

**FOR IMMEDIATE RELEASE**

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**GOP ACTIVIST CALLS FOR MASS RESIGNATIONS  
OF HAWAII REPUBLICAN PARTY OFFICIALS  
AND A COMPLETE AUDIT OF PARTY FINANCES  
AND REIMBURSEMENT OF ‘ LOOTED FUNDS’  
IN WAKE OF MASSIVE LOSSES IN 2010**

HONOLULU, HAWAII -- Today, Eric Ryan, a longtime political activist who assisted seven GOP legislative campaigns during 2010 has sent a letter to all officers of the Hawaii Republican Party demanding that they immediately resign, that an interim team be appointed to serve out their terms (through May 2011), that a complete independent audit of party finances be conducted, and that hundreds of thousands of dollars in improperly diverted party funds be repaid to the party by the campaigns of Duke Aiona, Lynn Finnegan, Charles Djou and others.

[LETTER TO PARTY LEADERS IS BELOW]

In a letter to party officers delivered today, Ryan asserted that: “ It is only appropriate that given all the circumstances of the past year and a half, as well as the results two days ago, you need to all tender your resignations effective immediately.”

Commenting on his demand letter, Ryan is quoted as saying: “ These failed leaders must all step down for the good of the party in the wake of this demoralizing and decisive statewide defeat. It’ s the only appropriate thing for them to do. They cannot stay on. While the rest of the country turned red, Hawaii turned bluer than ever in 2010. This is a direct result of the incompetence party leaders have shown over the past two years in preparing for yesterday, as well as the result of multiple conflicts of interest by party leaders who diverted money and other resources to favored candidates at the expense of all Republicans and our increasingly meaningless brand.”

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TRANSMITTED VIA E-MAIL

November 4, 2010

TO:

Jonah Kaauwai, State Chair  
Lynn Finnegan, State Vice Chair  
Marcia Klompus, State Vice Chair  
Jim Bryan, State Vice Chair  
Keoki Leong, State Vice Chair  
Ted Hong, State Vice Chair  
Lisa Coluccio, Secretary  
Kathi Thomason, Treasurer  
Kari Hofer, Finance Director  
Erin Kealoha, Communications Director  
Miriam Hellreich, Committeewoman  
Brennon Morioka, Committeeman  
Dylan Nonaka, Executive Director  
Malia Gray, Honolulu County Chair  
Peter Kay, ' Chief Strategist'  
Linda Lingle, Titular Party Head

RE:

**Demand for Mass Resignations of all Hawaii GOP Leaders and Staff**  
**Demand for Installation of Interim Leadership Team Until Convention**  
**Demand for Full Independent Audit of State Party Finances**  
**Demand for Repayment of Funds Looted from State Party Treasury**

Two days ago, the rest of the country turned red while Hawaii became even more blue. To all of you listed above, in light of these massive losses, missed opportunities and misspent resources, you should be ashamed of yourselves. The Republican brand in Hawaii is weaker than ever and the Democrat brand is stronger than ever, thanks to your demonstrable incompetence, your miserable leadership, your horrible strategies, and your criminally corrupt conflicts of interest which give certain favored candidates an endless supply of resources while remaining candidates and ESPECIALLY the party and its brand get flushed down the political toilet again and again. For the sake of the party and its future, I hereby demand that each and every one of you should do the right thing and immediately resign your posts. The party would be better off with nobody doing your jobs, the doors locked and the lights turned off than with you people still occupying these positions with the party any longer.

Other than what's obvious from the returns, just how badly did Republicans do statewide last night thanks to your failed leadership? Just look at the voting percentages received by

Republicans. If you remove the general election results for incumbents Ching, Pine and Slom, the average Republican candidate in Hawaii received 27.57% of the vote if running for State Senate or 30.42% if they were running for State House. Clearly the party did not do anything at all over the past two years to improve the public's perception of Republicans, nor to diminish their perception of Democrats. Our voter base is abysmally puny. The proof is in the numbers. Another election year has been wasted, and any hope of reforming Hawaii (let alone preventing more damage being done by Democrats) has been frittered away; postponed for at least another two years and probably longer. Education will remain unreformed. The business climate will remain awful. Families will still live paycheck to paycheck. Taxes will get higher. Bill 444 will become the law of the land in the State of Hawaii. Special interest groups still control our Hawaii. This is not righteous, not at all.

