

House District: 28

Senate District: 12

THE TWENTY-SIXTH LEGISLATURE
HAWAII STATE LEGISLATURE
APPLICATION FOR GRANTS & SUBSIDIES
CHAPTER 42F, HAWAII REVISED STATUTES

Log No:

For Legislature's Use Only

Rec'd JAN 28 2011

Type of Grant or Subsidy Request:

GRANT REQUEST - OPERATING

GRANT REQUEST - CAPITAL

SUBSIDY REQUEST

"Grant" means an award of state funds by the legislature, by an appropriation to a specified recipient, to support the activities of the recipient and permit the community to benefit from those activities.

"Subsidy" means an award of state funds by the legislature, by an appropriation to a recipient specified in the appropriation, to reduce the costs incurred by the organization or individual in providing a service available to some or all members of the public.

"Recipient" means any organization or person receiving a grant or subsidy.

STATE DEPARTMENT OR AGENCY RELATED TO THIS REQUEST (LEAVE BLANK IF UNKNOWN):

Department of Economic Development & Tourism

STATE PROGRAM I.D. NO. (LEAVE BLANK IF UNKNOWN): _____

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual:
Pacific American Foundation

Dba:

Street Address: 146 Hekili Street, Suite 203, Kailua HI 96734

Mailing Address: 146 Hekili Street, Suite 203, Kailua HI 96734

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name: Louis F. Perez III

Title: Chief Financial Officer

Phone # 808-258-4685

Fax # 808-263-0082

e-mail lperez@thepaf.org

3. TYPE OF BUSINESS ENTITY:

- NON PROFIT CORPORATION
- FOR PROFIT CORPORATION
- LIMITED LIABILITY COMPANY
- SOLE PROPRIETORSHIP/INDIVIDUAL

6. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:

The PAF Capital Improvement Project will relocate and expand key programs to a new facility to expand the effectiveness and reach of the Statewide AKAMA'I Prep and AKAMA'I Finance Academy programs. These represent a two-phase S.T.E.M. continuum of AKAMA'I Prep, which works with grades 8-12 in Hawaii's schools, and the AKAMA'I Finance Academy for seniors in high school and college students, including mentoring and placement in a high quality finance job after college graduation.

4. FEDERAL TAX ID #: _____

5. STATE TAX ID #: _____

7. AMOUNT OF STATE FUNDS REQUESTED:

FY 2011-2012: \$ 1,125,000

8. STATUS OF SERVICE DESCRIBED IN THIS REQUEST:

- NEW SERVICE (PRESENTLY DOES NOT EXIST)
- EXISTING SERVICE (PRESENTLY IN OPERATION)

SPECIFY THE AMOUNT BY SOURCES OF FUNDS AVAILABLE AT THE TIME OF THIS REQUEST:

STATE: \$1,125,000
 FEDERAL: \$0
 COUNTY: \$0
 PRIVATE/OTHER: \$75,000

TYPE NAME & TITLE OF AUTHORIZED REPRESENTATIVE:

[Redacted Signature]

Louis F. Perez III, Chief Financial Officer

NAME & TITLE

January 26, 2011

DATE SIGNED

Application for Grants and Subsidies

If any item is not applicable to the request, the applicant should enter "not applicable".

I. Background and Summary

This section shall clearly and concisely summarize and highlight the contents of the request in such a way as to provide the State Legislature with a broad understanding of the request. Include the following:

1. A brief description of the applicant's background;

The Pacific American Foundation, a Hawaii-based 501c(3) nonprofit organization, serves more than 401,267 Native Hawaiians. It was formed in 1994 and certified in 1998 by the IRS as a permanent nonprofit organization, which contributors can rely on for tax-exempt contributions. PAF has been recognized by the former and current Governors of the State of Hawai'i as a "non-profit organization that serves the interest of Native Hawaiians for the purpose of planning, conducting, or administering programs (or parts of programs) for the benefit of Native Hawaiians."

The *AKAMAI Finance Academy* Program is formulated to build on the success and innovative features of previous and current PAF projects: *Kāhea Loko* (Department of Education, 2000-2003, *Imi `ike* (Department of Education, 1999-2002, Project *Keawa Nui Fishpond* (National Fish and Wildlife Foundation, 1999- 2002; *Aloha `Aina* (Department of Education, 2004-2007, Project *Ke Kumu Alakai* (Department of Education, 2003-2006); Project *Mālama Kaho `olawe* (Department of Education, 2006-2009); Project *Hānai Ka Ipu* (Department of Education, 2006-2009); Projects *Hoala Hou* and *AKAMAI Alpha* (Department of Education, 2007-2010); and Project *Aina Hanau* (Department of Education, 2008-2011).

The Pacific American Foundation has been awarded millions of dollars in grants over its 16 year history, has negotiated an approved indirect cost rate agreement with the U.S. Department of Education in Washington D.C. every year since 2004, and successfully undergoes an A-133 audit every year.

2. The goals and objectives related to the request;

The Proposed Capital Improvement Project will purchase a new facility to expand the effectiveness and reach of the Statewide AKAMAI Prep and AKAMAI Finance Academy (AFA) programs. These represent a two-phase Science Technology Engineering and Math (S.T.E.M.) continuum of AKAMAI Prep, which works with grades 8-12 in Hawaii's schools, and the AKAMAI Finance Academy for seniors in high school and college students, including mentoring and placement in a high quality finance job after college graduation. The goals of AKAMAI Prep are:

- Help students consider a challenging and rewarding career in finance by exposing students to career options in the finance industry;
- Facilitating the creation of AKAMAI Prep middle and high school clubs through which younger students are mentored and given initial training in finance by creating “paper” portfolios in which they invest to learn the nuts and bolts of finance;
- Engage Hawaii students, especially those with Native Hawaiian heritage, in an economic sector which is often not considered in their career planning;
- Benefit Hawaii from decreased brain drain, higher paying jobs, and increased tax revenues in a more diversified economy;
- Select and admit students into the AKAMAI Finance Academy as seniors.

