Attempted Graft In Grand Hotel Is Vigorously Denied

Wailuku Businessman Reviews Facts of Enterprise as Known to Him; Work Hard For Success

Affairs of the Grand Hotel at Wailuku have been the cause for many sharp words and, it is claimed, much misunderstanding regarding the many complications connected with the enterprise.

It is felt by a number of those interested that the account contained in the petition in bankruptcy of certain creditors against the Grand Hotel Co., Ltd., of Wailuku, while perhaps in agreement with the petition itself, falls far from stating the case, and might by inference throw odium on Maui citizens who are absolutely free from any suspicion of conspiracy or wrongdoing.

One of those interested makes the general statement that "the first mortgage against this property, for $20,000, which was made to C. D. Lufkin, trustee, for H. Streubeck and the First National Bank of Wailuku in equal amounts, was given in absolutely good faith, and on the positive statement of the architect in charge of construction and the promoter, that it would sufficiently assist the company to complete its building, and put it on a sound financial basis. One-half of the funds realized from this loan was used for the purchase of the property on which the hotel stands, the company having previous to the loan had nothing but a lease on the land. The other $10,000 was used solely in the construction of the building, in paying for labor and material, the original capital having proved insufficient to meet these demands.

"The petition states that the second mortgage was given to secure certain 'purported creditors,' thereby making them preferred creditors over other creditors. As a matter of fact, the second mortgage was given the gentlemen mentioned in the petition for account of money advanced at the time the mortgage was given, namely $6500, and at a more recent date, $2000, or a total of $8500, which was advanced by these citizens, on the positive assurance that $6500 of the amount would see the building completed and paid for and ready to do business, free of incumbrance. The men who loaned their personal funds at this time, relied upon the architect who had charge of the construction, which by the way was practically completed at the time the second loan was made, and firmly believed that this advance would fully and generously finance the venture. Every dollar of this $8500 was advanced and paid into the treasury of the Grand Hotel company, and every dollar was distributed by the treasurer, V. C. Schoenberg, in payment of material and labor used in the construction of the building.

"At the time this loan was made the hotel was not indebted to any one of the individuals who so generously advanced this money, and they fully believed that the money which they thus so generously advanced would free the company of any floating indebtedness. The statement that these gentlemen conspired to freeze out the small stockholders is entirely wrong.

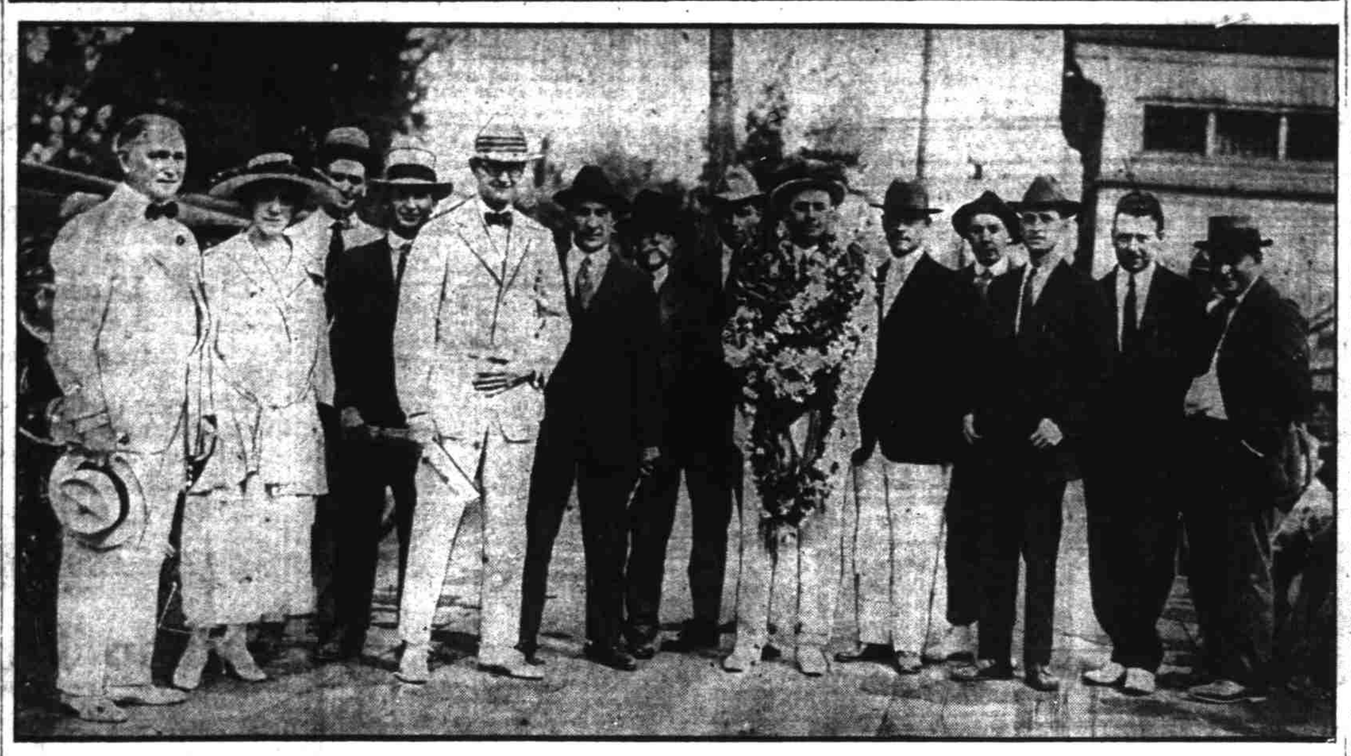
"It is also claimed in the petition that certain individuals conspired to defraud the Grand Hotel Company and its creditors out of lands on which the hotel had an option to purchase.

