

Bobby N. Harmon, CPCU, ARM

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June 15, 2001

Mr. Steve Guttman, Esq.  
Attorney at Law  
1132 Bishop St., Ste 1404  
Honolulu, HI 96813

RE: Harmon Ch. 7 Bankruptcy Case No. 99-04339 - Conflicts of Interest

Dear Mr. Guttman:

This responds to the portions of your letter dated June 11, 2001 regarding attorney conflicts of interest.

In my letter dated May 29, 2001, I stated the following:

"While on the subject of conflicts of interest, I must add one new question. This is with regard to SUSAN TIUS, ESQ., who has signed as Attorney for the Kamehameha Schools Bishop Estate in Bankruptcy Case No. 99-04339 (the Harmon Bankruptcy). I have learned that Ms. Tius is the wife of Guido Giacometti, who was previously an executive with Kamehameha Schools Bishop Estate.

"Mr. Giacometti is mentioned in my RICO lawsuit as one of the executives who co-invested with the Trust in the notorious 'McKenzie Methane deal'. Consequently, this appears to be another substantial conflict of interest situation not previously disclosed.

"I have also been informed that Ms. Tius has, or had, a business relationship with Trustee MARY LOU WOO. This may or may not be true, but because of Mr. Giacometti's involvement with Bishop Estate, and his more recent involvement with the bankruptcy of Sukanto Sia, I must bring up this issue. My new question, then, is:

5. Have you or Ms. Woo ever had any business or personal relationships with Ms. Susan Tius, Mr. Guido Giacometti, Mr. Sukanto Sia, Mr. Ben Cayetano, Mr. Earl Anzai, any of the entities named in my RICO lawsuit, the interim or current trustees of Bishop Estate, or any current or former employees of Kamehameha Schools and, if so, would you please describe, in detail, the connection?"

Your response was: "You keep using in your letters the phrase 'fraudulent acts.' I have been meaning to mention to you that the only item in your bankruptcy case that I think

gives rise to a charge of a fraudulent act was your election not to list all the pending litigation in your original Schedule B or Statement of Affairs. I am reminded of this failure to list what proved to be an asset of the estate by your inquiry as to Ms. Tius. You were told by the Trustee at the time she first met you and discussed the litigation which had not been listed that the attorney who usually represents her is Ms. Tius, but in this case, because of the Bishop Estate related lawsuits, she would retain someone other than Ms. Tius. Based upon the specific statement made to you with your then attorney being present, I do not understand your recent inquiries as to Ms. Tius. Please note that my previous sentence is **not** an invitation for you to send me another letter."

To answer your comment that "the only item in your bankruptcy case that I think gives rise to a charge of a fraudulent act was your election not to list all the pending litigation in your original Schedule B or Statement of Affairs," as you are aware from our initial meeting with Trustee Mary Loo Woo, with our then-bankruptcy attorney Gregg Dunn in attendance, this omission was explained as being due to the fact that my wife and I simply did not initially understand that these lawsuits and countersuits were ASSETS. In any event, we thought that Ms. Woo and all others present at the time were satisfied with this explanation, and I do not understand why this situation should "give rise to a fraudulent act" at this late date.

I also wish to respond to your comment: "You were told by the Trustee at the time she first met you and discussed the litigation which had not been listed that the attorney who usually represents her is Ms. Tius, but in this case, because of the Bishop Estate related lawsuits, she would retain someone other than Ms. Tius." To be honest, this was so long ago that I have slim recollection of the details of the discussion, and I almost certainly did not connect the name of Susan Tius with Guido Giacometti at the time. However, it is not the fact that Ms. Woo chose to use a different attorney that I believe is important in this case, it is the fact that KAMEHAMEHA SCHOOLS BISHOP ESTATE retained Ms. Tius knowing that there was conflict of interest.

Keeping in mind that at our first meeting with Ms. Woo it was not known (by me, at least) that Ms. Tius would be representing KSBE, I believe that it would have been prudent legal practice for the Trustee's attorney, or one of my attorneys, to immediately challenge such representation as soon as it became known. At a minimum, I would think that this fact should have been disclosed to all parties for discussion and resolution before continuing with the case.

I have attempted not to ask any new questions in this letter; however, I wish to point out that you have not answered question No. 1, or completely answered question No. 5, contained in my May 29<sup>th</sup> letter. Consequently, I find it necessary to ask this one question: Do you intend to fully respond to these questions in future letters?

I will respond to other comments in your June 11<sup>th</sup> letter in separate correspondence.

Very truly yours,

A thick black horizontal bar redacting the signature of Bobby N. Harmon.

Bobby N. Harmon

cc: Gayle Lau, Esq.  
Curtis Ching, Esq.  
Office of the U.S. Trustee  
1132 Bishop St., Ste 602  
Honolulu, HI 96813