



DEPARTMENT OF THE ATTORNEY GENERAL

**News Release**

**LINDA LINGLE**  
GOVERNOR

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**3 Arrested in Florida for Securities Violations and Theft in Hawaii**

HONOLULU-Attorney General Mark Bennett announced today that authorities in Florida have arrested Robert Byrch, Richard Morris and Robert Michutka, who were indicted by a Honolulu grand jury on May 25, 2006 for Securities Violations and Theft in the First Degree, related to the sale of promissory notes. Byrch was the president of 21<sup>st</sup> Century Satellite Communications, Inc., the Florida company which sold the notes. Morris and Michutka were involved in the sale of the notes in Hawaii. 21<sup>st</sup> Century Satellite Communications, Inc. has since filed for bankruptcy. In all, Hawaii investors lost over \$1,000,000. Nationwide investors lost over \$20,000,000. The Department of the Attorney General will seek to extradite all three men for prosecution in Hawaii. The Securities Violations carry a term of imprisonment of 20 years. Theft in the First Degree carries a maximum term of imprisonment of 10 years.

An indictment is merely an accusation and the defendants are presumed innocent until and unless they are proven guilty.

Attached is a copy of the indictment.

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Attorneys for the State of Hawaii

Indictment Presented  
and Filed  
MAY 25 2006 4:01P M  
Date Time  
S. Swinney, Clerk  
FIRST CIRCUIT COURT, STATE OF HAWAII

IN THE CIRCUIT COURT OF THE FIRST CIRCUIT

STATE OF HAWAII

STATE OF HAWAII,

vs.

ROBERT BYRCH, RICHARD MORRIS and  
ROBERT MICHUTKA,

Defendants.

) CR. NO. 06-1-1081  
)  
) COUNT I & II:  
) SALE OF UNREGISTERED SECURITIES  
) (§§ 485-8 & 485-21, H.R.S.)  
) (A.G. NOS. 04-17548 & 04-17548-1)  
)  
) COUNT III & IV:  
) SALE OF SECURITIES BY AN  
) UNREGISTERED PERSON  
) (§§ 485-14 & 485-21, H.R.S.)  
) (A.G. NOS. 04-17548-2 & 04-17548-3)  
)  
) COUNT V & VI:  
) PROHIBITED SECURITIES PRACTICES  
) (§§ 482-21(a)(3) & (b) & 485-25(a)(2), H.R.S.)  
) (A.G. NOS. 04-17548-4 & 04-17548-5)  
)  
) COUNT VII & VIII:  
) SECURITIES FRAUD  
) (§§ 482-21(a)(3) & (b) & 485-25(a)(3), H.R.S.)  
) (A.G. NOS. 04-17548-6 & 04-17548-7)

) COUNT IX & X:  
) THEFT IN THE FIRST DEGREE  
) (§§ 708-830(2) & 708-830.5(1)(a), H.R.S.)  
) (A.G. NOS. 04-17548-8 & 04-17548-9)

)  
) INDICTMENT  
)  
)

INDICTMENT

THE GRAND JURY CHARGES:

COUNT I: On or about the 1<sup>st</sup> day of October, 1998 to and including the 30<sup>th</sup> day of May, 2000 in the City and County of Honolulu, State of Hawaii, ROBERT BYRCH did intentionally, knowingly or recklessly sell or offer to sell in the State of Hawaii any security that had not been registered by notification or qualification as provided by Chapter 485 of the Hawaii Revised Statutes, to wit, 21<sup>st</sup> Century Satellite Communications, Inc. promissory notes, and the total value of all money and anything else of value paid by or lost by Marjorie Kubota, Emily Tahara, Michael Tahara, Shoichi Oya, Joan Oya, Masami Abe, Fae Carlson, Ira Chun, Yong Ye Fujimoto, Allan Iwamoto, Saiko Iwamoto, Herbert Kawamoto, Lillian Kawamoto, Carol Kondo, Ernie Kondo, Dennis Kunishige, Keikichi Kurashima, Elsie Kurashima, Clifford Kusunoki, Janette Kusunoki, Stacie Kusunoki, Lunalilo Dairy, Inc., Joseph Simpliciano, Dennis Sugimoto, Helen Tanaka, Kenneth Watanabe, Leslie Wong and Michiko Yahata pursuant to the same scheme, plan or representations, or to the same entity amounts to One Hundred Thousand Dollars (\$100,000) or more thereby committing the offense of Sale of Unregistered Securities in violation of Sections 485-8 and 485-21 of the Hawaii Revised Statutes.