"The facts are as follows: The Grand Hotel Company had an option to purchase lands on Main street, lying on both sides of Church street, for $14,250. That land lying above Church street was leased to the Maui Dry Goods & Grocery Company at $300 per year, and this company had paid a year's rent in advance. At the time the hotel company applied for a loan to complete its building, the First National Bank of Wailuku refused pointblank to loan money on a building which was located on leased land, whereupon the hotel company sought means of purchasing the land under their option. The Maui Dry Goods & Grocery Company was asked to purchase the land which they had leased, at $4250, plus the rent already paid, $300. This arrangement was carried out, the Grand Hotel Company acquiring in fee simple the land lying makai of the said street and the Maui Dry Goods & Grocery Company that mauka of the said street, the price per square foot being practically the same on both pieces.

"After this deal was completed, some of the stockholders of the hotel company criticized the directors for selling the land to the Maui Dry Goods & Grocery Company too cheap. This criticism resulted in the Maui Dry Goods & Grocery Company offering to return the land to the hotel company at the price paid, and giving the company two weeks in which to make financial arrangements to take over the land. All this is a matter of record in the company's minutes, and can be otherwise verified.

"While it is quite true that the Grand Hotel company is involved and unable to pay its debts, it is far from true that any underhanded work or any attempt at graft or deception has been practised by any of the directors or mortgagees of the company. It is further a well-known fact that the trustee under the first mortgage, Mr. Lufkin has gone to considerable trouble and expense in personally recommending and soliciting purchasers for the property. Every trust company in the islands has been urged to recommend the purchase of the property to its clients, and, contrary to the statement made that certain gentlemen were conspiring to purchase the property at a low figure, every effort was made to induce bidding and enhance the price of the property."

STAR-BULLETIN STAFF EXTENDS ALOHAS TO RILEY ALLEN ON HIS DEPARTURE TO MAINLAND FOR EXTENDED VACATION



The Star-Bulletin staff showering Editor Allen with leis at the dock yesterday afternoon prior to the sailing of the Niagara; left to right, W. R. Farrington, general business manager; Mrs. R. A. McNally, A. E. Bixby, shipping reporter; J. B. McSwanson, police reporter; R. A. McNally, city editor; John F. Stone, capitol and army reporter; Dan Logan, historian; Joseph Farrington, reporter; Riley H. Allen, editor; David Glass, copy reader; Howard Case, court reporter; John C. Poole, staff artist; R. A. Cuthbertson, engraver; Owen Merrick, sporting editor.

Architect Comes To Plan Punahou School Buildings

Bertram C. Goodhue, who planner the outlay of the San Diego exposition, will arrive in Honolulu during the first week in August to begin the work of preparing building plans for the use of Oahu Collyege in the future.

Contemplating a growth in size which will necessitate a much larger equipment, the trustees and faculty of Oahu College are bringing Goodhue here for the purpose of going over the grounds of the school and the buildings and organizing a scheme of building on the campus which will combine both beauty and utility.

The B. F. Dillingham donation of $75,000, which was made about a year ago, will be the nucleus of a fund which will probably be spent in building an assembly hall. At present there is no hall in all the buildings of the school where both the pupils of the preparatory school, whose enrollment is approximately 500, and the students of the academy, whose enrollment is about 250, can meet together. That such a hall is needed when distinguished speakers are available, and for school exercises is the opinion of the faculty. Just where such a hall would go and what would be the nature of its architecture is still a much mooted question.

Although many ideas concerning the general scheme of building have been suggested by the trustees, nothing definite has been chosen. This will be left largely to Goodhue, who is both an architect and landscape gardener, and an experienced man in this work.

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HILO PRISONERS BROUGHT TO CITY TO PAY PENALTY

Kenzo Yasamura, a Japanese, and James Lavlin, who were indicted by the federal grand jury in Hilo and later convicted, were brought to Honolulu this morning by Deputy Marshal Otto Heine to serve out their sentences in Oahu prison.

Yasamura was convicted on a charge of violating the Mann "white slave" act and was sentenced to serve nine months in prison and pay the costs of court. Lavlin, convicted of having opium in his possession, was sentenced to serve 10 days in prison and pay a fine of $100.

Three Japanese, who were arrested on a bench warrant charging them with circulating obscene matter, filed a demurrer to the indictment which was sustained by the court.

HOMELESS FILIPINO BROTHERS FINALLY ARE TAKEN CARE OF

Two Filipino boys, one two and the other three years old, were homeless and dependent this morning until Evangelist W. E. Pietsch offered to take care of them temporarily in his home in Palolo valley.

