



Benjamin J. Cayetano  
Governor

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## NEWS RELEASE

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### **Preliminary Settlement Reached in Welfare Class Action**

Through their attorneys, the State of Hawai'i and a Plaintiff class of disabled welfare recipients have entered a preliminary settlement in the class action *Kihara v. Chandler* (Civil No. 00-1-2874-09 SSM). This class action lawsuit involves claims that the Department of Human Services of Hawai'i wrongfully reduced welfare (or "general assistance") benefits to disabled class members under void administrative rules.

The Plaintiff class is officially defined as: "All Disabled Persons (other than those with a primary diagnosis of substance abuse) who received reduced General Assistance benefits from the State of Hawai'i, and were adversely affected by H.A.R. 17-678-17 through 17-678-19 (1995), effective after February 29, 1996." The rules were effective until February 28, 1999.

The settlement will not be final unless: (1) the Court approves it; and (2) the legislature appropriates the funds this year (2002). If approved, the settlement will require the Plaintiff class to dismiss its claims if the State of Hawai'i does the following:

- (1) Creates a Fund of \$1.5 Million for the Class;
- (2) Makes payments as follows, depending on the number of Class members who respond:
  - (1) Pays each claiming head of household up to \$55.00 for each month the head of household was eligible for and received reduced general assistance benefits during the period from March, 1996 through February, 1999;

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- (2) Pays each claiming additional member of a household up to \$20 for each month the member was eligible for and received reduced general assistance benefits during the period from March 1996 through February 1999;
- (3) If the \$1.5 Million Fund will be exceeded by awarding all claimants the maximum amounts listed in (2)(a) and (2)(b), payments will be reduced proportionately for all claimants.
- (4) Pays Plaintiffs' attorney's fees, notice costs and other costs of administration separately, and the \$1.5 Million Fund will not be reduced by those payments.

A copy of the Parties' preliminary agreement regarding settlement can be obtained by written request to ALSTON HUNT FLOYD & ING, P.O. Box 3049, Honolulu, Hawai'i 96802-3049 or by e-mail to [classaction@ahfi.com](mailto:classaction@ahfi.com), or from the website: [www.ahfi.com/class\\_actions/kihara/memou.html](http://www.ahfi.com/class_actions/kihara/memou.html)

A hearing regarding approval of the preliminary settlement will be held at the Courtroom of Judge Sabrina S. McKenna in Kaahumanu Hale, 777 Punchbowl Street, Honolulu, Hawai'i 96813, at 10:00 o'clock a.m. on MONDAY, APRIL 29, 2002.

Class members are not required to attend this hearing.

Class members with objections to the fairness or reasonableness of the proposed settlement should send them *in writing* so they arrive by April 27, 2002 to: "Kihara Class Action" c/o ALSTON HUNT FLOYD & ING, P.O. Box 3049, Honolulu, Hawai'i 96802-3049 or by e-mail to [classaction@ahfi.com](mailto:classaction@ahfi.com)

AN OBJECTION MUST CONTAIN THE FOLLOWING INFORMATION TO BE CONSIDERED BY THE COURT: (1) the objector's name, address, telephone number, email, or other contact information, (2) a detailed statement of the objection to the *Kihara v. Chandler* settlement stating the basis for the objection, (3) the objector's signature. (If you send an objection by email, we must be able to verify your name from our database.)