COUNT II: On or about the 1<sup>st</sup> day of October, 1998 to and including the 30<sup>th</sup> day of September 1999 in the City and County of Honolulu, State of Hawaii, RICHARD MORRIS and

ROBERT MICHUTKA did intentionally, knowingly or recklessly sell or offer to sell in the State of Hawaii, any security that had not been registered by notification or qualification as provided by Chapter 485 of the Hawaii Revised Statutes, to wit, 21<sup>st</sup> Century Satellite Communications, Inc. promissory notes, and the total value of all money and anything else of value paid by or lost by Marjorie Kubota, Saiko Iwamoto, Leslie Wong, Elsie Kurashima, Keikichi Kurashima, Helen Tanaka, Fae Carlson, Michiko Yahata, Dennis Sugimoto, Shoichi Oya, Joan Oya, Yong Ye Fujimoto, Masami Abe, Michael Tahara, Emily Tahara, Herbert Kawamoto, Lillian Kawamoto, Ernie Kondo, Carol Kondo, Ira Chun, Stacie Kusunoki, and Lunalilo Dairy, Inc. pursuant to the same scheme, plan or representations, or to the same entity amounts to One Hundred Thousand Dollars (\$100,000) or more thereby committing the offense of Sale of Unregistered Securities in violation of Sections 485-8 and 485-21 of the Hawaii Revised Statutes.

COUNT III: On or about the 1<sup>st</sup> day of October, 1998 to and including the 30<sup>th</sup> day of May, 2000 in the City and County of Honolulu, State of Hawaii, ROBERT BYRCH did intentionally, knowingly or recklessly transact business in the State of Hawaii, to wit, the sale of 21<sup>st</sup> Century Satellite Communications, Inc. promissory notes, as a dealer, investment adviser, salesperson, or investment adviser representative without being registered under Chapter 485 of the Hawaii Revised Statutes, and the total value of all money and anything else of value paid by or lost by Marjorie Kubota, Emily Tahara, Michael Tahara, Shoichi Oya, Joan Oya, Masami Abe, Fae Carlson, Ira Chun, Yong Ye Fujimoto, Allan Iwamoto, Saiko Iwamoto, Herbert Kawamoto, Lillian Kawamoto, Carol Kondo, Ernie Kondo, Dennis Kunishige, Keikichi Kurashima, Elsie Kurashima, Clifford Kusunoki, Janette Kusunoki, Stacie Kusunoki, Lunalilo Dairy, Inc., Joseph Simpliciano, Dennis Sugimoto, Helen Tanaka, Kenneth Watanabe, Leslie Wong and Michiko Yahata pursuant to the same scheme, plan or representations, or to the same

entity amounts to One Hundred Thousand Dollars (\$100,000) or more thereby committing the offense of Sale of Securities By An Unregistered Person in violation of Sections 485-14 and 485-21 of the Hawaii Revised Statutes.

COUNT IV: On or about the 1<sup>st</sup> day of October, 1998 to and including the 30<sup>th</sup> day of September 1999 in the City and County of Honolulu, State of Hawaii, RICHARD MORRIS and ROBERT MICHUTKA did intentionally, knowingly or recklessly transact business in the State of Hawaii, to wit, the sale of 21<sup>st</sup> Century Satellite Communications, Inc. promissory notes, as a dealer, investment adviser, salesperson, or investment adviser representative without being registered under Chapter 485 of the Hawaii Revised Statutes, and the total value of all money and anything else of value paid by or lost by Marjorie Kubota, Saiko Iwamoto, Leslie Wong, ~~Elsie Kurashima, Keikichi Kurashima, Helen Tanaka, Fae Carlson, Michiko Yahata, Dennis Sugimoto, Shoichi Oya, Joan Oya, Yong Ye Fujimoto, Masami Abe, Michael Tahara, Emily Tahara, Herbert Kawamoto, Lillian Kawamoto, Ernie Kondo, Carol Kondo, Ira Chun, Stacie Kusunoki and Lunalilo Dairy, Inc.~~ pursuant to the same scheme, plan or representations, or to the same entity amounts to One Hundred Thousand Dollars (\$100,000) or more thereby committing the offense of Sale of Securities By An Unregistered Person in violation of Sections 485-14 and 485-21 of the Hawaii Revised Statutes.