The goals of the AKAMAI Finance Academy are to provide a world class finance training program that prepares students for careers in finance, including Asset Management, Private Equity, and Banking.

The goal of PHASE I of the Capital Project requested by this application is to purchase and renovate a facility and relocate the two programs to that location. Specifically, the plan is to relocate to Harbor Square, 225 Queen Street, Honolulu, Hawaii, 96822.

The first and second floors are approximately 5,765 square feet of commercial space at the corner of Alakea and Queen in Honolulu’s Central Business District. Included with the property are 12 highly desirable parking stalls, which will minimize the parking burden for students in the program. The building is also one block from the main bus line and literally minutes by bus from three of the four universities on Oahu.

The property is located one block from the State of Hawaii Employee Retirement System (HIERS), and the corporate offices of several other large institutional investors. The proposed location is ideal as it would dramatically increase the number of world-class participants in the AFA’s Guest Speaker program as many of the speakers are referred to the AFA by officials at nearby institutional investors.

The location is also perfect for our investment trading floor visible to heavy business district traffic, which raises visibility of the program to the community, and is hence a very desirable naming opportunity for early endowment contributors. In the same building above the offices are residential apartments for student dormitories, and visiting finance professionals.

Acquisition and renovation of this property is the catalyst for Phase 1 of our Long term development of the AKAMAI Foundation. The overall cost of Phase I purchase and relocation is \$4.75 million. We are requesting \$1,125,000.

3. State the public purpose and need to be served;

The already low rates of Native Hawaiian children applying to and successfully entering college are eclipsed by the even lower retention and graduation rates among Native Hawaiians. Sec 7202 of the Native Hawaiian Education Act describe the underrepresentation of Native Hawaiians in institutions of higher education and among adults who have

completed four or more years of college, as one of the key reasons that Native Hawaiian children and youth continue to be at-risk.

Native Hawaiian students continue to score below national norms on standardized education achievement tests at all grade levels. In particular, students in grades 8-11 experience a significant decrease in both aptitude and interest regarding career opportunity exploration, especially at schools with high concentrations of Native Hawaiian students as those schools tend to be geographically rural and socioeconomically disadvantaged. Native Hawaiians now comprise approximately 28% of the students served by the State of Hawai'i Department of Education, yet account for only 8.1% of all first-time freshman applications at the University of Hawaii at Manoa.

The needs in fields or disciplines in which Native Hawaiians are underemployed

Another educational need that puts Native Hawaiian children and youth at-risk is the fact that Native Hawaiians continue to be underrepresented in institutions of higher education and among adults who have completed four or more years of college. In particular, there is an ongoing need for Native Hawaiians pursuing finance-related degrees and careers.

AKAMAI Prep and *AKAMAI Finance Academy* address the ongoing need for Native Hawaiians pursuing business and finance-related degrees and careers. Although Native Hawaiians are underrepresented in many majors at the University of Hawai'i at Mānoa (UHM), the only Research I public institution of higher education in the State of Hawai'i, the greatest disparity is when looking at business majors: less than 1% of Native Hawaiian students at UHM earned a degree in business (e.g., accounting, finance, marketing) in 2008 and only *eight* (less than 0.2%) were in the field of finance. Given their under representation in these college majors, it is not a surprise that these business career paths—particularly those in finance—are ones in which Native Hawaiians are severely underemployed.

The extreme dearth of Native Hawaiians in the finance field is especially important because of the tremendous opportunity and some would argue *kuleana* (“responsibility”) for Native Hawaiians to finally participate in the management of so called *Ali'i Trust* or legacy assets established by certain Hawaiian monarchs for the betterment of Native Hawaiians. The management of *Ali'i Trust* assets, now totaling billions of dollars, provide tremendous profits to top finance-related businesses and extremely rewarding and high compensation careers for a large number of finance professionals around the world.

The opportunity for Native Hawaiians to participate in the oversight and management of *Ali'i Trust* assets once deemed sacrosanct, yields significantly more than just the proliferation of profitable Native Hawaiian-owned finance-related businesses, rewarding career opportunities and financial security for Native Hawaiians. It is *pono* (“fair, just”). It is a tremendous honor, privilege and responsibility far exceeding traditional fiduciary conscientiousness. It marks a significant milestone in the Native Hawaiians' struggle for self-identity and self-determination, and it is long overdue. This point is especially relevant in light of the corruption and scandals among financial firms and fiduciaries which led to the current financial crisis and the financial ruin of many large trusts. The presence of a spiritual connection between managers and assets under management, in combination with a longitudinally cohesive, culture-based financial training regimen stressing ethics, servant leadership, and community service, would in our opinion, significantly mitigate the risk of fiduciary breach and ensure the ability *Ali'i Trusts* to continue providing valuable and much

needed services to Native Hawaiians, in perpetuity. A comprehensive effort to increase the number of Native Hawaiians in the finance field would not only provide a multitude of rewarding business and career opportunities, and capitalize upon a global trend toward increasingly complex and internationally focused asset management, but also allow Native Hawaiians to finally be the stewards of their own legacy assets, and achieve self-determination from a financial perspective.

AKAMAI Prep and *AKAMAI Finance Academy* address both of the aforementioned needs by establishing a business finance awareness pathway from the 8th through the 11th grade, and then shepherd and train students from the 12th grade through college graduation with a degree in finance or business, and successful entry into the finance industry.

4. Describe the target population to be served;

AKAMAI Prep and *AKAMAI Finance Academy* has established a talent pipeline within 23 public and 1 private school on every island statewide, including Molokai and Lanai. We enroll 8th-11th grade students to meet after school for at least one hour per week to learn the Finance profession and focus their studies for successful entry to the Finance Academy in 12th grade. The target in two years is all 43 public schools in the State and any private high schools who wish to participate. Activities include industry veteran speakers live in-house, distributed live by streaming video, participation in our statewide portfolio challenge, practical study in the field, and one Monday per month of community service, to inculcate the ethic of giving back what they will eventually gain. The goal is to increase awareness of and gauge interest in, career opportunities in top finance fields. If interest is detected, we assist students into the AFA which in turn raises the matriculation rate into university dramatically for students, especially disadvantaged persons we primarily target, and put them onto a high-paying career track that may otherwise be beyond reach.

