

ment of Roy and Estelle Kelley from active management in the Outrigger Hotels in Hawaii.

Their involvement became confined to daily luncheons with family, friends, and advisers where current projects, the state of business and, occasionally, a choice rumor are discussed.

The second generation of the Kelleys had also changed.

Pat Kelley sold her travel business to the parent company and started a new company called "Mother of the Bride" which advises and assists people who want to be married in Hawaii. Confined to bed by a serious illness, Pat continued her nonprofit marriage bureau in her usual high spirits while flat on her back.

Pat's husband, Jerry Petrequin, has become coordinator of corporate contributions for Outrigger Hotels Hawaii.

Jeannie Rolles, who won her hotel degree in 1975 from Cornell, returned to the family corporation. Today, she is vice president, Property Management, supervising over three hundred leases on shops, restaurants, and bars within the hotels and controlling the rental of approximately a hundred

and fifty apartment units.

In the best Kelley tradition, she works a seven-day week but, also in the Kelley tradition, she takes vacations away from the telephone. She goes hiking in jungles, canoeing down rivers, backpacking and horsepacking in mountains, and skiing in exotic places.

Dr. Richard Kelley has become the chairman and chief executive officer.

It has been an arduous, demanding twenty years for Richard. Assuming control of the Kelley empire has required new skills. His learning curve looks like a ski jump in reverse.

But, if Roy Kelley was the successful explosive wildcatter with the right instincts for sniffing out potentially profitable hotel sites, Richard Kelley is the cool, intellectual surgeon capable of advancing the Outrigger fortunes with calculated financial moves across a breakfront of hotels, real estate, investments, and services.

Hawaii has boomed in those twenty years and the Outrigger Hotels have kept ahead of the marketplace, thanks to Richard's newly honed abilities as a hotelier/financier.

* * *

In 1989, the Outrigger Hotels sold six out of seven properties it had put on the market earlier, but the Outrigger condition of sale was a ten-year management contract on each property.

All the properties were sold to Japanese investors.

It appeared to observers that the sales accomplished several purposes.

In 1989, the Hawaii leisure market was at a peak. If, as in the past, the tourist business were cyclical, it would be the most opportune time to sell, repeating the timing of the Cinerama sale.

By selling to Japanese owners, Outrigger strengthened its marketing ties to the Japanese segment of the Hawaii tourist market which accounts for almost twenty percent of the annual visitor count.

An important third fact was the major cash asset engendered by the sales. The cash allowed the Outrigger Hotels to finance a \$100 million refurbishing program without going to the banks. In a real sense, it was the proverbial Kelley cigar box financing.

Traditionally, the Kelley hotels were famous for "a clean room and a

In 1973, our firm had 3 lawyers and represented none of Hawaii's Top 250 companies. We now have 20 lawyers who handle litigation, real estate and corporate matters for over 20 of Hawaii's Top 250 and many other fine companies from Hawaii, the mainland and other countries. We congratulate our clients on their continuing success and look forward to helping them achieve their future goals.

PAUL, JOHNSON, ALSTON & HUNT

ATTORNEYS AT LAW, A LAW CORPORATION

Honolulu Office: Suite 1300, Pacific Tower, 1001 Bishop Street, Honolulu, Hawaii 96813, (808) 524-1212
Maui Office: 2145 Kaohu Street, Wailuku, Hawaii 96793, (808) 242-6644