

IN THE CIRCUIT COURT OF THE FIRST CIRCUIT
STATE OF HAWAII

JANET HAOLE, individually and on behalf of all others
similarly situated,

Plaintiff,

vs.

TITLE GUARANTY ESCROW SERVICES, INC.,

Defendant.

Civil No. 07-1-0731-04 GWBC
(Class Action)

NOTICE OF PROPOSED CLASS ACTION
SETTLEMENT

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT ("Notice")

TO: Escrow customers of Title Guaranty Escrow Services, Inc. ("defendant") whose escrow closed before September 17, 2007 and who meet both of the following criteria: a) those who paid defendant a recording fee assessed and shown on line 1201 of the customer's final HUD-1 settlement statement, and b) defendant did not directly or indirectly pay such fee to the Bureau of Conveyances to record the release of mortgage in connection with the customer(s) escrowed transaction:

**THIS IS NOT A LAWSUIT AGAINST YOU.
THIS NOTICE MAY AFFECT YOUR RIGHTS.
PLEASE READ IT CAREFULLY!**

1. WHY SHOULD I READ THIS NOTICE?

This notice describes a class action lawsuit against defendant, your rights under the proposed settlement of the lawsuit, and the date and time of a hearing that will be held by the Circuit Court of the First Circuit, State of Hawaii to consider the fairness of the proposed settlement, certification of a settlement class, the amount of attorneys' fees to be awarded, and the adequacy of representation of the proposed settlement class. The Court has conditionally approved the proposed settlement.

Defendant's records indicate that you may be a member of the proposed settlement class. If so, you are eligible to receive benefits under the proposed settlement. You also have other rights and options explained below.

2. WHAT IS THIS LAWSUIT ABOUT?

Plaintiff Janet Haole ("plaintiff") claims that defendant collected a recording fee assessed and shown on line 1201 of its escrow customers' final HUD-1 settlement statement, in the amount of \$25, and in those instances where defendant did not directly or indirectly pay such fee to the Bureau of Conveyances of the State of Hawaii, plaintiff asserts the collection of such fee was a breach of defendant's alleged fiduciary duty and an unfair or deceptive act or practice. The fee paid under these circumstances is referred to as the "disputed fee".

Defendant asserts the disputed fee was paid in exchange for valuable services provided by defendant to its escrow customers. Defendant denies plaintiff's claims and contentions and denies all wrongdoing. Nevertheless, without admitting any liability or wrongdoing, and to avoid the burden and expense of litigation, defendant has reached a tentative agreement with plaintiff and her attorneys to settle the suit on the terms described in Section 4 below.

3. WHO IS COVERED BY THE PROPOSED SETTLEMENT?

If approved, the proposed settlement will cover all escrow customers of defendant whose escrow closed before September 17, 2007 and who paid the disputed fee. Persons meeting the foregoing requirements are referred to individually as "class members" and collectively as the "class".

The settlement will not cover any person who elects to be excluded in the manner described in Section 7 below.

4. WHAT ARE THE TERMS OF THE PROPOSED SETTLEMENT?

Defendant will pay class members who paid the disputed fee up to \$37.50 per escrow, provided the class member submits a timely and complete claim as provided herein and as more fully set forth in the proposed settlement agreement and other documents. The amount actually paid to class members depends on the number of approved claims from class members as more fully set forth in the proposed settlement agreement.

In the aggregate, defendant will pay no more than \$800,000 to class members, inclusive of a stipend of \$5,000 to plaintiff (the "stipend"). To the extent that the sum of the payments to class members and the stipend total less than \$600,000, subject to the approval of the court, the remaining funds will be impressed into a cy pres fund for the benefit of the Hawaii HomeOwnership Center and the Children's Discovery Center, both Hawaii non-profit corporations. Defendant may recover its costs to administer this settlement, up to \$200,000, if the sum of the approved claims of the class members plus the stipend totals less than \$800,000, as more fully set forth in the proposed settlement agreement.

In addition thereto, defendant will pay plaintiff's attorneys up to \$200,000 in attorneys' fees and costs, subject to Court approval.

In consideration of the foregoing payments, the plaintiff's lawsuit will be dismissed with prejudice and all class members will release all claims against defendant, Title Guaranty of Hawaii, Inc., and the subsidiaries, affiliates, directors, officers, shareholders, insurers, employees and attorneys of each, and their respective successors, assigns and personal representatives, from all claims, actions, causes of action, offsets or liabilities, whether known or unknown, suspected or unsuspected, contingent or matured, and whether for monetary, injunctive or other relief, which the plaintiff or any class member has, had, now has, or may in the future have arising out of or connected in any way with the payment of the disputed fee, including but not limited to claims for negligence, gross negligence, professional negligence, breach of duty of care, breach of duty of loyalty, breach of duty of candor, fraud, breach of fiduciary duty, negligent misrepresentation, misrepresentation, breach of contract, unfair or deceptive acts or practices or other claims under Hawaii Revised Statutes Chapter 480, or claims under any state or federal law governing the charging, collection or disclosure of the disputed fee, or pursuant to any other statute or common law principle or rule of law implicated by the disputed fee or the disclosure thereof.

