

NEIL ABERCROMBIE  
GOVERNOR



**STATE OF HAWAII**  
EMPLOYEES' RETIREMENT SYSTEM

January 17, 2013

Email: [phanashiro@kmhllp.com](mailto:phanashiro@kmhllp.com)  
(Original will be mailed)

Peter Hanashiro, Partner  
KMH LLP  
1003 Bishop Street, Suite 2400  
Honolulu, HI 96813

Dear Peter:

This is to inform you that the Employees' Retirement System (ERS) has selected KMH LLP to assist the ERS with establishing an internal audit function as provided in the ERS's Request for Proposals, Internal Audit Services, RFP 2012-03.

This selection is subject to negotiation of contract issues and the approval by the Attorney General's Office of the Contract between KMH LLP and the Employees' Retirement System of the State of Hawaii. The Contract will not include the services described on in the section on page 32 of KMH's proposal dated December 14, 2012 entitled "Buffer Year and Optional extension Period (January 1, 2015 thru December 31, 2016)." The compensation under the Contract, including approved costs incurred and taxes, will not exceed \$687,160.00.

Congratulations, we look forward to working with your and your staff.

If you have any questions, please do not hesitate to call me.

Sincerely,

A handwritten signature in black ink, appearing to read "Wesley K. Machida".

Wesley K. Machida  
Administrator



Employees' Retirement System  
of the State of Hawaii