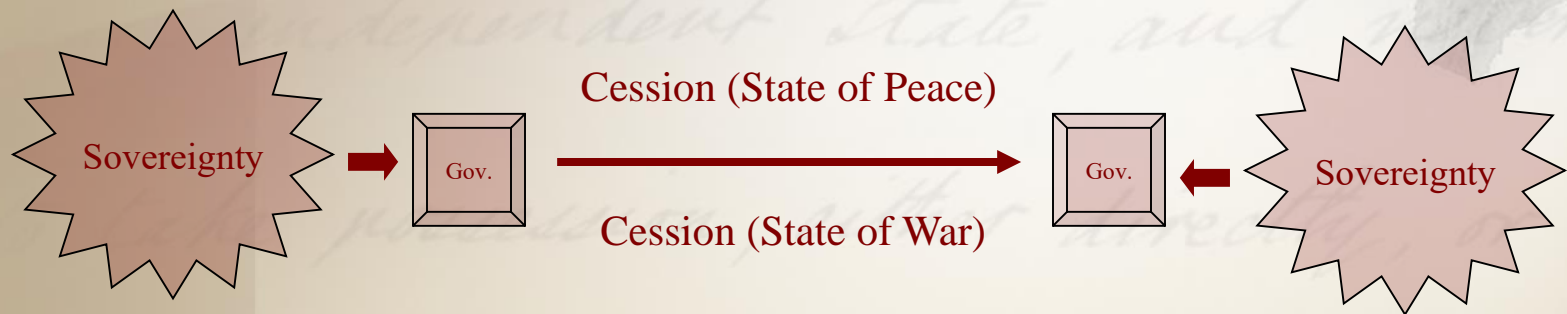
United States seizure of the Hawaiian Islands in 1898