5. Describe the geographic coverage.

Currently we work with 23 public and 1 private school on every island statewide, including Molokai and Lanai. That list is expanding and expected to reach every public school across the State within the next two years. Extra effort is placed on providing services to the most rural and socio-economically distressed areas across the State, which also coincides with the highest concentrations of Native Hawaiians.

II. Service Summary and Outcomes

The Service Summary shall include a detailed discussion of the applicant’s approach to the request. The applicant shall clearly and concisely specify the results, outcomes, and measures of effectiveness from this request.

1. Describe the scope of work, tasks and responsibilities;

The scope of work for Phase I is to acquire and renovate the proposed facility.

PAF is requesting \$1,125,000 to assist in purchasing facilities to relocate and expand its current programs, and to acquire student living quarters in the Downtown Honolulu area. The living quarters will be available for Neighbor Island students and those living far away, the disadvantaged, to pull them out of any home milieu that is dysfunctional or difficult of concentrating on these demanding studies and to provide incentives for exemplary performance in the Finance Academy, as free rent while attending higher education. Analysis of the real estate environment indicates a large number of available units (both commercial and residential) in Harbor Square and surrounding buildings.

2. The applicant shall provide a projected annual timeline for accomplishing the results or outcomes of the service;

The current Timeline for PHASE I is as follows:

Description	2010					2011												2012		
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Board engaged/commits to capital campaign:																				
Marketing assessment completed																				
Property located:																				
Fundraising begins																				
Designing and planning																				
Construction Permitting																				
Constuction/Demolition/Renovation																				
Equipment																				

3. The applicant shall describe its quality assurance and evaluation plans for the request. Specify how the applicant plans to monitor, evaluate, and improve their results; and

The PAF has established a Relocation and Development Committee, and has secured the services of a professional consultant who has completed a Marketing and Feasibility Plan, including detailed goals, strategies and timelines to raise private capital improvement and endowment funds for the full cost of the project.

Herb Lee, Executive Director, The Pacific American Foundation

Prior to joining the Pacific American Foundation (PAF), Herb was a community relations and negotiations consultant advising primarily large private sector clients often involving real-estate development related projects. Herb also is the founder and director of the Waikalua Loko Fishpond Preservation Society, in which his position provided him with a variety of real estate, development, permitting, zoning and permitting-related experience. In his position as Chairman of the Pohai Nani retirement community, Herb has presided over several development and construction related projects. Herb also served as Chief of Staff to the late Congresswoman Patsy Mink.

Louis F. Perez III, Chief Financial Officer, the Pacific American Foundation

Prior to joining the PAF, Louis as an Associate at a boutique investment bank specializing in placing debt, equity, bridge and mezzanine financing for primarily commercial real estate related transactions across the State of Hawaii. Louis holds both a BBA in Finance and an EMBA with focus on M&A from the University of Hawaii College of Business, and is the founder and CEO of The AKAMAI Foundation.

Robert C. Howe, CFA – Bob is the founder and CEO of the Geomatrix group.

Geomatrix focuses on earnings estimate revisions and other quantitative, fundamental, and technical tools to invest long and short in Japanese equities. Bob has been a professional fund manager since 1983, much of those years in Asia. Previous to Geomatrix, he was chairman and chief investment officer for AIG Global Investment Corp (Japan) and sat on their Global Asset Allocation Committee. For ten years, he was senior portfolio manager for Rowe Price-Fleming in Tokyo and Hong Kong, prior to that a technology analyst at T. Rowe Price associates, and an economist at the World Bank and Data Resources. Bob has an MBA in finance from Harvard, a BA in economics from Yale. He was a founding board member of the Chartered Financial Analysts society in Japan, is active in CFA Hawaii.

Karen Birkett – Real Estate Agent, Colliers, Monroe, Friedlander

Karen is a real estate agent at Colliers Monroe Friedlander and represented various law firms, financial services groups, non profits, contractors/engineers and numerous alternative energy companies, including the Girl Scouts, GMP Engineering, Halekulani Corporation, Waikiki Health Centers, Atlantis Submarine and Allstate Insurance, among others.

Mark Richards, *Founder & President*, The MARYL Group

Over the last 25 years Mark has led the MARYL Group from a three-person shop to one of Hawaii's largest development companies, consistently ranked among the Top 10 largest intra-island development and construction companies, and recognized by Hawaii Business Magazine as the #1 Place to Work in Hawaii. The MARYL Group provides services in all phases of design and construction, from project pre-development analysis, to site utilization, financial feasibility analysis, entitlement and government approval, architecture and design, infrastructure development, construction management and general construction. MARYL has commercial development experience in retail, office, institutional, planned communities, resort, and multifamily projects Statewide.

Gerome Gregory – Gerome received his B.S. in Accounting, M.B.A with a concentration in Accounting from Chaminade University and has successfully passed the U.S. CPA Exam. He is strong in accounting, finance, business consulting, and valuation. Previously, Gerome was in an analyst program for an international consulting firm that provided mergers and acquisitions, advisory and equity research, within the Asian telecom, media, and tech sectors to multinational corporations, investment banks, private equity, and asset management firms.

Ben Lau, *Attorney* - Ben served as Investment Banking Counsel and trading counsel while working at an investment bank. During that time he was working for the primary portfolio company of a hedge fund. Ben also served as part of a turnaround swat team and various interim management roles. He spent most of his career with fixed income products and floating rate obligations, investment grade and leveraged/high yield securities and loans, derivatives and structured products, debt capital markets, private equity, LBOs, M&A. While at Merrill Lynch Ben was essentially general counsel to the Global Leveraged Finance Group, High Yield Trading & Sales units, Capital Markets desks, Global Loan Syndications Group, Global Loan Portfolio Management Group, Distressed Trading Group. He sat on various credit committees and capital commitment, underwriting and investment committees including the Debt Markets Commitment Committee, Leveraged Transactions Commitment Committee, Mezzanine Investments Committee, New Products Committee.