~~COUNT V: On or about the 1<sup>st</sup> day of October 1998 to and including the 30<sup>th</sup> day of May, 2000 in the City and County of Honolulu, State of Hawaii, ROBERT BYRCH did intentionally, knowingly or recklessly in connection with the offer, sale or purchase of any security in the State of Hawaii, to wit, 21<sup>st</sup> Century Satellite Communications, Inc. promissory notes, directly or indirectly make any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances~~

under which they were made, not misleading, and the total value of all money and anything else of value paid by or lost by Marjorie Kubota, Emily Tahara, Michael Tahara, Shoichi Oya, Joan Oya, Masami Abe, Fae Carlson, Ira Chun, Yong Ye Fujimoto, Allan Iwamoto, Saiko Iwamoto, Herbert Kawamoto, Lillian Kawamoto, Carol Kondo, Ernie Kondo, Dennis Kunishige, Keikichi Kurashima, Elsie Kurashima, Clifford Kusunoki, Janette Kusunoki, Stacie Kusunoki, Lunalilo Dairy, Inc., Joseph Simpliciano, Dennis Sugimoto, Helen Tanaka, Kenneth Watanabe, Leslie Wong and Michiko Yahata pursuant to the same scheme, plan, or representations or to the same entity, amounts to One Hundred Thousand Dollars (\$100,000) or more thereby committing the offense of Prohibited Securities Practices, in violation of Sections 485-21(a)(3) and (b) and 485-25(a)(2) of the Hawaii Revised Statutes.

COUNT VI: On or about the 1<sup>st</sup> day of October, 1998 to and including the 30<sup>th</sup> day of September 1999, in the City and County of Honolulu, State of Hawaii, RICHARD MORRIS and ROBERT MICHUTKA in connection with the offer, sale or purchase of any security in the State of Hawaii, to wit, 21<sup>st</sup> Century Satellite Communications, Inc. promissory notes, did intentionally, knowingly or recklessly make directly or indirectly, any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, and the total value of all money and anything else of value paid or lost by Marjorie Kubota, Saiko Iwamoto, Leslie Wong, Elsie Kurashima, Keikichi Kurashima, Helen Tanaka, Fae Carlson, Michiko Yahata, Dennis Sugimoto, Shoichi Oya, Joan Oya, Yong Ye Fujimoto, Masami Abe, Michael Tahara, Emily Tahara, Herbert Kawamoto, Lillian Kawamoto, Ernie Kondo, Carol Kondo, Ira Chun, Stacie Kusunoki, and Lunalilo Dairy, Inc. pursuant to the same scheme, plan, or representations or to the same entity, amounts to One Hundred Thousand Dollars (\$100,000) or more thereby

committing the offense of Prohibited Securities Practices, in violation of Sections 485-21(a)(3) and (b), and 485-25(a)(2) of the Hawaii Revised Statutes.

COUNT VII: On or about the 1<sup>st</sup> day of October 1998 to and including the 30<sup>th</sup> day of May, 2000 in the City and County of Honolulu, State of Hawaii, ROBERT BYRCH in connection with the offer, sale, or purchase of any security in the State of Hawaii, did intentionally, knowingly or recklessly directly or indirectly engage in any act, practice, or course of business which operated or would operate as a fraud or deceit upon any person, and the total value of all money and anything else of value paid by or lost by Marjorie Kubota, Emily Tahara, Michael Tahara, Shoichi Oya, Joan Oya, Masami Abe, Fae Carlson, Ira Chun, Yong Ye Fujimoto, Allan Iwamoto, Saiko Iwamoto, Herbert Kawamoto, Lillian Kawamoto, Carol Kondo, Ernie Kondo, Dennis Kunishige, Keikichi Kurashima, Elsie Kurashima, Clifford Kusunoki, Janette Kusunoki, Stacie Kusunoki, Lunalilo Dairy, Inc., Joseph Simpliciano, Dennis Sugimoto, Helen Tanaka, Kenneth Watanabe, Leslie Wong and Michiko Yahata pursuant to the same scheme, plan, or representations or to the same entity, amounts to One Hundred Thousand Dollars (\$100,000) or more thereby committing the offense of Securities Fraud, in violation of Sections 485-21(a)(3) and (b) and 485-25(a)(3) of the Hawaii Revised Statutes.

COUNT VIII: On or about the 1<sup>st</sup> day of October, 1998 to and including the 30<sup>th</sup> day of September 1999, in the City and County of Honolulu, State of Hawaii, RICHARD MORRIS and ROBERT MICHUTKA in connection with the offer, sale, or purchase of any security in the State of Hawaii, did intentionally, knowingly or recklessly directly or indirectly engage in any act, practice, or course of business which operated or would operate as a fraud or deceit upon any person, and the total value of all money and anything else of value paid by or lost by Marjorie Kubota, Saiko Iwamoto, Leslie Wong, Elsie Kurashima, Keikichi Kurashima, Helen Tanaka, Fae

