

Rewald Ignored Advice by Consultants

Despite Many Qualified People, the Company Accomplished Little

By Charles Memminger
Star-Bulletin Writer

WHAT do a part-time district court judge, a Milwaukee nightclub owner, a former city councilman and a retired Air Force pilot have in common?

They were among the many paid consultants to Ronald R. Rewald and his bankrupt company, Bishop, Baldwin, Rewald, Dillingham & Wong.

Many of those Rewald attracted to his company are respected and well known in their fields. That is why it was surprising to many observers to find out that the company actually had made few substantial investments or launched any major projects.

With all of the talent Rewald had at his disposal, it is hard to believe that his company accomplished so little. People who worked with the company, however, have said that the consultants did do work and make recommendations, but that nothing ever came of them.

"Why didn't deals close?" asked one former consultant who did not want to be named. "Obviously some were unsuitable. But the ones that seemed viable, Ron would squelch at the end. A couple of times he said he had inside information (that the investments were bad.) Or the mythical group called the board of directors decided against it. Our impression was that the board consisted of

Ron and Sunny (company president Sunlin Wong)."

THE CORPORATION was formed in 1978, but when it was forced into bankruptcy three weeks ago, the court-appointed trustee found that most of the \$10 million to \$12 million investors put into the company was gone. Receipts showed that Rewald spent huge amounts of money to support his extravagant lifestyle.

Rewald was a collector. He surrounded himself with works of art, gun and knife collections and exotic cars. Last week, Rewald agreed to turn over all of his personal assets to trustee Thomas Hayes to assure that they would be protected and kept up.

Hayes spent the weekend taking an inventory of the items in-

side Rewald's Kuliouou house and the Mauna Luan apartment. Rewald used as a private school for his children. Despite the somewhat bizarre and exotic nature of many of the items he found, Hayes said the net worth of the personal assets is "insignificant in terms of the bankruptcy."

Inside the house Hayes found three sets of knight's armor, a large blue rug on a ceiling with Rewald's coat of arms insignia, a set of gold-plated flatware and a gun collection that apparently belonged to retired Gen. Hunter Harris, former Air Force commander of the Pacific.

HAYES ESTIMATED items in the house are worth about \$100,000 and that all of the school equipment is worth less than

that. Eventually, Rewald's personal items will be auctioned to help pay back investors.

Hayes still is trying to find all of Rewald's exotic cars, especially a 1977 Excalibur worth about \$50,000. He said he has found most of the cars, four of them on the lot at MotorCars Hawaii, an exotic car dealership of which Rewald was half-owner. Also on the lot is a mobile home Rewald bought from actor Jack Lord for \$53,000.

Just as Rewald collected interesting pieces of art, he also seemed to "collect" consultants to his company. Rewald apparently rarely used the expertise of those around him. Retired Air Force Capt. Ned Avary testified in court that he traveled extensively in

South America looking for possible investments for the company. But despite his recommendations, he said he knew of no money that actually was invested.

HERE ARE SOME of the consultants of Rewald's company:

—Gerald N.Y.C. Lam, a part-time District Court judge and attorney. Lam was one of several attorneys Rewald was associated with. Lam and his law partners, Robert Jinks and Timothy Holzer, were looking for office space in 1978 at the same time Rewald was moving his young company from the Amfac Building to the Grosvenor Center. Lam, Holzer and Jinks agreed to lease part of the 26th floor with Rewald and thus began an association that

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Rewald Failed to Act

Consultants'

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eventually led to all three attorneys becoming consultants.

As a consultant, Holzer reviewed local investment possibilities, including Tap Pryor's oyster farming venture. Pryor sought aid from Rewald to keep his company afloat, but Holzer counseled against investing money in the venture. Pryor declared bankruptcy shortly after Bishop, Baldwin, Rewald, Dillingham & Wong's bankruptcy.

Holzer is now working with trustee Hayes in the bankruptcy and Lam is joining the firm of Stephen A. Nordyke. Jinks spends much of his time in California where he is in private practice.

OTHER ATTORNEYS involved in the company were:

—D. Alden Newland, one of the several attorneys working in various capacities on a consultancy basis.

—Ralph Black, local polo figure who also handled various legal matters.

—John Ing, an attorney who aided Black.

—David F. Day, a senior associate with the San Francisco law firm of Brobeck, Phleger and Harrison, according to a company release. Day was to head the company's Napa, Calif., office. The office never officially opened because of the company's collapse.

Other consultants included:

—Daniel Clement, former city councilman, who joined Bishop, Baldwin, Rewald, Dillingham & Wong in May, specializing in estate planning and international business. Clement had been a vice president for estate planning at Bishop Trust Co. Ltd. Despite repeated attempts, Clement could not be reached for comment

about his work for Rewald or what he is doing now.