The PAF has a board task force headed by Louis Perez, and Herb Lee of the PAF who will review the proposals and make final recommendations to the board regarding the selection of the contractors and to provide oversight of all phases and aspects of the project (see Subsections II.1 and II.2). PAF executive staff will meet regularly with the renovation general contractor to keep abreast of progress, and ensure that any difficulties, both anticipated and unanticipated, will be resolved optimally to assure that the project continues on schedule to a January 2012 opening. The design team by contract will act as the owner's agent to 1) review the progress of renovation, 2) review the quality of construction, 3) process clarification requests and product submittals, 4) approve contractor payment requests, and 5) provide final inspection.

4. The applicant shall list the measure(s) of effectiveness that will be reported to the State agency through which grant funds are appropriated (the expending agency). The measure(s) will provide a standard and objective way for the State to assess the program's achievement or accomplishment. Please note that if the level of appropriation differs from the amount included in this application that the measure(s) of effectiveness will need to be updated and transmitted to the expending agency.

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The measures of effectiveness will be the timely acquisition and renovation of the new facilities in accordance with the PHASE I Plan, the timely relocation of the training facility, and the timely expansion of the AKAMAI Finance Academy's programs.

These include:

- Continued service to low-income persons and the Native Hawaiian population;
- Training 150 high school students per year from every island across the State;
- 30 AFA graduates placed in finance industry careers per year, with average starting salaries of \$120,000 per year;

Success and achievement will be measured substantively by PAF's ability to adhere to the prospective timeline regarding the fundraising, relocation, and construction of the PAF new facility, as well as the timely initiation of PAF programs at the new facility location.

III. Financial

Budget

1. The applicant shall submit a budget utilizing the enclosed budget forms as applicable, to detail the cost of the request.
2. The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2011-2012.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
\$1,125,000				\$1,125,000

3. The applicant shall provide a listing of all other sources of funding that they are trying to obtain for fiscal year 2011-2012.

Other Funding sources being approached include:

- Kamehameha Schools Bishop Estate
- The Office of Hawaiian Affairs
- The Hawaii Community Foundation
- The Freeman Foundation
- The Atherton Foundation
- The Castle Foundation
- The Kellogg Foundation
- The U.S. Department of Commerce
- The U.S. Office of Housing and Urban Development (HUD)
- The City & County of Honolulu
- The NASDAQ Foundation
- The Weinberg Foundation
- Other Local Foundations
- Other Local Corporations
- Vest Pocket Foundations
- Individual Gifts

IV. Experience and Capability

A. Necessary Skills and Experience

The applicant shall demonstrate that it has the necessary skills, abilities, knowledge of, and experience relating to the request. State your experience and appropriateness for providing the service proposed in this application. The applicant shall also provide a listing of verifiable experience of related projects or contracts for the most recent three years that are pertinent to the request.

The Pacific American Foundation, a national 501c(3) nonprofit organization, serves more than 401,267 Native Hawaiians. It was certified in 1998 by the IRS as a permanent nonprofit organization, which contributors can rely on for tax-exempt contributions. PAF has also been recognized by the former and current Governors of the State of Hawai'i as a "nonprofit organization that serves the interest of Native Hawaiians for the purpose of planning, conducting, or administering programs (or parts of programs) for the benefit of Native Hawaiians.

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PAF has created a Relocation and Development Committee, and has analyzed the real estate environment in the Honolulu area. A Marketing and Feasibility study has been completed which includes goals, strategies and timelines for purchase, relocation, and private funding to match the State Grant in Aide request in this application.

The PAF Board of Directors and Leadership Team including the following persons with experience and expertise to implement this project:

Herb Lee, *Executive Director*, The Pacific American Foundation

Prior to joining the Pacific American Foundation (PAF), Herb was a community relations and negotiations consultant advising primarily large private sector clients often involving real-estate development related projects. Herb also is the founder and director of the Waikalua Loko Fishpond Preservation Society, in which his position provided him with a variety of real estate, development, permitting, zoning and permitting-related experience. In his position as Chairman of the Pohai Nani retirement community, Herb has presided over several development and construction related projects. Herb also served as Chief of Staff to the late Congresswoman Patsy Mink.

Louis F. Perez III, *Chief Financial Officer*, the Pacific American Foundation

Prior to joining the PAF, Louis as an Associate at a boutique investment bank specializing in placing debt, equity, bridge and mezzanine financing for primarily commercial real estate related transactions across the State of Hawaii. Louis holds both a BBA in Finance and an EMBA with focus on M&A from the University of Hawaii College of Business, and is the founder and CEO of The AKAMAI Foundation.

Robert C. Howe, CFA – Bob is the founder and CEO of the Geomatrix group.

Geomatrix focuses on earnings estimate revisions and other quantitative, fundamental, and technical tools to invest long and short in Japanese equities. Bob has been a professional fund manager since 1983, much of those years in Asia. Previous to Geomatrix, he was chairman and chief investment officer for AIG Global Investment Corp (Japan) and sat on their Global Asset Allocation Committee. For ten years, he was senior portfolio manager for Rowe Price-Fleming in Tokyo and Hong Kong, prior to that a technology analyst at T. Rowe Price associates, and an economist at the World Bank and Data Resources. Bob has an MBA in finance from Harvard, a BA in economics from Yale. He was a founding board member of the Chartered Financial Analysts society in Japan, is active in CFA Hawaii.