Probation Officer Joseph Leal took the youngsters into custody last night and gave them their dinner at the boys' detention home. Their mother is in jail. They don't know where their father is.

Evangelist Pietsch will try to find homes for the little Filipinos so that they may be taken care of in case the court later decides that their mother is not a fit person to take care of them.

WAREHOUSE REACHES NEW RESTING PLACE

After traveling more than 100 feet the big brick warehouse of Theo. H. Davies & Co. which was at the foot of Bishop street has reached its new location ewa of the old site and all that remains now is to construct the foundation.

It is estimated the building weighs 1400 tons, and was moved without mishap. It is the first time such an undertaking has been attempted in Hawaii although it is common enough on the mainland.

The work was unusual in that the entire building, three stories in height and constructed of brick, was removed to the new location without the loosening of a single brick. The building was raised only one inch from its foundation by eight big jacks one-eighth of an inch at a time.

A donkey engine was the power used to move the building, which was hauled 30 feet a day. At the new site a new foundation was constructed under it.

Under the building were placed 12 by 12 timbers which rested on rollers and the whole structure moved along as easily as a frame building.

D. J. and T. Sullivan of San Francisco are the contractors moving the warehouse, and O. G. Traphagen, formerly of Honolulu, is the architect T. Sullivan, with Fred Harrison as an assistant, was directly in charge of the work.

SOME DOINGS AT HEINIE'S TONIGHT

Good music, good food, keen dancing and that "old man breeze" for which Waikiki is famous. All at your service at Heinie's Tavern, where you get the real Honolulu hospitality.

You just can't help enjoying yourself in such lovely surroundings. Come out and have dinner and dance, where the ocean breeze makes its home. All Honolulu enjoys and appreciates Heinie's. Dinner served from 5:30 to 8:00. Dancing every evening.—Adv.

EMPIRE THEATER

The General and Universal Film SERVICES.

Daily Matinees (except Saturdays and Holidays) from 1:00 to 4:00 o'clock. Saturday and Holiday Matinees from 10:00 a. m. to 4:00 o'clock. Evenings (two shows) 6:30 and 8:45 o'clock.

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VISIT YOUR DENTIST EVERY SIX MONTHS and USE TWICE DAILY

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JAPANESE SILK GOODS AND CURIOS, KIMONOS AND EMBROIDERIES

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1120 NUUANU STREET, JUST ABOVE HOTEL

Three dainty new patterns in Flatwear

"Martha Hilton"

"Corinthian"

"John Alden"

will add much to the grace and charm of any table.

See these in our window.

We have a very extensive line of souvenir spoons ranging in price from 50c to $5.00.

H. CULMAN CO. LTD.

112 FORT

IN THE CIRCUIT COURT OF THE Third Circuit, Territory of Hawaii At Chambers—In Probate.

In the matter of the Estate of John Alawa, Deceased.

Order of Notice of Hearing Petition for Administration De Bonis.

On Reading and Filing the Petition of Mrs. Victoria Alawa (now Mrs. Atkins) of Kona, Hawaii, alleging that John Alawa of Kona, Hawaii, died intestate at Kona, Hawaii, on the 10th day of January, A. D. 1914, leaving property in the Territory of Hawaii necessary to be administered upon, and praying that Letters of Administration De Bonis issue to William Anderson.

It is ordered, that Saturday, the 8th day of September, A. D. 1917, at 10 o'clock a. m., be and hereby is appointed for hearing said Petition in the Court Room of this Court at Kailua, North Kona, at which time and place all persons concerned may appear and show cause, if any they have, why said Petition should not be granted, and that notice of this order shall be published once a week for three successive weeks in the Star-Bulletin, newspaper printed and published in Honolulu, City and County of Honolulu, Island of Oahu, Territory of Hawaii.

Dated July 16, 1917.

J. W. THOMPSON,
Judge of the Circuit Court of the Third Circuit.

Attest:
JOHN HILLS,
Clerk Circuit Court of the Third Circuit.

6844—July 21, 28, Aug. 4, 11.

After the Movies

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Murine is for Tired Eyes. Red Eyes—Sore Eyes—Granulated Eyelids. Rests—Refreshes—Restores. Murine is a Favorite Treatment for Eyes that feel dry and smart. Give your Eyes as much of your loving care as your Teeth and with the same regularity.

CARE FOR THEM. YOU CANNOT BUY NEW EYES!

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Vesper Song Service

Under the auspices of the Christian, Methodist and Central Union Churches, the Y.W.C.A. and the Y.M.C.A.

tomorrow evening

At McKinley High School Grounds
Corner of Beretania and Victoria Sts.

Song Service; 7 to 7:30 o'clock

Singing Led by Chorus and Cornet
Cornet Solo—"Holy City"
By Mr. James McCabe of the Royal Hawaiian Band.
Male Quartet

Dr. A. W. PALMER OF BERKELEY WILL SPEAK ON

"Running Away From Life"

Come early and sing!

Everybody Welcome

In case of rain, service will be held in the Methodist Church.