All the arguments and all the statistics were on our side in 2010, yet were deliberately obscured and kept under wraps by design with a purposefully obliterated platform with a stupid, meaningless slogan in support of that brain-dead, issue-free approach: "The L.L.I.F.E. of the Party." WTF does that mean, Peter "Chief Party Strategist" Kay????????? Yet with more evidence than ever before that the Democrat majority at the legislature has bankrupted Hawaii and given us the worst results in our state's history (economy, education, jobs, poverty, anti-business, etc.), your collectively twisted concept of leadership led you to intentionally jettison each and every Republican position on the issues facing Hawaii and deliberately eschew promoting Republican solutions in favor of making the 2010 election a referendum on one single issue: Same Sex Weddings / Bill 444. Not very savvy and not very righteous. By focusing so single-mindedly on a single social issue during the worst economy and the worst suffering in generations, you've absolutely guaranteed the passage of gay weddings and a whole lot more crappy Democrat policies through your off-the-charts level of ineptitude.

Let me explain this slowly and simply so you'll be sure to understand: If you don't persuade the public, our candidates won't be able to persuade voters. And the truth is that you absolutely didn't even try. You did nothing to persuade voters that Democrats are responsible for Hawaii's problems. You did nothing to lessen stigma of voting Republican. You did nothing to increase the stigma of voting Democrat. You did nothing to advance a Republican reform agenda. Nothing could be less righteous than those deliberate failures. Your "Ohana" was all hype and a complete failure. Aiona lost. Finnegan lost. Djou lost. Prevedouros lost. All Senate challengers lost. All but three House challengers lost . . . with two of these rare winners being veteran campaigners (Fontaine and Riviere) from previous years, and one of them simply taking Finnegan's already Republican spot in the State House after she (like her protégé and office manager Malia Gray) abandoned her job(s) for a longshot selfish grab at glory. No credit to the party in these three cases.

By the way, Chair Kaauwai and Vice Chair Finnegan and others in your cabal behaved most UNRIGHTEOUSLY when they used their positions and party resources in violation of party rules to affect the outcome of the Republican Primary for LG by engaging in a persistent and reprehensible campaign of lies and whispered innuendo about Finnegan's LG opponent Adrienne King; routinely questioning Ms. King's Christianity, belittling her accomplishments, while trying to sell Finnegan as the party-anointed candidate. No, that was not very righteous at all. And I should have called for your resignations the moment I heard eyewitness accounts of

this bullshit months ago. How will God judge you and your associates for engaging in such malicious and sinful behavior? How can Jonah and Lynn sleep at night knowing that they led so many candidates to their doom; forbidding them from running on any party-sanctioned solutions except opposition to Bill 444. These two individuals, along with Dylan Nonaka and too many others to name, led the cabal which took over the party in Spring 2009, self-dealed over and over to their buddies, ignored all the rules of marketing, studiously avoided any strategy which would actually convince a majority of voters that Democrats have held the majority long enough, and set in motion the chain of events culminating in the spectacular implosion of Hawaii Republicans on Election Night.

As usual, you guys treated the party organization like a joke. Quorums couldn't even be reached for Executive Committee and State Committee meetings during the past year and a half. I can't speak for people who live in other counties. But as a lifelong Oahu resident, I can tell you that the Honolulu County chair who you all worked so hard to elect (with each of you promising all of us that she'd organize and deliver a "Republican Army") abandoned her job from Day One back in March 2009; never holding a single meeting, never raising a single dollar, and never organizing a single precinct. Ms. Gray, who never resigned from her post, suddenly shows up in the newspaper last week as a staffer for the Aiona campaign in charge of righteous outreach to churches. It was dishonest her and for so many of you to take these positions with no intention to either attend meetings or do the work. And if a party's leaders treat the party organization with such disdain and find it so easy to break promises to fellow Republicans rather than appreciating how a well-run political machine with the potential for a growing membership and the productivity which could be attained through well-defined tasks year round can lead to victory, then it's no wonder we keep getting lousy results from all of you. Candidates statewide had to mount organizations from scratch and communicate with voters who'd never even heard from Republicans before, yet had heard plenty from Democrats in their neighborhoods during the past two years. Why? Because districts and precincts and obviously counties and the state party itself were extremely poorly organized, if organized at all; during both the off-season and during the campaign. This is not very righteous either. The party's job is to set the stage in advance of the campaign so that our candidates look like heroes coming over the hill. They are not supposed to be set up to fail year after year after year while all resources get diverted to Miriam Hellreich's clients and Jonah Kaauwai's former boss and Dylan Nonaka's client and Lynn Finnegan's running mate and so on and so forth.