Karen Birkett – *Real Estate Agent*, Colliers, Monroe, Friedlander

Karen is a real estate agent at Colliers Monroe Friedlander and represented various law firms, financial services groups, non profits, contractors/engineers and numerous alternative energy companies, including the Girl Scouts, GMP Engineering,

Halekulani Corporation, Waikiki Health Centers, Atlantis Submarine and Allstate Insurance, among others.

Mark Richards, *Founder & President*, The MARYL Group

Over the last 25 years Mark has led the MARYL Group from a three-person shop to one of Hawaii's largest development companies, consistently ranked among the Top 10 largest intra-island development and construction companies, and recognized by Hawaii Business Magazine as the #1 Place to Work in Hawaii. The MARYL Group provides services in all phases of design and construction, from project pre-development analysis, to site utilization, financial feasibility analysis, entitlement and government approval, architecture and design, infrastructure development, construction management and general construction. MARYL has commercial development experience in retail, office, institutional, planned communities, resort, and multifamily projects Statewide.

Gerome Gregory – Gerome received his B.S. in Accounting, M.B.A with a concentration in Accounting from Chaminade University and has successfully passed the U.S. CPA Exam. He is strong in accounting, finance, business consulting, and valuation. Previously, Gerome was in an analyst program for an international consulting firm that provided mergers and acquisitions, advisory and equity research, within the Asian telecom, media, and tech sectors to multinational corporations, investment banks, private equity, and asset management firms.

Howard Hodel - Mr. Hodel is a financial and investment consultant living in Honolulu, Hawaii. He currently advises clients with assets exceeding \$800 million. He also serves on several boards and investment committees locally. Prior to establishing his consulting business in September 2006, Mr. Hodel headed Bank of Hawaii's Asset Management Group, a department of 50 professionals who managed \$8 billion of client assets. His main responsibility was to reorganize the unit from top to bottom, which he successfully completed in 2005. Prior to joining the Bank of Hawaii, Mr. Hodel spent 15 years with Bank of America, where he established and headed the analytics and market risk unit assigned to the bank's Asset Management Group. He managed a team of ten market risk managers and analysts, who developed analytic models and quantified investment risks in \$250 billion of client portfolios. Prior to establishing this unit, Mr. Hodel served in the Bank's Treasury Department. From 1978 to 1987 he worked for British Petroleum (Amoco and Sohio), where he held various financial, economic, and planning positions. Mr. Hodel received a B.A. Magna Cum Laude with High Distinction in Economics from Dartmouth College, as well as an M.B.A with Distinction in International Business Management from the Catholic University of Leuven, Belgium while on fellowship from the University of Chicago Graduate School of Business, where he earned an M.B.A. in Finance and Accounting. He received his CFA Charter designation in October 2006.

In 2004, we were the first educational institution to bring a Bloomberg Professional financial data terminal to the State of Hawaii. In 2008, we built the first educational Trading Floor in the State, and in 2010, we built a new trading floor which is still the only one of its kind in the entire state, and perhaps among many states as there are only 200 educational trading floors across the entire US, most a part of graduate-degree programs. In 2010, we were also the first to begin providing financial literacy

using Bloomberg Pro to roughly 30 public high schools across the State, on every island, including Molokai and Lanai. In January 2011, we were the first possibly nation-wide, to ever install a Bloomberg Pro financial trade/training station in a high school – actually, 8 high schools across the state, one on each of the outer islands and three on Oahu at Waianae, Mililani and McKinley high schools.

In the process of pioneering the delivery of professional-level applied financial literacy to high school and college students statewide, we have not only set new records in our state and perhaps across the US, we also acquired the acumen and experience necessary to successfully execute against facility design, construction, and operating objectives in a manner that only comes after having climbed the learning curve for a long time, as we have in this space, de novo since 2004.

B. Facilities

The applicant shall provide a description of its facilities and demonstrate its adequacy in relation to the request. If facilities are not presently available, describe plans to secure facilities. Also describe how the facilities meet ADA requirements, as applicable.

Development of the proposed facility is the catalyst for Phase 1 of our endowment drive. The facility will house:

- A 60 seat training room
- A financial library/museum dedicated to the Honolulu Stock Exchange
- A 60 station trading floor
- A financial news “CNBC-style” production/broadcasting studio
- A kitchen, break room, conference room, and offices
- Men’s and women’ restrooms

The facility will be located in a building that already meets ADA requirements, and our design process including a percentage of the training room seating, trading floor ingress/egress, restrooms and other key elements of the facility will ensure disabled persons experience the program to the fullest extent possible and that we comply with all ADA laws.

V. Personnel: Project Organization and Staffing

A. Proposed Staffing, Staff Qualifications, Supervision and Training

The applicant shall describe the proposed staffing pattern and proposed service capacity appropriate for the viability of the request. The applicant shall provide the qualifications and experience of personnel for the request and shall describe its ability to supervise, train and provide administrative direction relative to the request.

The board of directors as created a sub-committee and advisory panel having the requisite experience and credentials to oversee the project, including:

Herb Lee, Executive Director, The Pacific American Foundation

Prior to joining the Pacific American Foundation (PAF), Herb was a community relations and negotiations consultant advising primarily large private sector clients often involving real-estate development related projects. Herb also is the founder and director of the Waikalua Loko Fishpond Preservation Society, in which his position provided him with a variety of real estate, development, permitting, zoning and permitting-related experience. In his position as Chairman of the Pohai Nani retirement community, Herb has presided over several development and construction related projects. Herb also served as Chief of Staff to the late Congresswoman Patsy Mink.

Louis F. Perez III, Chief Financial Officer, the Pacific American Foundation

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Tamar deFries, President, Wainui Inc.

Tamar has over 15 years working directly with the very low- to moderate- income persons and 10 years of administrative experience. Ms. deFries has been responsible for the implementation, evaluation, and monitoring of state and federal funded projects and programs. Her expertise is in project management and development. She also has extensive experience working with the native Hawaiian community, specifically coordinating and implementing educational enrichment activities for students and families.