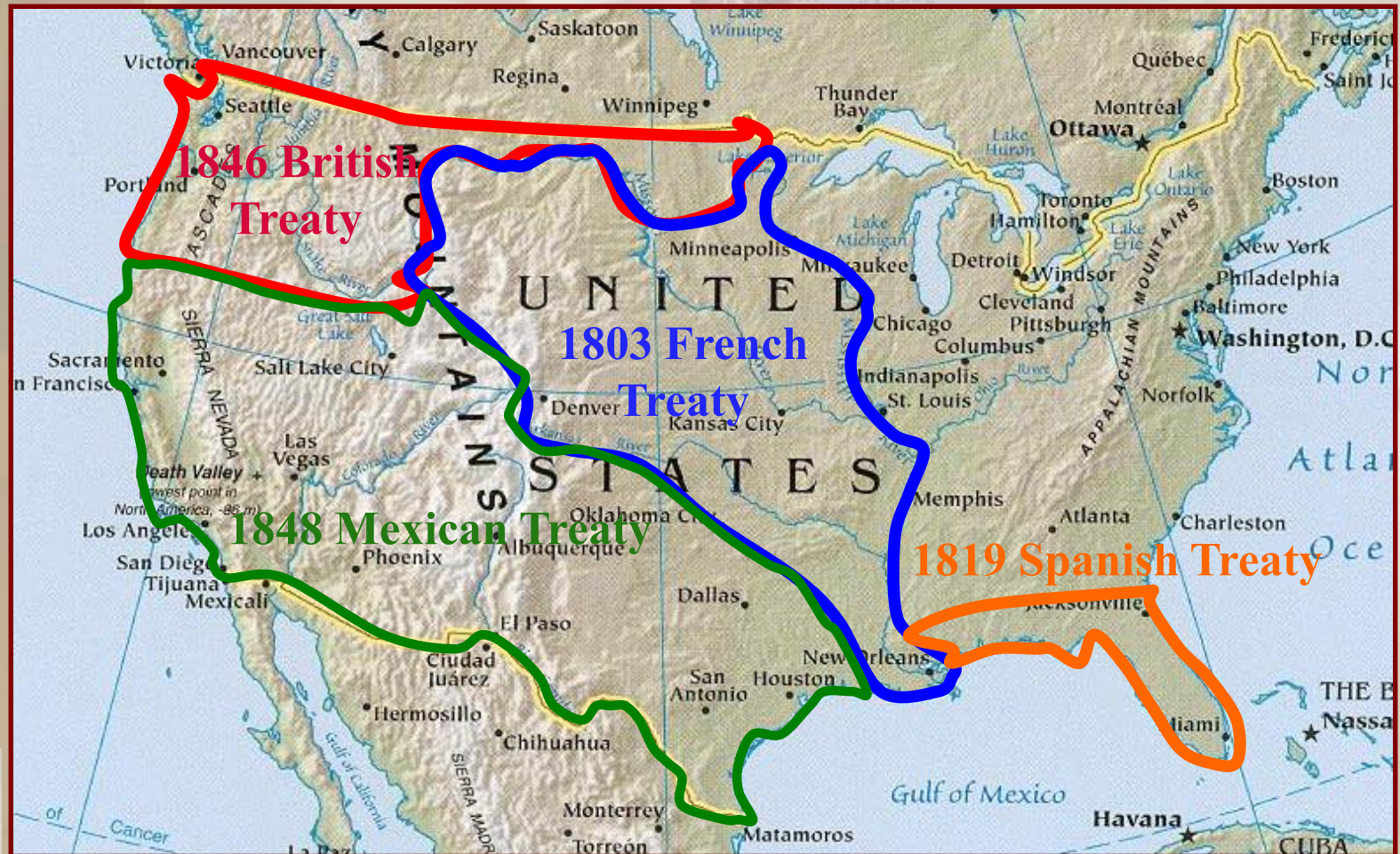
Cession of State Territory

According to Professor Oppenheim, leading expert in international law:

“Cession of State territory is the transfer of sovereignty over State territory by the owner-State to another State” and the “only form in which a cession can be effected is an agreement embodied in a treaty between the ceding and the acquiring State”

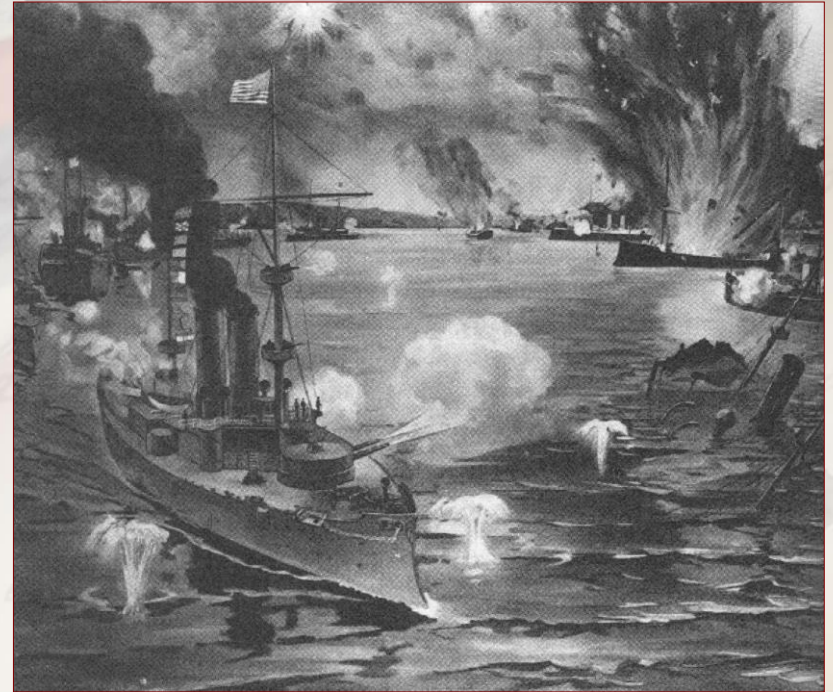


Territory Annexed by Treaty



1898 Spanish-American War

- April 21, 1898, United States declares war against the Kingdom of Spain and fights the Spanish in both Caribbean and the Pacific Oceans
- May 1, U.S. forces begin fighting Spanish forces in the colonies of the Philippines and Guam
- U.S forces in the Pacific need logistical support