2010 was the best chance in a lifetime for the Hawaii GOP to make real inroads, but the opposite happened. And the ultimate failure is yours and yours alone. You people, the leaders of the Hawaii (and Oahu) GOP failed to reposition the party for success, failed to reduce the stigma of running as a Republican, failed to tell voters the story about how they've been ripped off and betrayed by Democrats, and you failed to position our party in the minds of voters to anything of substance. The bottom line is that a new management team is needed IMMEDIATELY. Amateur Hour is OVER. The Era of Conflict of Interest is PAU. We can't wait until May of next year to get things on the right track. Each of you must resign today and pledge to stay as far from party headquarters for eternity if not longer. It is only appropriate that given all the circumstances of the past year and a half, as well as the results two days ago, you need to all tender your resignations effective immediately. If 50 of 51 House district went for Democrats in

the governor' s race, then it should be clear that you don' t have what it takes to move the Republican football down the field.

Despite my past differences with immediate past chair Willes Lee, I believe that he should be appointed as Interim Chair of the State Party for the duration of your terms with a mandate to ensure that an independent audit is carried out, that a top-to-bottom review of the party' s dysfunction be performed, that other interim party leaders be appointed, and that a fair process is set in motion for the upcoming conventions.

You guys completely lost sight of the point of running the party. The point is to change public policy for the better. This requires a steady dose of education and especially persuasion. Otherwise, a majority of voters will continue to vote for Democrats and their bullshit emotional appeals to prop up the status quo ' for the keiki, the ohana, and the kupuna' and all that crap. Yet education and persuasion NEVER took place since the last election. There was not one commercial on TV explaining to Hawaii voters how they' ve been screwed by the Democrats. It was left entirely up to the candidates to do the sales job explaining the need to elect challengers; because voters had no idea that the Democrat majorities in the State House and State Senate were to BLAME for Hawaii' s many problems. It is, and always has been, too much to expect Republican challenger candidates to bear the exclusive burden and massive responsibility for explaining from scratch by themselves in their districts during the campaign season why to vote R and not D. And yet party marketing (Dems bad, Reps good), which we obviously could have afforded over the past two years, would have made an enormous difference.

It's sad to see yet another election cycle in which local GOP leadership diverts every penny of donations to the party to just two 'top of ticket' races (Aiona and Djou), while leaving Hawaii voters scratching their heads about what a Republican majority would do in place of the long-standing Democrat majority since Statehood. All other GOP candidates suffer when the party continually throws them under the bus, providing voters with no education, no persuasion, no moral imperative to change direction. Instead of making a compelling case for change, all the party' s resources are diverted to selfish branding of one or two candidates: " Aiona" " Aiona" " Aiona" " Djou" " Djou" " Djou" " Finnegan" " Finnegan" " Finnegan" " Lingle" " Lingle" " Lingle" does not constitute a message of change which will get a majority of Republicans elected to the State House and State Senate or light the fires of a political revolution that puts the GOP in the majority. Despite the irrational exuberance displayed by many party members and campaign workers and even some candidates, 2010 will be remembered as the biggest missed opportunity in Hawaii GOP history.

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Also, I hereby demand a full independent audit of the party' s finances and that the millions of dollars that were looted from the party and diverted to races for Djou and Aiona/Finnegan without any legal authority should be immediately repaid. In particular, tens and tens of thousands of households in CD1 received at least FIFTEEN different expensive glossy color mailers in recent months for Djou alone which were clearly marked " Paid for by the Hawaii Republican Party." Likewise, online advertising and television commercials were paid for by the HRP in support of Djou, not to mention those useless newspaper attack ads with the ancient

hippie photo of Abercrombie, paid for by the HRP for the benefit of Aiona. I'm sure this spending is just the tip of the iceberg. No such budget was ever approved nor would it ever have been approved by a State Committee which would not want to see so many candidates and especially the Republican brand thrown to the wolves in 2010 for the sake of one or two longshot campaigns, whose loyalists were signing party checks and diverting party resources for the nearly exclusive benefit of their patrons.