Ben Lau, Attorney

Ben served as Investment Banking Counsel and trading counsel while working at an investment bank. During that time he was working for the primary portfolio company of a hedge fund. Ben also served as part of a turnaround SWAT team and various interim management roles. He spent most of his career with fixed income products and floating rate obligations, investment grade and leveraged/high yield securities and loans, derivatives and structured products, debt capital markets, private equity, LBOs, M&A. While at Merrill Lynch Ben was essentially general counsel to the Global Leveraged Finance Group, High Yield Trading & Sales units, Capital Markets desks, Global Loan Syndications Group, Global Loan Portfolio Management Group, Distressed Trading Group. He sat on various credit committees and capital commitment, underwriting and investment committees including the Debt Markets Commitment Committee, Leveraged Transactions Commitment Committee, Mezzanine Investments Committee, New Products Committee.

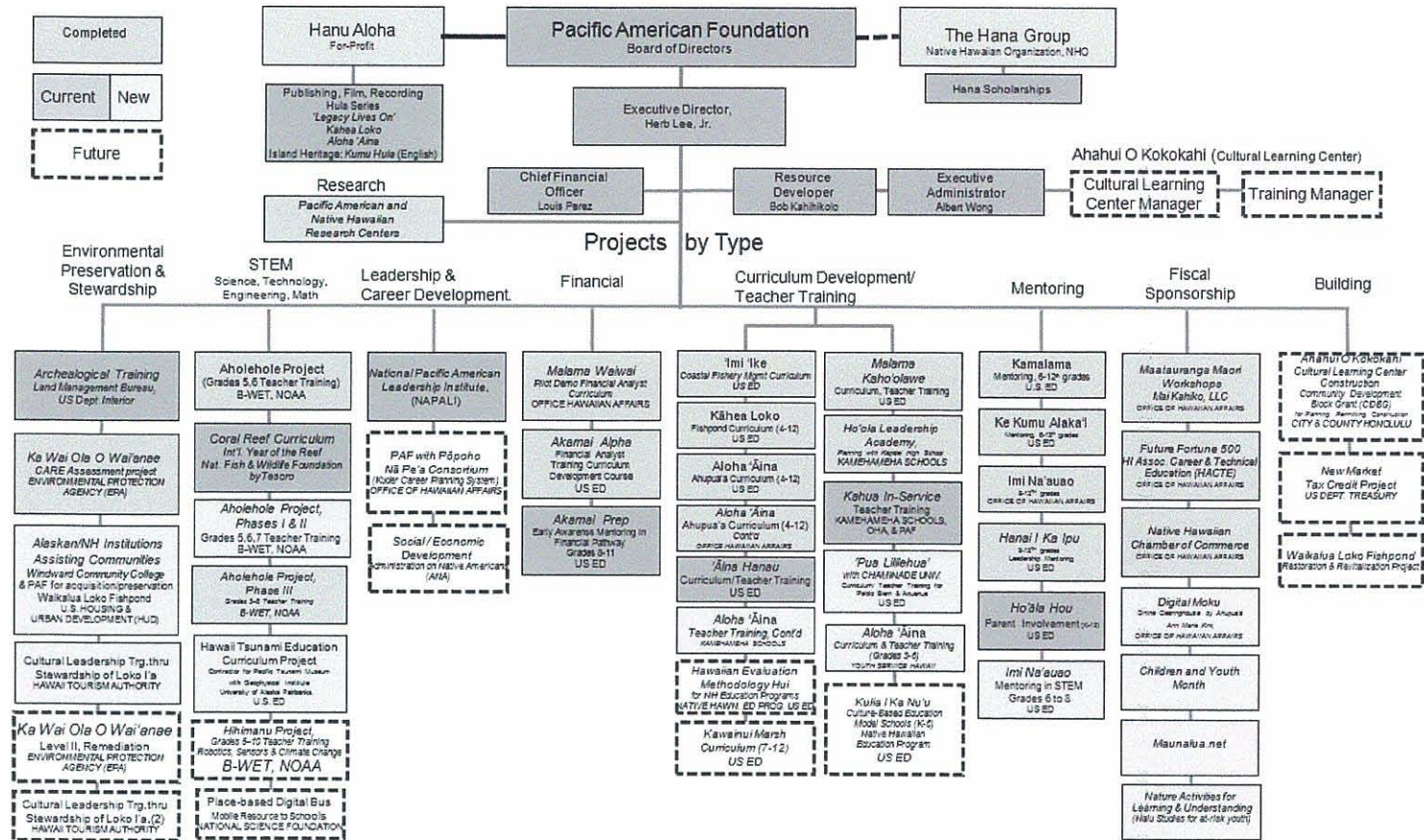
Mark Richards, Founder & President, The MARYL Group

Over the last 25 years Mark has led the Maryl Group from a three-person shop to one of Hawaii's largest development companies, consistently ranked among the Top 10

largest intra-island development and construction companies, and recognized by Hawaii Business Magazine as the #1 Place to Work in Hawaii. The MARYL Group provides services in all phases of design and construction, from project pre-development analysis, to site utilization, financial feasibility analysis, entitlement and government approval, architecture and design, infrastructure development, construction management and general construction. MARYL has commercial development experience in retail, office, institutional, planned communities, resort, and multifamily projects Statewide.

B. Organization Chart

The applicant shall illustrate the position of each staff and line of responsibility/supervision. If the request is part of a large, multi-purpose organization, include an organizational chart that illustrates the placement of this request.



VI. Other

A. Litigation

The applicant shall disclose any pending litigation to which they are a party, including the disclosure of any outstanding judgment. If applicable, please explain.

There is no past, present, pending or anticipated litigation.

B. Licensure or Accreditation

Specify any special qualifications, including but not limited to licensure or accreditation that applicant possesses relevant to this request.