The Battle of Manila Bay, May 1, 1898



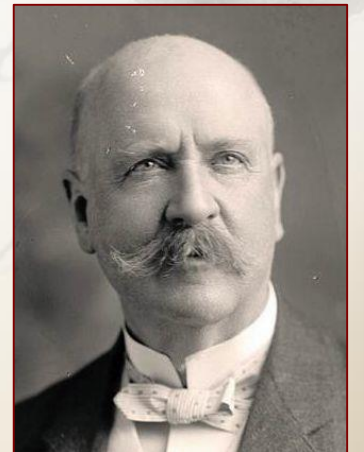
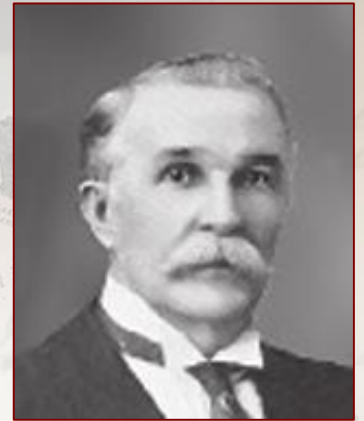
Off-Record Defects in Hawai‘i Titles

- May 4, 1898, House Representative Francis Newlands submits a Resolution proposing to annex the Hawaiian Islands to the *House Committee on Foreign Affairs*
- A Congressional *resolution* is not a source of international law, but a legislative action limited in authority to United States territory



Off-Record Defects in Hawai‘i Titles

- Congressman Thomas Ball (Texas) stated, “The annexation of Hawaii by joint resolution is unconstitutional, unnecessary, and unwise...that territory could only be constitutionally acquired by treaty”
- Senator Augustus Bacon (Georgia) stated, “the annexation of foreign territory was necessarily and essentially the subject-matter of a treaty, and that it could not be accomplished legally and constitutionally by a statute or joint resolution”