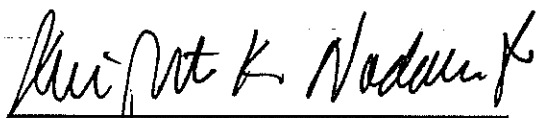
Carlson, Michiko Yahata, Dennis Sugimoto, Shoichi Oya, Joan Oya, Yong Ye Fujimoto, Masami Abe, Michael Tahara, Emily Tahara, Herbert Kawamoto, Lillian Kawamoto, Ernie Kondo, Carol Kondo, Ira Chun, Stacie Kusunoki, and Lunalilo Dairy, Inc. pursuant to the same scheme, plan, or representations or to the same entity, amounts to One Hundred Thousand Dollars (\$100,000) or more thereby committing the offense of Securities Fraud, in violation of Sections 485-21(a)(3) and (b), and 485-25(a)(3) of the Hawaii Revised Statutes.

COUNT IX: On or about the 1<sup>st</sup> day of October, 1998 to and including the 30<sup>th</sup> day of May, 2000 in the City and County of Honolulu, State of Hawaii, ROBERT BYRCH did obtain or exert control over the property of Marjorie Kubota, Emily Tahara, Michael Tahara, Shoichi Oya, Joan Oya, Masami Abe, Fae Carlson, Ira Chun, Yong Ye Fujimoto, Allan Iwamoto, Saiko Iwamoto, Herbert Kawamoto, Lillian Kawamoto, Carol Kondo, Ernie Kondo, Dennis Kunishige, Keikichi Kurashima, Elsie Kurashima, Clifford Kusunoki, Janette Kusunoki, Stacie Kusunoki, Lunalilo Dairy, Inc., Joseph Simpliciano, Dennis Sugimoto, Helen Tanaka, Kenneth Watanabe, Leslie Wong and Michiko Yahata the total value of which exceeded Twenty Thousand Dollars (\$20,000) by deception with the intent to deprive Marjorie Kubota, Emily Tahara, Michael Tahara, Shoichi Oya, Joan Oya, Masami Abe, Fae Carlson, Ira Chun, Yong Ye Fujimoto, Allan Iwamoto, Saiko Iwamoto, Herbert Kawamoto, Lillian Kawamoto, Carol Kondo, Ernie Kondo, Dennis Kunishige, Keikichi Kurashima, Elsie Kurashima, Clifford Kusunoki, Janette Kusunoki, Stacie Kusunoki, Lunalilo Dairy, Inc., Joseph Simpliciano, Dennis Sugimoto, Helen Tanaka, Kenneth Watanabe, Leslie Wong and Michiko Yahata of the property thereby committing the offense of Theft in the First Degree in violation of Sections 708-830.5(1)(a) and 708-830(2) of the Hawaii Revised Statutes.

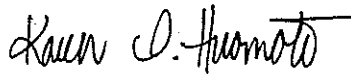


COUNT X: On or about the 1<sup>st</sup> day of October, 1998 to and including the 30<sup>th</sup> day of September, 1999, in the City and County of Honolulu, State of Hawaii, RICHARD MORRIS and ROBERT MICHUTKA did obtain or exert control over the property of Marjorie Kubota, Saiko Iwamoto, Leslie Wong, Elsie Kurashima, Keikichi Kurashima, Helen Tanaka, Fae Carlson, Michiko Yahata, Dennis Sugimoto, Shoichi Oya, Joan Oya, Yong Ye Fujimoto, Masami Abe, Michael Tahara, Emily Tahara, Herbert Kawamoto, Lillian Kawamoto, Ernie Kondo, Carol Kondo, Ira Chun, Stacie Kusunoki, and Lunalilo Dairy, Inc. the total value of which exceeded Twenty Thousand Dollars (\$20,000) by deception with the intent to deprive Marjorie Kubota, Saiko Iwamoto, Leslie Wong, Elsie Kurashima, Keikichi Kurashima, Helen Tanaka, Fae Carlson, Michiko Yahata, Dennis Sugimoto, Shoichi Oya, Joan Oya, Yong Ye Fujimoto, Masami Abe, Michael Tahara, Emily Tahara, Herbert Kawamoto, Lillian Kawamoto, Ernie Kondo, Carol Kondo, Ira Chun, Stacie Kusunoki and Lunalilo Dairy, Inc. of the property thereby committing the offense of Theft in the First Degree in violation of Sections 708-830.5(1)(a) and 708-830(2) of the Hawaii Revised Statutes.

DATED: Honolulu, Hawai'i, May 25, 2006.



DWIGHT K. NADAMOTO  
Deputy Attorney General  
State of Hawaii



Foreperson of the Grand Jury