The following licenses, agreements, MOU's and other history-making milestones demonstrate our ability to successfully design and operate the financial training facility and related trading floor for which this application seeks financial assistance:

- In 2004, we were the first institution in Hawaii to secure an educational licensing agreement with Bloomberg LP, the number one financial data system used by leading financial firms worldwide, to provide college students in Hawaii with access to the Bloomberg Professional financial data terminal.
- In 2005, we were the first to create a course that allowed college students to prepare for and take the Bloomberg equity certification exams. That year, we also successfully negotiated an agreement with the Director of the Office of Career Placement and Internships at the UH College of Business, that allowed students to receive credit for enrolling in our Bloomberg Equity Certification program as an internship course with our firm.
- In 2006 we were successful in collaborating with University of Hawaii College of Business Professor Jack Suyderhoud, for the introduction of the state's first finance course formally incorporating Bloomberg Pro into the curriculum. The course was a graduate-level International Financial Markets class.
- Also in 2006, we successfully field tested the introduction of junior-level college finance courses and applied AFA financial training utilizing Bloomberg Pro at Waiānae and Nanakuli high schools. The field tests were designed to test our thesis that professional and college-level financial training provided to first-year analysts working in the finance industry, could be started at the senior year of high school if taught in an applied setting and using our AFA approach. The results of the successful testing of our thesis in 2006 formed the basis of a federal grant proposal to expand the AFA curriculum to start in high school.
- In 2007, we were awarded a \$1.5million federal grant to expand the AFA curriculum from one to five years, beginning in high school and running parallel with a four-year business degree. A professional Curriculum Committee was

assembled including high caliber academic and industry professionals (see Attachment X) from across the US. This allowed Hawaii students to begin their journey on a finance career track while still in high school, and push those students closer to achieving what award-winning business author Malcolm Gladwell defines in his best-selling book by the same title, as “The Tipping Point”, i.e., the point at which one achieves a critical understanding of his profession and begins to add to the field by innovation.

- In 2008, after four years of providing Bloomberg-related applied financial training through a licensing agreement we structured with Bloomberg LP using the University of Hawaii College of Business Administration’ accreditation, AKAMAI Capital LLC, a wholly-owned subsidiary of the AKAMAI Foundation that acts as a vehicle for providing hands-on work experience for students in the AFA, successfully negotiated the first non-university educational licensing agreement with Bloomberg LP. As a result of our mission, experience and relationship with Bloomberg LP, we were the first and only non-university firm to be granted a Bloomberg Pro university license agreement, exclusively reserved for accredited post-secondary educational institutions. This agreement allowed students in the AFA to have professional working titles (e.g., Jr. Analyst, Analyst, Portfolio Manager, etc.) with a real professional financial services firm (AKAMAI Capital LLC) on their resumes instead of titles under a university Bloomberg account.
- Also in 2008, the first high school student in the program used training received during the first semester of the AFA as his “Senior Project” and became the first student in the state to present a fully functioning Earnings Projection Model, Analyst Research Report and companion “Pitchbook” to meet his “Senior Project” requirement.
- In 2009, we were awarded a \$1.8 million federal grant to increase awareness of high-level finance career opportunities and design a finance career awareness and pathway plan for middle and high school students statewide. This formed the basis of the design and deployment of high school “chapters” of the AFA, in which students are presented with interviews of industry professionals, receive formal Bloomberg-infused financial training in the context of a statewide portfolio competition, and are shown a variety of actual financial firms and careers including detailed job descriptions and educational requirements.
- In 2009 we were invited by the Hawaii Employee Retirement System (HIERS) to give a presentation as part of its annual Investment Summit, where approximately 80 of the world’s leading financial firms were in attendance.
- Also in 2009, we were asked to assist Professor Gunter Meissner, the Director of the then newly formed Master’s in Financial Engineering program at the UH Shidler College of Business, with acquisition and setup of their program’s first Bloomberg Pro terminal.

- In 2010, the AKAMAI Foundation entered into a formal Memorandum of Understanding (“MOU”) with the University of Hawaii at Leeward Community College (“LCC”) which articulated the first two years of the AKAMAI Finance Academy’s (“AFA”) five-year program with University of Hawaii curriculum guidelines. The MOU allows high school students in the first year of the AFA to receive high school and college dual-credit through Leeward Community College for taking AFA courses while still in high school. The MOU also resulted in the creation of a new two-year Financial Analyst degree program, the first of its kind in the State of Hawaii.
- In 2010 David Baeckelandt, proprietor of the world’s largest private collection of Honolulu Stock Exchange (“HSE”) artifacts, presented our firm with several stock certificates originally issued and traded on the now defunct Honolulu Stock Exchange, to seed our collection. Mr. Baeckelandt also agreed to sit on an advisory panel tasked with the design of an “HSE Financial Museum” within the library of our proposed new facility, dedicated to the preservation of HSE scripophily and artifacts, and the education of Hawaii residents about its historical connection to the global financial markets. Discussions are underway to produce a video about the history of the HSE, including vignettes of well-known Hawaii structures and events financed by stocks and bonds issued on the HSE, and narrated by two of the last past presidents of the HSE, Mr. Sam Cooke and Mr. Ted Jung, both of whom also agreed to advise and assist with the museum and video.
- Also in 2010 we were the first to begin providing financial literacy using Bloomberg Pro to roughly 30 public high schools across the State, on every island, including Molokai and Lanai, using a distance education system called Mediasite – the same distance education system used by the UH Shidler College of Business and other universities across the US.
- In 2010 we were again invited by the Hawaii Employee Retirement System to give a presentation as part of its annual Investment Summit, where approximately 80 of the world’s leading financial firms were in attendance.
- In January 2011, we were again the first in the State, and possibly nation-wide, to install Bloomberg Pro enabled AFA financial training stations in eight model high schools across the state - one on each of the outer islands and three on Oahu at Waianae, Mililani and McKinley high schools.
- Also in January 2011, we entered an MOU with the Boys & Girls Club of Hawaii and Charles Schwab to provide a Bloomberg-based portfolio management system and training on same, to manage their summer 2011 stock market challenge.
- In January 2011, we entered an MOU with the Lucent Film Academy and discussions with digital media and journalism programs at local universities and high schools, including Searider Productions, to participate in the design and operation of a state-of-the-art “CNBC” like financial news studio, to broadcast live from the trading floor of the proposed new AFA facility. The studio will

broadcast daily financial market data hosted by students in the AFA and operated by high school and college students interested in digital media and journalism. The studio will also produce and broadcast financial training to middle and high schools across the state, as well as specialized finance and general business related content produced, hosted, shot, edited and broadcasted by students.

