

Statement of Michelle I. Pang

On March 23, 2007, Michelle I. Pang, employee of Bureau of Conveyances (BOC), Department of Land and Natural Resources (DLNR), State of Hawaii (SOH) was re-contacted by Hilton J. Lui. Upon contact Pang was informed by Lui that he had additional questions of her.

First of all, a document provided to Lui by Enrique was shown to Pang which appears to be a contact between Title Guaranty of Hawaii, Inc. and DLNR - BOC, Contract 46716, also known as ICS-FY-99-52, Services to Develop and Implement a Replacement Land Court and Regular Automated Tracking System for the State of Hawaii. Pang advised she has never seen it before and have no knowledge as to the contract. Pang advised there were some documents she found yesterday as a result of a subpoena that she was told required her to look for some documents that the cashiers had to provide relating to the LCATs and the billings. The first document she came across was a letter dated October 30, 1998 from Michael Pietsch of Title Guaranty to Mason Young, who was the Administrator of the Bureau of Conveyance which talks about the scanning of the images and how they were to receive a 50% discount on their LCATs subscription. This was found in an old folder for Title Guaranty for 1998. Apparently the scanning was to commence on 12/1/98. The agreement was forward by Susan Okamoto to the Cashiers via Memorandum dated 7/22/99 to make them aware of the 50% for monthly LCATs subscription and cost of the magnetic tape for the daily entry. Another letter that was recovered was dated August 26, 2003, from Carl Watanabe to Michael Pietsch where it noted the mutual termination of the imaging project on July 21, 2003, where the 50% would also end. Pang did not

know about the billing documents provided by Enrique subsequent to the July 21, 2003 date.

Pang advised that having a title company do the scanning for the BOC appears like a conflict of interest because Title Guaranty does recording with them and the majority of the documents that are recorded come from them. Pang question, "wouldn't this be part of an ethical thing?"

Documents are attached herewith.

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