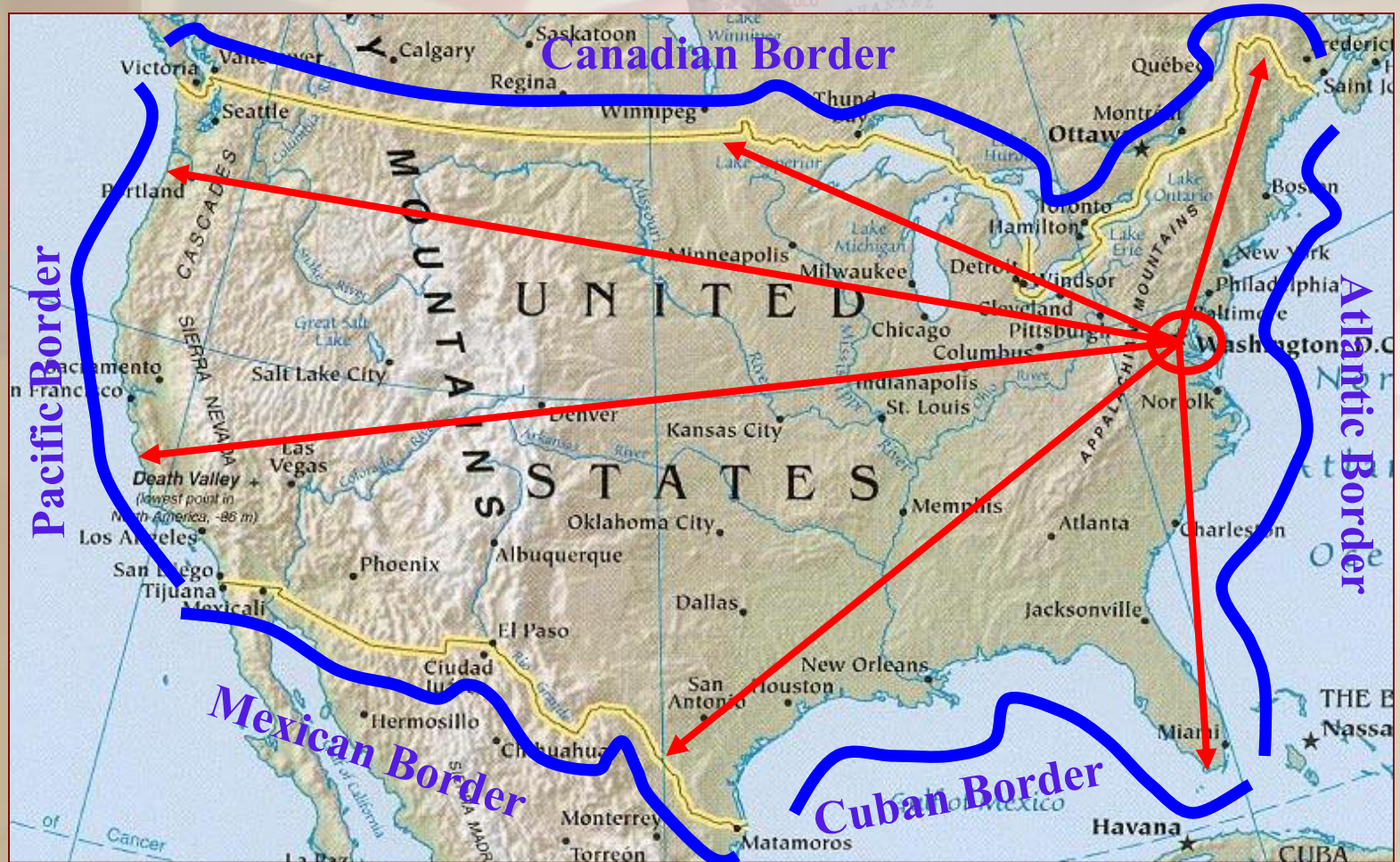


Off-Record Defects in Hawai‘i Titles

- Senator William Allen (Nebraska):
 - “The Constitution and the statutes are territorial in their operation; that is, they can not have any binding force or operation beyond the territorial limits of the government in which they are promulgated. In other words, the Constitution and statutes can not reach across the territorial boundaries of the United States into the territorial domain of another government and affect that government or persons or property therein.”
 - “The joint resolution is *ipso facto* null and void.”



Limitation of American Laws



Off-Record Defects in Hawai'i Titles

Public Law 86-3

March 18, 1959

AN ACT

United States, to overthrow the indigenous and lawful Government of Hawaii;

Whereas, in pursuance of the conspiracy to overthrow the Government of Hawaii, the United States Minister and the naval representatives of the United States caused armed naval forces of the United States to invade the sovereign Hawaiian nation on January 16, 1893, and to position themselves near the Hawaiian Government buildings and the Iolani Palace to intimidate Queen Liliuokalani and her Government;

Whereas, on the afternoon of January 17, 1893, a Committee of Safety that represented the American and European sugar planters, descendents of missionaries, and financiers deposed the Hawaiian monarchy and proclaimed the establishment of a Provisional Government;

Whereas the United States Minister thereupon extended diplomatic recognition to the Provisional Government that was formed by the United States and the principles of the Declaration of Independence, and is hereby accepted, ratified, and confirmed.

