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Attorneys for Defendant
PANKAJ BHANOT, in his official
capacity as the Director of the Hawai'i
Department of Human Services

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF HAWAI'I**

PATRICIA SHEEHEY, PATRICK
SHEEHEY, RAYNETTE AH CHONG,
individually and on behalf of the class of
licensed foster care providers in the state
of Hawai'i,

Plaintiffs,

vs.

PANKAJ BHANOT, in his official
capacity as the Director of the Hawai'i
Department of Human Services,

Defendant.

CIVIL NO. CV13-00663 LEK-KSC

DECLARATION OF CARON M.
INAGAKI REGARDING CLASS
ACTION NOTICE; EXHIBITS A – G;
CERTIFICATE OF SERVICE

**DECLARATION OF CARON M. INAGAKI
REGARDING CLASS ACTION NOTICE**

I, Caron M. Inagaki, do hereby state and declare as follows:

1. I am a Deputy Attorney General employed by the Department of the Attorney General and I am assigned to represent the Defendant in this case.

2. The parties in *Sheehey, et al., v. Bhanot*, (also known as *Ah Chong v. McManaman*), Civ. No. 13-00663 LEK-KSC, United States District Court for the District of Hawaii, and the parties in *Sheehey, et al., v. State of Hawai‘i*, Civ. No. 14-1-1709-08 VLC, Circuit Court of the First Circuit, State of Hawaii, reached a settlement that resolved both cases, subject to court approval.

3. On March 23, 2018, Defendant in this case filed a Motion for Preliminary Approval of Amended Settlement (the “Motion”), Dkt. 386, which was set for hearing on March 27, 2018, at 10:00 a.m., before the Honorable Leslie E. Kobayashi. Plaintiffs’ counsel reviewed the Motion before it was filed and indicated that they would not oppose the Motion. At the March 27, 2018 hearing, the Court orally granted the Motion. Dkt. 388.

4. On March 30, 2018, this Court entered an Order Preliminarily Approving Amended Class Action Settlement, Approving Notice Plan, and Scheduling Date for Fairness Hearing (the “Preliminary Approval Order”), Dkt. 389.

5. This Declaration is submitted pursuant to paragraph 7.d on page 10 of the Preliminary Approval Order which states:

d. Not later than April 23, 2018, counsel for DHS shall file with the court details outlining the scope, methods, and results of the notice program, and compliance with the obligation to give notice to each appropriate State and Federal Official, as specified in 28 U.S.C. § 1715.

Notice to Class Members

6. Pursuant to the Amended Federal Lawsuit Class Action Settlement Agreement (the “Amended Settlement Agreement”) in this matter and the Preliminary Approval Order, the Class list consists of DHS-licensed foster care providers in Hawaii who were licensed between August 17, 2015 (the date of entry of the order granting class certification) and a cut-off date that is approximately two to three weeks prior to April 3, 2018, the date on which Class Notice was mailed, or March 15, 2018. Dkt. 386-3, at page 16, ¶VII.2; Dkt. 389, at page 8, ¶7.a. There are 2,840 individuals on the Class list, and hence 2,840 Class Members for purposes of this settlement.

7. The Preliminary Approval Order required that beginning not later than April 3, 2018, DHS was to commence sending the approved Class Notice by U.S. mail to each Class Member on the Class list. Dkt. 389, at page 9, ¶ 7.c. Information in this Declaration regarding DHS’ compliance

with the notice program was provided to me by DHS. Information in this Declaration regarding efforts by Department of the Attorney General staff to obtain new addresses for those Class Members whose notices were returned without a forwarding address was provided to me by the AG staff.

8. To comply with the Preliminary Approval Order, DHS first generated the Class list from its Child Protective Services System (CPSS) database. On or about April 2, 2018, the Class list was processed against the U.S. Postal Service's National Change of Address database (NCOA) in order to update the addresses for Class Members before mailing. The updated list was utilized to mail Class Notices.

9. As permitted by the Preliminary Approval Order, DHS utilized the services of a vendor to copy the Class Notices, provide and address the mailing envelopes, apply postage to the mailing envelopes, and mail the envelopes at the post office. Pursuant to the Amended Settlement Agreement, DHS is bearing the cost of the mailing.

10. The Class Notices were mailed by DHS' vendor to those on the Class list on April 3, 2018. To verify the mailing, a copy of the Class Notice was also mailed to Kayle Perez, the Social Services Division Administrator for DHS. Forty four (44) envelopes were not initially labeled properly by DHS' vendor as they did not have the "Foster Care Class Action Notice"

language on the face of the envelopes; however, these notices were mailed with the proper label on the envelopes on April 4, 2018.

11. A true and correct copy of the final version of the Class Notice, as mailed to Kayle Perez and (thus presumably) to all Class Members, is attached hereto as Exhibit A. The Class Notice is in all material respects identical to the form of the Notice proposed by Defendant in his Motion for preliminary approval and approved by the Court, with court-ordered dates filled in, and with minor edits for typographical errors and page layout. *Compare* Dkt. 386-3, pages 23-27 of 44, to Exhibit A to this Declaration.

12. A copy of the outside of the mailing envelope used to mail the Class Notice to Kayle Perez is attached as Exhibit B. This was the same envelope (standard #10 envelope, 4" x 9.5") and printing format to be used for all Class Members. The envelope's contents (Exhibit A) were double-sided and folded.