This is only a brief summary of the proposed settlement, which is only effective upon approval of the Court. You may obtain a copy of the proposed settlement agreement from plaintiff's attorneys, whose names and addresses are listed in Section 9 of this notice.

5. HOW AND WHEN WILL THE SETTLEMENT FUNDS BE DISTRIBUTED?

Either defendant or a third party selected by defendant will administer the claims process and distribute checks to class members who submit timely and complete claims as set forth in Section 6.

No claims will be paid unless the Court approves the settlement. Settlement funds will not be distributed until after the time for appealing approval of the settlement has expired or the settlement approval is obtained on appeal. This process will likely not be resolved until early 2009, but may take longer.

6. HOW CAN I PARTICIPATE IN THE SETTLEMENT?

You may sign the enclosed post card insert, certifying that the information about your claim provided on the enclosed postcard insert is correct, to the address preprinted thereon. The post card must be post marked no later than January 15, 2009. All parties to the escrow transaction who were responsible for paying the disputed fee must sign the claim in order for it to be complete.

If the information on the enclosed postcard insert is not correct, and you believe you are entitled to make a claim, you must write to the claims administrator and enclose materials to establish that you are a class member. Your letter and supporting materials to the claims administrator must be post marked no later than January 15, 2009 and sent to:

Claims Administrator
PO Box 29879
Honolulu, HI 96820-2279

NO BENEFITS WILL BE PAID TO YOU UNLESS YOU MAIL A POST CARD OR OTHER CLAIM FORM TO THE ABOVE ADDRESS POSTMARKED NO LATER THAN JANUARY 15, 2009. WHETHER OR NOT YOU MAKE A CLAIM, YOU WILL BE BOUND BY THE RELEASE UNLESS YOU REQUEST EXCLUSION. DETERMINATION OF WHETHER A CLAIMANT QUALIFIES AS A CLASS MEMBER AND WHETHER THE CLAIM IS SUFFICIENT AND COMPLETE WILL BE MADE BY THE CLAIMS ADMINISTRATOR OR AS PROVIDED IN THE CLAIMS ADMINISTRATION PLAN.

If you have filed bankruptcy after your escrow closed or if you are involved in any other lawsuits against defendant, you should consult your attorney concerning how the proposed settlement may affect your rights. You should consult with your tax advisor concerning the tax effects of any settlement funds received.

7. CAN I EXCLUDE MYSELF FROM THE SETTLEMENT?

Yes. If you exclude yourself (opt-out) from the class, you will not receive any payment from the settlement, and you will not be bound by the judgment that may be entered dismissing the suit. You will be free to pursue whatever legal rights you may have by pursuing your own lawsuit against the defendant at your own risk and expense.

To exclude yourself, you must send a written request for exclusion by mail which must be postmarked on or before October 27, 2008, to:

Claims Administrator
PO Box 29879
Honolulu, HI 96820-2279

The request should state the name and number of this suit (shown at the beginning of this notice), your name and address, escrow number (if known or shown on the postcard insert to this notice), and state that you request exclusion from the class. You and all other borrowers who were parties to the escrow that paid the disputed fee must sign the exclusion request.

If the request for exclusion is not timely mailed, does not include the required information or is not signed by all necessary parties will be ineffective, and you will remain a member of the class and will be bound by the settlement and judgment in the suit, including the release of claims described in Section 4 above.

8. WHY, WHEN AND WHERE WILL THE FINAL APPROVAL HEARING BE HELD?

A hearing will be held in the Circuit Court of the First Circuit, State of Hawaii, 777 Punchbowl Street, Honolulu, Hawaii 96813 in the courtroom of the Honorable Gary W.B. Chang on November 12, 2008 at 3:00 p.m. (the "final approval hearing"). The Court may adjourn or reschedule the final approval hearing without further notice.

At this hearing, the Court will consider (a) whether the proposed settlement agreement should be finally approved as fair, reasonable, adequate, and in the best interest of the class, (b) whether the class meets the requirements for final class certification, (c) the payment of attorneys' fees and costs to counsel for the plaintiffs, and (d) whether the class has been adequately represented in these proceedings.

You do NOT need to attend the final approval hearing.