—David Baldwin, not the Baldwin in the company name, but a Rewald acquaintance from Milwaukee. Baldwin owns a nightclub in Milwaukee called the "Safe House," a name coined from houses spies use when they are on the run. The name of the club is ironic in view of Rewald's claim that he has connections to the CIA. A knowledgeable source said Rewald was so enthralled by Baldwin's club, whose motif is "James Bond-type stuff," that he planned to open a club with the same name in Hawaii.

—Nolan Metzger, a consultant with a master's degree in business administration. Metzger was supposed to work on the "Safe House" project in Hawaii.

—John Kindschi, speaking of the most controversial figures in the Rewald case. Kindschi is the former head of the CIA office here and his association with Rewald has helped fuel speculation that perhaps Rewald does have some tie to the CIA. Curiosity was further aroused when it was learned that Kindschi did not actually file a criminal complaint against Rewald, charging him with theft, but that it had been filed by police. Rewald was first arrested on the basis of complaints by Kindschi and another investor. Despite Kindschi's claim that he lost some \$200,000 in the company, sources said Kindschi received \$140,000 from Bishop, Baldwin, Rewald, Dillingham & Wong days before the bankruptcy.

—Pranata Hajadi, one of several foreign consultants who were responsible for the company's overseas "offices." Trustee Hayes

has said that most of the "offices" were merely "on paper" or only desks manned by individuals and that no actual investments were made. Hajadi, a graduate of the University of Chicago, opened the Singapore office.

OTHER "FOREIGN consultants" included:

—Jason Wong, a lawyer, who worked in the Taiwan office, according to company sources.

—Charles Conner, who was Rewald's contact in Sweden.

—Paul Gantt, who ran the Paapeete, Tahiti, office which actually was a double-hulled canoe with a thatched-roof structure on it.

—Gunadi Gautama, who was listed as a consultant in Jakarta, Pusat Indonesia, and posed in a company picture with other consultants. Gautama's attorney, Peter Lee, says Gautama was actually only an investor. Gautama and two other Indonesians invested about \$1 million in Rewald's company just days before the collapse. Hayes has called Gautama the "biggest loser" of all the investors because of the size and timing of his investment.

—Sali Toda, who was one of the several women consultants who worked for Rewald. Toda, a Ph.D. had worked as a stockbroker for Prudential-Bache Securities and as an insurance agent. Her duties included financial and estate planning, insurance and securities analyses.

OTHER WOMEN consultants included:

—Karen Ann Koshko, who was the company's principal real estate broker.

—Chris Freeze, who served a brief stint with the company in its real estate division, but left

after a tiff with Sunny Wong. —Yoshiko Payne, an accountant who reviewed tax shelters.

—Mary Rudolph, an attorney who was working on the company's proposal to begin a South Seas Airlines route between Hawaii and the Cook Islands.

Also hired as consultants were: —Edward Hoffman, an Illinois resident, who was hired as a consultant in the travel and marketing field. His association with Rewald is one of the most tragic, company sources say. Hoffman invested his \$200,000 pension savings in the company, which he lost. He is now having to live on Social Security benefits.

—Richard Spiker, formerly manager of the Waikiki branch of Hawaii National Bank, who traveled to New Zealand and Australia on investment-hunting trips. Spiker is a defendant in a lawsuit filed by an investor who claims Spiker directed Hawaii National Bank customers to Bishop, Baldwin, Rewald, Dillingham & Wong. The bank also was where the company kept its multi-million dollar investment savings account.

—Michael Dailey, polo-playing son of Island polo figure Fred Dailey, who was hired as a consultant because of his polo and business connections in Argentina and Chile. The company was considering buying a bank in either Argentina or Chile, a source within the company said. Dailey, who is fluent in Spanish, was to assist in the project.

—Kenneth Sanders, who Rewald hired to handle public relations and advertising.

—Jerry Signori, a certified public accountant hired in 1981 who worked on various projects.

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N. Vice President George Bush
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them brought home
invoke a section of the War Powers Act of 1973
which requires the president to notify Congress
when U.S. troops are introduced into "hostilities or
into situations where imminent involvement in hos-
ilities is clearly indicated by the circumstances."
Under those conditions, American troops must be
withdrawn within 60 days unless Congress votes to
allow the president a

ision

in the Chout mountains and took part in a military
sweep of the area.
This official, however, drew the distinction that
although the Marines at the Beirut airport are
exposed to danger, they are in stationary pos-
itions, they are there in a peacekeeping operation
and they are not conducting combat opera-
tions."
The official said that as long as the Marines are
only in retaliation, "it is not combat."

ays Beirut Action Isn't Combat