Territory.



million acres of Government and Crown Lands

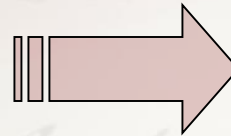
Limitation of U.S. Municipal Laws

- United States Supreme Court:
 - “Neither the Constitution nor the laws passed in pursuance of it have any force in foreign territory...
 - and operations of the nation in such territory must be governed by treaties, international understandings and compacts, and the principles of international law” *U.S. v. Curtiss-Wright Export*, 299 U.S. 304, 318 (1936)



Off-Record Defects in Hawai'i Titles

State Sovereignty
Hawai'i (1843)



Illegally
Overthrown
Hawaiian
Kingdom
1893
Government



Off-Record Defects in Hawai‘i Titles

- The Hawaiian Kingdom continues to exist as an independent State despite the United States admitted illegal overthrow of its government
- According to Judge Crawford:
 - “belligerent occupation does not affect the continuity of the State. The governmental authorities may be driven into exile or silenced, and the exercise of the powers of the State thereby affected. But it is settled that the powers themselves continue to exist”



Off-Record Defects in Hawai'i Titles



Permanent Court of Arbitration
PCA Case Repository

Larsen v. Hawaiian Kingdom

Case name Larsen v. Hawaiian Kingdom

Case description Lance Paul Larsen, a resident of Hawaii, brought a claim against the Hawaiian Kingdom by its Council of Regency ("Hawaiian Kingdom") on the grounds that the Government of the Hawaiian Kingdom is in continual violation of: (a) its 1849 Treaty of Friendship, Commerce and Navigation with the United States of America, as well as the principles of international law laid down in the Vienna Convention on the Law of Treaties, 1969 and (b) the principles of international comity, for allowing the unlawful imposition of American municipal laws over the claimant's person within the territorial jurisdiction of the Hawaiian Kingdom.

In determining whether to accept or decline to exercise jurisdiction, the Tribunal considered the questions of whether there was a legal dispute between the parties to the proceeding, and whether the tribunal could make a decision regarding that dispute, if the very subject matter of the decision would be the rights or obligations of a State not party to the proceedings.

The Tribunal underlined the many points of agreement between the parties, particularly with respect to the propositions that Hawaii was never lawfully incorporated into the United States, and that it continued to exist as a matter of international law. The Tribunal noted that if there existed a dispute, it concerned whether the respondent has fulfilled what both parties maintain is its duty to protect the Claimant, not in the abstract but against the acts of the United States of America as the occupant of the Hawaiian islands. Moreover, the United States' actions would not give rise to a duty of protection in international law unless they were themselves unlawful in international law. The Tribunal concluded that it could not determine whether the Respondent has failed to discharge its obligations towards the Claimant without ruling on the legality of the acts of the United States of America – something the Tribunal was precluded from doing as the United States was not party to the case.

Name(s) of claimant(s) Lance Paul Larsen (Private entity)

Name(s) of respondent(s) The Hawaiian Kingdom (State)