Unless you have requested exclusion from the class (see Section 7 above), you may be heard on any of the issues to be considered at the final approval hearing. To be heard, you must mail a written objection, stating the name and number of this suit (shown at the beginning of this notice), your name and address, and any argument or other matter you wish the Court to consider, to Clerk, Circuit Court of the First Circuit, State of Hawaii, 777 Punchbowl Street, Honolulu, Hawaii 96813 and mail copies to John Francis Perkin, Perkin & Faria, LLLC, 2000 Davies Pacific Center, 841 Bishop Street, Honolulu, Hawaii 96813 and Robert A. Marks, Price Okamoto Himeno & Lum, 707 Richards Street, Suite 728, Honolulu, Hawaii 96813. The objection must be filed and mailed not less than 8 days before the final approval hearing.

You may hire an attorney, at your own expense, to represent you at the final approval hearing. If you do so, not less than 8 days before the final approval hearing, your attorney must file a notice of appearance with the Clerk (at the address given above) and mail copies to the attorneys listed in the preceding paragraph.

9. WHO REPRESENTS THE PLAINTIFF AND CLASS?

Plaintiff and the class are represented by:

John Francis Perkin and Brandee J.K. Faria, Perkin & Faria, LLLC, 2000 Davies Pacific Center, 841 Bishop Street, Honolulu, Hawaii 96813, www.perkinlaw.com; bjkfaria@perkinlaw.com, and

George Van Buren, Van Buren Campbell & Shimizu, Topa Financial Center, Fort Street Tower, 745 Fort Street, Suite 1950, Honolulu, Hawaii 96813.

You may contact plaintiff's counsel if you have questions about the suit or settlement which this notice does not answer.

10. WHAT ARE PLAINTIFF'S COUNSEL'S REASONS FOR SETTLEMENT?

Plaintiff's counsel have agreed to settle the lawsuit after considering, among other things, (i) the benefits available to the class under the terms of the settlement agreement; (ii) the risks, difficulties, uncertainty, and delay of complex litigation such as this suit; and (iii) the desirability of consummating the settlement promptly to provide effective relief to the class.

11. HOW WILL PLAINTIFF'S COUNSEL'S FEES AND EXPENSES BE PAID?

Subject to court approval, defendant will pay plaintiff's counsel up to \$200,000 for full payment of plaintiff's attorneys' fees and costs. Plaintiff's counsels' fees will be paid separately by the defendant and will not come out of the funds designated for the class or reduce the settlement benefits available for the class. You will not be asked to pay any attorneys' fees or costs if you decide to participate in the settlement.

12. WHAT CLAIMS WILL BE RELEASED IF THE SETTLEMENT IS APPROVED BY THE COURT?

If the settlement agreement is approved by the Court, it will bind all members of the class who did not request exclusion (see Section 7 above), and will release all of their claims against defendant as set forth in Section 4 above and more fully set forth in the proposed settlement agreement.

13. WHAT IF THE SETTLEMENT IS NOT APPROVED BY THE COURT?

If the proposed settlement agreement is not approved by the Court, the settlement agreement will be voided, and the parties will return to mediation. If the mediation fails, it is possible the plaintiff will proceed with her suit.

14. HOW CAN I GET ADDITIONAL INFORMATION?

This notice provides only a brief summary of suit and the proposed settlement. You may obtain a copy of the proposed settlement agreement and other settlement documentation from plaintiff's counsel, whose names and addresses are listed in Section 9 of this notice, or you may view the settlement agreement at the Office of the Clerk, Circuit Court of the First Circuit, State of Hawaii, 777 Punchbowl Street, Honolulu, Hawaii 96813. You may also contact plaintiffs' counsel for other information about the suit or the proposed settlement.

15. WHAT ARE YOUR OPTIONS AS A CLASS MEMBER?

ACTION	EFFECT	DEADLINE
Do Nothing	Receive no settlement proceeds and be barred from pursuing this Defendant for these claims.	
Submit a Claim Card	Receive pro rata portion of settlement proceeds of up to \$37.50 per class member.	Deadline to mail claims is January 15, 2009
Exclude Yourself /Opt-out	Receive no payment. This will allow you to file your own lawsuit against Defendant with your own lawyer, at your own risk and expense for these claims.	Deadline to mail exclusion/opt-out requests is October 27, 2008
Object in Writing	Write to the Court explaining what you don't like about the settlement or why you think it is not fair.	Deadline to mail objections is October 27, 2008
Attend Settlement Hearing	Ask to be heard by the Court regarding the settlement.	Hearing for Final Approval of Settlement: November 12, 2008 at 3:00 p.m.

PLEASE DO NOT CONTACT THE COURT OR DEFENDANT FOR INFORMATION.

If you wish additional information or have questions that this notice does not answer, contact plaintiff's counsel listed in Section 9 or seek advice from your own attorney at your own expense.

Dated: Honolulu, Hawaii, August 18, 2008.

BY ORDER OF THE COURT