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MARY LOU WOO, Trustee

**THE ARBITRATION TRIBUNALS OF THE
AMERICAN ARBITRATION ASSOCIATION**

In the matter of the	)	Case No. 74 166 00491 03 JAJFA
Arbitration between)	
	)	DECLARATION OF STEVEN
	)	GUTTMAN IN SUPPORT OF
MARY LOU WOO, Trustee	)	CLAIMANT'S REQUEST FOR
	)	ATTORNEYS' FEES AND
Claimant,	)	COSTS; EXHIBIT A;
	)	CERTIFICATE OF SERVICE
and)	
	)	<u>Arbitration Dates:</u>
BOBBY N. HARMON,	)	June 14 and 15, 2004
)	
Respondent.	)	<u>Arbitrator:</u>
	)	Judith Neustadter
_____)	

**DECLARATION OF STEVEN GUTTMAN IN SUPPORT OF
CLAIMANT'S REQUEST FOR ATTORNEYS' FEES AND COSTS**

Declarant STEVEN GUTTMAN ("Declarant"), declares under penalty of perjury that the statements made hereinbelow are true and correct to the best of his knowledge, information and belief.

1. Declarant is a duly licensed attorney. Declarant and Kessner Duca Umabayashi Bain & Matsunaga ("KDUBM") are authorized to represent the claims and interests of Claimant MARY LOU WOO ("Claimant"), in her capacity as the duly appointed Trustee in the Chapter 7 proceeding pending before the United States Bankruptcy Court for the District of Hawaii entitled In re Bobby Norris Harmon and Thereza Zulueta Harmon, dba Orbits Hawaii, Case No. 99-04339 ("Chapter 7 Case"), before the American Arbitration Association ("AAA").

2. On March 31, 2003, the Claimant commenced this Arbitration by filing a Demand for Arbitration ("Demand") against Respondent BOBBY N. HARMON ("Respondent") with the American Arbitration Association ("AAA"). Claimant's Demand included allegations that Respondent had and continues to violate the terms of the Settlement, Release and Indemnification Agreement approved by the U.S. District Court on January 27, 2000, and the U.S. Bankruptcy Court on March 24, 2000 ("Settlement Agreement"), and requested enforcement of the

Settlement Agreement to allow Claimant to proceed with closing the Chapter 7 Case.

3. In her Demand, Claimant raised five (5) separate and distinct issues, and requested that the Arbitrator appointed by the AAA fully and finally determine that:

a. The settlement proceeds paid to Respondent under the Agreement were a general payment of settlement funds in compromise of all issues presented by the Respondent's litigation;

b. The payment of settlement proceeds under the Agreement did not constitute wages from the Kamehameha Schools and, therefore, were not entitled to treatment as such;

c. Respondent and his wife were responsible for all tax consequences associated with the settlement proceeds;

d. No conflict of interest existed or presently exists between any of the parties and their counsel and, if such a conflict did or does exist, that it does not prejudice or harm Respondent and/or his wife; and

e. Respondent's letter writing campaign constituted and continues to constitute a breach of the covenant of good

faith and fair dealing, and that Respondent should be enjoined from writing such letters to the Trustee, her counsel, and the parties to the Agreement, their employees, representatives and others.

4. The Respondent represented himself in the Arbitration.

5. On August 4, 2003, the AAA appointed Judith Neustadter, Esq. as the Arbitrator.

6. A Pre-Hearing Conference was held on June 9, 2004.

The Arbitration Hearing was held on June 14 and June 15, 2004 via video conference (June 14) and telephone conference (June 15).

7. On August 23, 2004, the Arbitrator issued her Interim Findings of Fact, Conclusions of Law, and Award ("Interim Award").

Among other things, the Interim Award found that:

a. Claimant initiated this arbitration proceeding to enforce the terms of the Settlement Agreement;

b. Claimant is the prevailing party in the Arbitration; and

c. Claimant is entitled to recover her reasonable attorneys' fees and costs incurred in this Arbitration, except costs incurred for AAA administration and the Arbitrator, which costs Claimant shall be solely responsible for paying.