American Journal of International Law

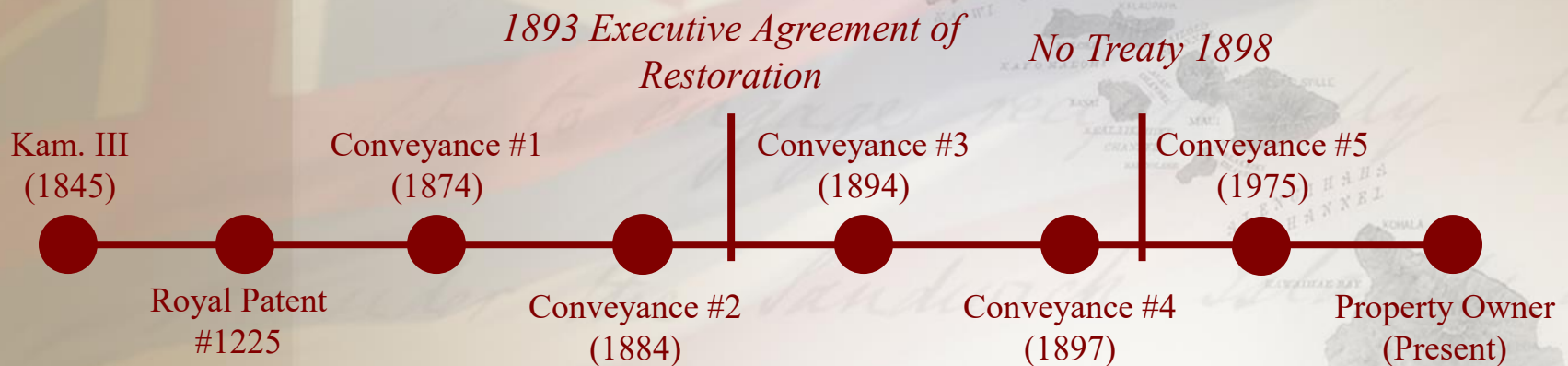
- “At the center of the PCA proceedings was that the Hawaiian Kingdom continues to exist and that the Hawaiian Council of Regency (representing the Hawaiian Kingdom) is legally responsible under international law for the protection of Hawaiian subjects, including the claimant”
- “In other words, the Hawaiian Kingdom was legally obligated to protect Larsen from the United States’ unlawful imposition over him of its municipal laws through its political subdivision, the State of Hawaii”
- “As a result of this responsibility, Larsen submitted, the Hawaiian Council of Regency should be liable for any international law violations that the United States had committed against him”



The Executive Agreement

- The consequence of President Cleveland's failure to restore the Queen under the executive agreement of restoration rendered all deeds of conveyance of real property and mortgages after January 17, 1893 void because:
 - the Registrar of Conveyances and notaries public were insurgents and members of the so-called provisional government and its successor the Republic of Hawai'i
- These insurgents were subject to the criminal statute of treason, which was the reasoning behind the executive agreement granting amnesty
- President Cleveland concluded they “were neither a government *de facto* nor *de jure*”

Chain of Title to Real Estate



Break in the Chain of Title:
Incompetent Notary & Registrar



Containing 38. ²⁰/₁₀₀ Acres
more or less; excepting and reserving to the Hawaiian Government all
mineral or metallic mines of every description.

To Have and to Hold the above granted Land in Fee Simple, unto the
said W. H. Cornwell. — his. — Heirs and Assigns forever.

My hand.
Witness ~~Ourself~~ at Honolulu, this 3
day of February, A.D. 1893, in the Second
year of Our Reign.

President
BY THE QUEEN:

The Minister of the Interior,

189

J. A. King.

18/ Sanford, B. Dole
President of the Provisional Government
of the Hawaiian Islands.
18/ Liliuokalani A.

Lender

cy

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:

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.

Company Name

City, State

File No.:

Chairman of the Board

Michael S. Sullivan
President

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 hereunder of any claim of title or interest that is adverse to the Title, 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, 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.

(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

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.

(b) because the instrument of transfer vesting Title as shown in Schedule A 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

12. 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.

IN WITNESS WHEREOF, CHICAGO TITLE INSURANCE COMPANY has caused this policy to be signed and sealed by its duly authorized officers.