Sure, I realize that most of you are primarily interested in patronage jobs for yourselves and/or future political positions for yourselves, but as party leaders your only commitment should have been to the advancement of our reform-minded policies and to enhancing the prospects for success for ALL of our candidates while systematically degrading the Democrat brand and the market share held by Democrats. In other words, blowing 99% of our party's resources on Aiona's and Djou's quests for glory (*both of whom also used GOP HQ as their own HQ for the longest time along with virtually all other party resources*), we could have made advances in many state house and state senate races. Instead, we lose spectacularly in the "top of the ticket" races even and cede the vast majority of power to the Democrats yet again by treating the legislative races as an afterthought with perhaps 1% of party monies, with not a dime going toward marketing which changes people's minds about Democrats vs. Republicans. Look at the results closely. Rather than just receiving crumbs of guilt money from the party and party donors, there were THIRTEEN races which were close enough that \$10,000 each could have made a huge difference, rather than blowing hundreds of thousands, if not millions, exclusively on Djou and Aiona. THREE Senate: Bean, Enos, Montes. TEN House: Leau, Hapai, Baron, Chang, Kong, Kawakami, Fukumoto, Berg, Meyers, Fale.

While the diversion of monies and other resources to Djou and Aiona was underway, most "down ticket" candidates and their teams were reduced to being volunteers and cheerleaders for those same "top of ticket" races. This is sickeningly unrighteous. The looting of the party on the order of hundreds of thousands of dollars -- *which the independent audit could expose to be millions of dollars* -- could have been spent to help advance the GOP cause of reform statewide, benefiting all GOP candidates by amplifying their calls for change. But even before one looks at how little party money was spent "down ticket", and how donors were encouraged by you party leaders to donate and to which favored candidates, and how resources were ultimately allocated, it was clear LONG before yesterday's election exactly who the FAVORED candidates in 2010 would be. That is a really stupid and an extremely shitty way to operate a party which has been in a distant second place in Hawaii politics since Statehood. An audit will reveal that what you guys were doing was both in violation of party rules and in opposition to common sense among experienced political campaigners. Some of you might want to retain lawyers. By the way, don't you dare engage in shredding or discarding documents or deleting files or cooking the books. Anybody who got a C or higher in high school math can surmise that something is fishy, just from the party's disclosure reports with the State Campaign Spending Commission and the Federal Election Commission. Party members deserve to know exactly what happened in 2010 and why. And party members deserve for every penny that was looted from the party treasury to be repaid in full.

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Gov. Lingle, whose endless political aspirations are never a secret, would probably love to have complete control of the party again, either personally or through her willing minions, to further her next run for office (U.S. Senate). But the last thing we need is for the unpopular politician to once again manipulate the party for her own personal advancement and aggrandizement. Clearly, Lingle's record of needlessly spending millions in donor money to get herself re-elected against an unknown Democrat challenger four years ago (Randy Iwase) while the party and its candidates went down in flames shows where her priorities TRULY lie. We don't need to glorify political narcissism with a reinstatement of Lingle's so-called party leadership and we can't afford for the party to continue being run for the benefit of a few individuals and their hangers-on. That would be highly unrighteous indeed. In many ways, the election was largely a referendum on Lingle's failed eight years in office (tax hikes, explosion in growth of state government, lousy economy, horrible business climate, unreformed education, unemployment, etc.). The last thing our party needs is her face and name stamped all over our brand again. Moreover, since Lingle's entire campaign and communications team was instrumental in this fiasco, they should go too, and Lingle should butt out of the party for the foreseeable future.

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There's a reason why it's still hard to win as a Republican in Hawaii. Your misfeasance, malfeasance and nonfeasance during the past two years is why. Our party gets exploited every two years by 1 or 2 political campaigns for their own benefit. Every one else is thrown to the wolves. The results speak for themselves. Hawaii's political pendulum hasn't moved from left to right even a tiny bit thanks to your blundering. So while the rest of the country goes Red, we turn more Blue. Thanks for nothing, party leaders.

Please do the right thing and tender your resignations, place the past party chairman in charge as an interim leader, support a full, independent audit of the party and its finances, and help to ensure repayment of improperly diverted funds. This WOULD be righteous.

Thanks for your attention

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