BUDGET REQUEST BY SOURCE OF FUNDS
(Period: July 1, 2011 to June 30, 2012)

Applicant: Pacific American Foundation

BUDGET CATEGORIES	Total State Funds Requested (a)	Federal (b)	Private Institutions (c)	Individuals (d)
A. PERSONNEL COST				
1. Salaries				
2. Payroll Taxes & Assessments				
3. Fringe Benefits				
TOTAL PERSONNEL COST				
B. OTHER CURRENT EXPENSES				
1. Airfare, Inter-Island				
2. Insurance				
3. Lease/Rental of Equipment				
4. Lease/Rental of Space				
5. Staff Training				
6. Supplies				
7. Telecommunication				
8. Utilities				
9.				
10.				
11.				
12.				
13.				
14.				
15.				
16.				
17.				
18.				
19.				
20.				
TOTAL OTHER CURRENT EXPENSES				
C. EQUIPMENT PURCHASES		29,635		688,745
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL	1,125,000	470,365	2,254,635	179,635
TOTAL (A+B+C+D+E)	1,125,000	500,000	2,254,635	868,380
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	1,125,000	Louis F. Perez III		808-258-4685
(b) Federal	500,000	Name (Please type or print)		Phone
(c) Private Institutions	2,254,635	Signature of Authorized Official		Date
(d) Individuals	868,380	Louis F. Perez III, CFO		
TOTAL BUDGET	4,748,015	Name and Title (Please type or print)		

BUDGET JUSTIFICATION PERSONNEL - SALARIES AND WAGES

Applicant: Pacific American Foundation

Period: July 1, 2011 to June 30, 2012

NOT APPLICABLE

POSITION TITLE	FULL TIME EQUIVALENT	ANNUAL SALARY A	% OF TIME ALLOCATED TO GRANT REQUEST B	TOTAL STATE FUNDS REQUESTED (A x B)
NOT APPLICABLE				
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
TOTAL:				\$ -
JUSTIFICATION/COMMENTS:				

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Applicant: Pacific American Foundation

Period: July 1, 2011 to June 30, 2012

NOT APPLICABLE

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
NOT APPLICABLE				
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				
JUSTIFICATION/COMMENTS:				

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
NOT APPLICABLE				
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				
JUSTIFICATION/COMMENTS:				

BUDGET JUSTIFICATION CAPITAL PROJECT DETAILS

Applicant: Pacific American Foundation

Period: July 1, 2011 to June 30, 2012

FUNDING AMOUNT REQUESTED						
TOTAL PROJECT COST	ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS		STATE FUNDS REQUESTED	OF FUNDS REQUESTED	FUNDING REQUIRED IN SUCCEEDING YEARS	
	FY: 2009-2010	FY: 2010-2011	FY:2011-2012	FY:2011-2012	FY:2012-2013	FY:2013-2014
PLANS & DESIGN		75,000	0	75,000		
LAND ACQUISITION			645,365	0		
EQUIPMENT			0	718,380		
CONSTRUCTION			479,635	500,000		
BUILDING ACQUISITION			0	2,254,635		
TOTAL:		75,000	1,125,000	3,548,015		
<p>JUSTIFICATION/COMMENTS: The PAF plans to use the funds requested as part of a larger capital campaign, to acquire, renovate and relocate existing operations of the AKAMAI Finance Academy. The new facility will allow the AKAMAI Finance Academy to expand its existing service area and scope of services offered, and operate with greater efficiency. Of the estimated \$4.75 million required to complete this portion of the strategic plan for the AKAMAI Finance Academy, we are requesting \$1.125 million of funding from the State of Hawaii.</p>						

**DECLARATION STATEMENT
APPLICANTS FOR GRANTS AND SUBSIDIES
CHAPTER 42F, HAWAII REVISIED STATUTES**

The undersigned authorized representative of the applicant acknowledges that said applicant meets and will comply with all of the following standards for the award of grants and subsidies pursuant to section 42F-103, Hawaii Revised Statutes:

- (1) Is licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which a grant or subsidy is awarded;
- (2) Comply with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, or disability;
- (3) Agree not to use state funds for entertainment or lobbying activities; and
- (4) Allow the state agency to which funds for the grant or subsidy were appropriated for expenditure, legislative committees and their staff, and the auditor full access to their records, reports, files, and other related documents and information for purposes of monitoring, measuring the effectiveness, and ensuring the proper expenditure of the grant or subsidy.

In addition, a grant or subsidy may be made to an organization only if the organization:

- (1) Is incorporated under the laws of the State; and
- (2) Has bylaws or policies that describe the manner in which the activities or services for which a grant or subsidy is awarded shall be conducted or provided.


Further, a grant or subsidy may be awarded to a non-profit organization only if the organization:

- (1) Has been determined and designated to be a non-profit organization by the Internal Revenue Service; and
- (2) Has a governing board whose members have no material conflict of interest and serve without compensation.

For a grant or subsidy used for the acquisition of land, when the organization discontinues the activities or services on the land acquired for which the grant or subsidy was awarded and disposes of the land in fee simple or by lease, the organization shall negotiate with the expending agency for a lump sum or installment repayment to the State of the amount of the grant or subsidy used for the acquisition of the land.

Further, the undersigned authorized representative certifies that this statement is true and correct to the best of the applicant's knowledge.

Pacific American Foundation


(Signature)

Louis F. Perez III
(Typed Name)

1-26-11

(Date)

Chief Financial Officer
(Title)