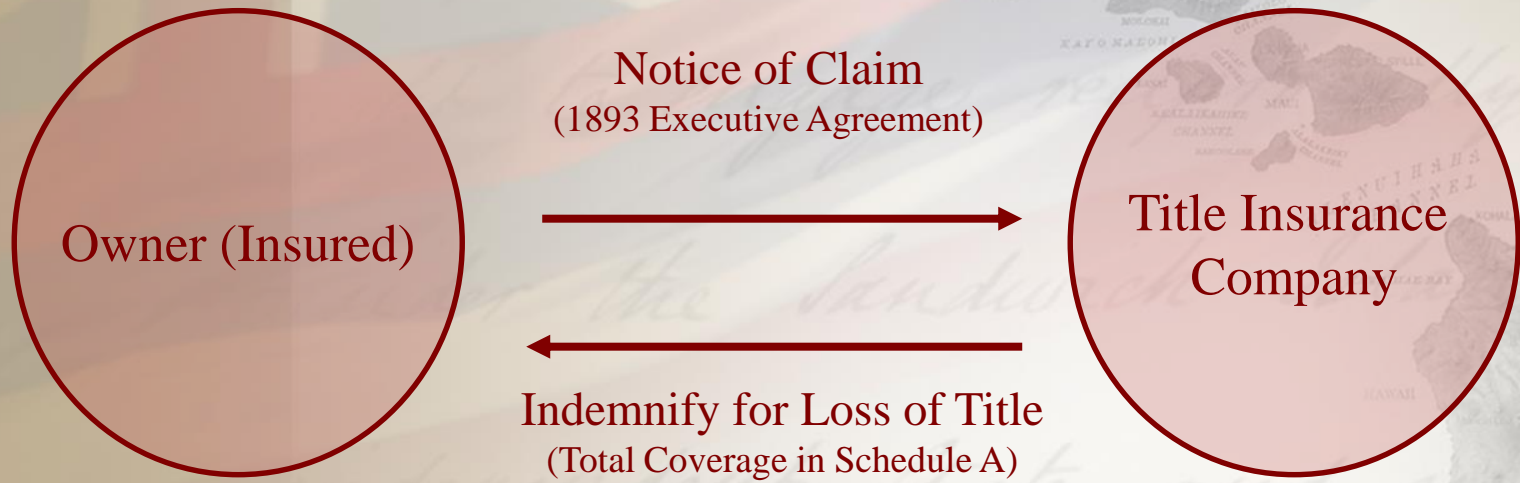
Issued by:

CHICAGO TITLE INSURANCE COMPANY

18. 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 Chicago Title Insurance Company, Attn: Claims Department, P. O. Box 45023, Jacksonville, Florida 32232-5023.

Owner's Claim





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

(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

4. PROOF OF LOSS

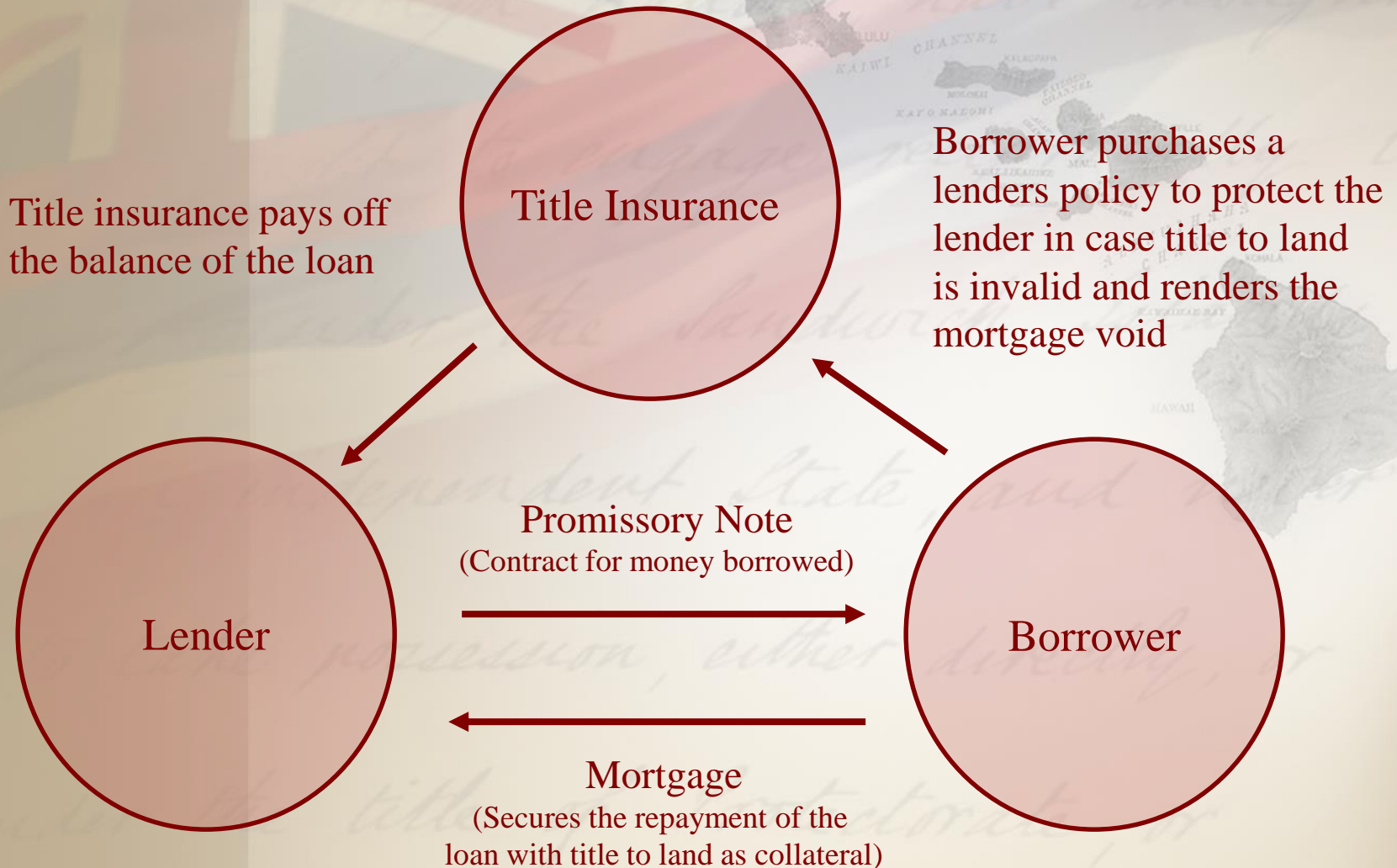
In the event the Company is unable to determine the amount of loss or damage, the Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, or other matter insured against by this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