8. The necessary legal services performed by Declarant and his firm for the period March 31, 2003 through July 31, 2004 ("Arbitration Period") are itemized in Exhibit A attached hereto and incorporated herein by reference. On the basis of the itemized services set forth and explained in the attached exhibits, Declarant requests that the Bankruptcy Estate be reimbursed the sum of \$51,517.89, for attorneys' fees, including Hawaii general excise tax, computed through July 31, 2004, as follows:

ATTORNEY	INITIALS	HOURS	RATE	AMOUNT
Steven Guttman	SG	130.70	\$ 230.00	\$ 30,061.00
PARALEGALS	INITIALS	HOURS	RATE	AMOUNT
Wendy Ishibashi	WKI	215.00	\$ 90.00	\$ 19,350.00
Soledad dela-Cruz Ferrer	SDF	0.45	\$ 90.00	\$ 40.50
Sub-Total:		346.15		\$ 49,451.50
Excise Tax:				\$ 2,066.39
TOTAL:				\$ 51,517.89

9. During the Arbitration Period, \$970.54 in actual and necessary expenses were incurred, as set forth and explained in Exhibit A, for which reimbursement is requested. These expenses do not include costs incurred for AAA administration and the Arbitrator.

10. During the Arbitration Period, Declarant and his firm assisted the Claimant as follows:

A. Arbitration Demand, Motions, Discovery, and Arbitration Hearing. In addition to the initial Demand for Arbitration, Declarant and his firm assisted Claimant in research, drafting, and presenting numerous pre-hearing dispositive motions, motions in limine, position statements, supporting and opposing memoranda, and other pleadings, declarations, exhibits, witness lists, and proposed findings of fact/conclusions of law directly related to the Arbitration Hearing held herein on June 14 and 15, 2004.

B. Correspondence and Communications with AAA and Respondent. From the outset of this arbitration proceeding, Declarant was required to correspond and otherwise communicate with the AAA and Respondent on an almost daily basis. Due to the AAA's interpretation of the rules governing this proceeding and the tenacious volleying of letters by the Respondent, Declarant was forced to expend an extraordinary amount of time and energy responding to virtually all of Respondent's letters. A significant portion of the correspondence related to the selection of an arbitrator. Once the Arbitrator was appointed, Respondent

commenced a barrage of allegations that the Arbitrator should be disqualified due to conflicts of interest; to this day, the Respondent continues to challenge the Arbitrator's appointment. In the process of Respondent continuing his letter campaign, he continued to violate the confidentiality provisions of the Settlement Agreement. Furthermore, Respondent maintained a website through which he made available to the public at large information deemed confidential under the terms of the Settlement Agreement. Respondent's letter writing campaign and website communications mandated Declarant's ongoing and vigilant monitoring. These constant and myriad of activities have contributed to the significant legal fees incurred during the Arbitration Period.

C. Post-Arbitration Demand Review and Monitoring of Respondent's Compliance with Settlement Agreement and Interim Orders.

On June 16 and June 28, 2004, the Arbitrator issued Interim Orders which directed Respondent to cease and desist from certain specific acts and actions, and any violation thereof would result in monetary sanctions. Almost immediately, Respondent began violating the Interim Orders. Respondent's flagrant refusal to abide by the terms of the Interim Orders has required constant monitoring by Declarant of the website, and

additional post-trial communications with Respondent and the AAA in an effort to bring Respondent's abhorrent behavior under some semblance of control.

D. AAA Fees and Costs Advanced by Claimant. Declarant is cognizant of the fact that under the terms of the Interim Award, the Claimant is not allowed to seek reimbursement for the costs incurred for AAA administration and the Arbitrator. However, in order to preserve the parties' ability to appear before the AAA, Claimant advanced certain fees and costs on behalf of the Respondent. Claimant is now seeking reimbursement of these specific fees and costs. According to Claimant's records, Claimant advanced fees and costs for the benefit of Respondent as follows:

DATE	AMOUNT PAID	REFERENCE NO.
9/15/03	\$ 25.00	8722099
9/15/03	\$ 400.00	8722102
3/9/04	\$ 2,500.00	8838279
3/9/04	\$ 225.00	8838280
TOTAL PAID	\$ 3,150.00	

Respondent should be ordered to reimburse the Bankruptcy Estate for the specific fees and costs that were advanced on his behalf.

11. Declarant believes that the hourly rates for services performed by Declarant and his firm are reasonable in light of the amount and kind of work involved with this proceeding and the results achieved.

12. Based on the foregoing and the entire record herein, Declarant requests that:

a. The Bankruptcy Estate be entitled to recover the sum of \$51,517.89, including Hawaii general excise tax, as and for reasonable attorneys' fees incurred during the Arbitration Period;

b. The Bankruptcy Estate be entitled to recover the sum of \$970.54, in actual and necessary expenses, excluding costs incurred for AAA administration and the Arbitrator; and

c. The Bankruptcy Estate be entitled to recover directly from Respondent the sum of \$3,150.00, as and for AAA Administrative costs and the Arbitrator's fees which were advanced by the Estate on behalf of Respondent for the purpose of preserving the parties' ability to appear before the AAA in this proceeding.

DATED: Honolulu, Hawaii, September 2, 2004.



STEVEN GUTTMAN