IN WITNESS WHEREOF, CHICAGO TITLE INSURANCE COMPANY has caused this policy to be signed and sealed by its duly authorized officers

17. NOTICES, WHERE SENT

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Lender's Claim



Crown and Government Vested Right

- According to Hawaiian law, the Hawaiian government is vested as the owner of all Government lands and the Crown is vested as the owner of all Crown lands
- There is no evidence that the Hawaiian Government nor the Crown authorized the insurgency calling itself the provisional government or the so-called Republic of Hawai'i, or the United States, through its Territory of Hawai'i or the State of Hawai'i, to be its agent to convey Government lands or Crown lands
- All conveyances of Government and Crown lands conveyed by these entities after 1893 are null and void
- The Council of Regency is the Hawaiian Government and serves in the absence of the Crown and therefore is vested with the ownership of Government and Crown lands



Pending Foreclosures and Evictions

- The Royal Commission of Inquiry has notified the *American Land Title Association* and the *Mortgage Bankers Association of Hawai'i* that notices of claims under both an owner's title insurance policy and the lender's title insurance policy will be filed in accordance with the terms of the both policies
- Along with New Jersey, Florida, New York and Nevada, Hawai'i will be expecting an explosion of foreclosures according to the *Mortgage Bankers Association*
- Yesterday on MSNBC News there was a news story of a pending tsunami of evictions in California due to foreclosures caused by job losses resulting from the pandemic—COVID 19



Remedial Prescriptions

- The Council of Regency has taken the position that individuals, families and businesses can remain on their properties they reside or do business until the titles to property can be remedied in accordance with Hawaiian law
- In its Preliminary Report on the status of land titles, the Royal Commission of Inquiry explains how titles can be remedied under the heading “*Remedial Prescriptions*”
- If any lender commences foreclosures within the courts of the State of Hawai‘i, these proceedings would be considered criminal because the lenders have title insurance to recover their debt owed by the borrower