13. DHS staff logged all Class Notices that were returned by the U.S. Postal Service. As of April 19, 2018, a total of 135 Class Notices were returned to DHS. None of these had a forwarding address (as would be expected because DHS had run the list through the NCOA just a few days before the mail out).

14. When mail was returned by the U.S. Postal Service, DHS first checked one of its other databases known as HAWI to see if another address for the Class Member could be found there. If an address was found there, DHS re-mailed the Class Notice to that address.

15. If no additional address was found in the HAWI database, or if that HAWI address also was not a good address, then DHS sent the names and undeliverable addresses to an AG staff member.

16. An AG staff member used the LexisNexis Accurint system to try and find other addresses for the Class Members.

17. If a new address was found by the AG staff member, DHS re-sent the Class Notice to the new address.

18. Despite the multiple efforts, as of April 19, 2018, there were 19 Class Members for whom DHS/AG staff could not find a usable address. Thus, as of April 19, 2018, out of the 2,840 Class Members to whom Class Notice was to be provided, it appears that approximately 2821 were delivered, for a successful delivery rate of approximately 99.3%.

19. If there are any significant changes in these numbers by the May 3, 2018 deadline to file the Motion for Final Approval of Settlement, Defendant will include that information in said motion.

Compliance With 28 U.S.C. § 1715

20. The Class list that DHS generated contains the names of resource caregivers who reside in 44 different states, including Hawaii. Attached as Exhibit C is a list (generated by an AG staff member) of the states in which the 2,840 resource caregivers reside.

21. In compliance with 28 U.S.C. § 1715 (“CAFA”), we served upon the Attorney General of the United States a notice of the proposed amended settlement, which enclosed a CD containing (in PDF format) copies of certain documents relevant to the proposed amended settlement (“CAFA Notification”), by depositing the same in the United States (“USPS”) mail, postage prepaid, on April 4, 2018. Attached as Exhibit D is a true and correct copy of the CAFA Notification sent to the Attorney General of the United States.

22. In further compliance with the CAFA, we served upon the attorneys general of each state, other than Hawaii, in which a class member (i.e., a resource caregiver) resides, a CAFA Notification, by also depositing the same in the USPS mail, postage prepaid, on April 4, 2018. Attached as Exhibit E is a true and correct copy of the CAFA Notification sent to the Attorney General of Alaska. The same CAFA Notification was also sent to the attorneys general of those other states listed in Exhibit C.

23. CAFA Notifications were also sent to the Governor, State of Hawaii, and to the Attorney General of Hawaii. Attached as Exhibit F and Exhibit G,

respectively, are true and correct copies of the CAFA Notifications sent to the Governor, State of Hawaii, and to the Attorney General of Hawaii. Both CAFA Notifications were sent via hand-delivery on April 4, 2018.

24. Of the 44 states whose attorney general was served with a CAFA Notification via USPS mail, the CAFA Notification addressed to the Attorney General of Mississippi was returned to the Department of the Attorney General on April 11, 2018, for additional postage of \$1.03 (i.e., postage required at the package rate instead of at the large-envelope rate). We affixed the \$1.03 additional postage to the original envelope and re-deposited the CAFA Notification to the Attorney General of Mississippi in the USPS mail, on April 18, 2018.

25. As of this date, we have not received any other returns of CAFA Notifications.

26. On April 12, 2018, Assistant Attorney General Phil Carlson from the office of the South Dakota Attorney General sent us an e-mail message requesting that we provide another CD containing those certain documents relevant to the proposed amended settlement (the "Relevant Documents") or send the Relevant Documents via e-mail because the original CD was completely destroyed in the USPS mail. Rather than risk having another CD being destroyed in the USPS mail, we sent the Relevant Documents to Mr. Carlson via e-mail on April 16, 2018.

27. As of this date, we have not had any inquiries or other communications from the CAFA Notification recipients.

I do declare under penalty of law that the foregoing is true and correct.

DATED: Honolulu, Hawai'i, April 23, 2018.

/s/ Caron M. Inagaki

CARON M. INAGAKI

UNITED STATES DISTRICT COURT FOR THE DISTRICT OF HAWAII

The federal court authorized this notice. This is not a solicitation from a lawyer.

**NOTICE OF AMENDED SETTLEMENT OF THE
FEDERAL FOSTER CARE PAYMENTS LAWSUIT**

In 2017, a notice was sent to Hawaii-licensed foster care providers about a settlement in a federal class action lawsuit over Hawaii’s foster care payments. The 2017 settlement would have increased the monthly basic board rates and annual clothing allowance starting July 1, 2017; required DHS to ask for money to raise the board rates when certain costs of living increased by 5% or more; and provided other benefits to foster families. The 2017 settlement failed because the Hawaii Legislature did not provide the money needed to fund the settlement.

In March 2018, the Parties agreed to amend the settlement. The 2018 settlement is similar to the 2017 settlement in that:

- It increases the amounts to be paid to resource caregivers for the monthly basic board rates and for the annual clothing allowance starting July 1, 2018.
- It requires that, over the next ten years, DHS periodically monitor increases in Hawaii’s cost of living, and ask the Hawaii Legislature for funds to increase the basic board rates when those costs increase 5% or more.
- DHS will increase Difficulty of Care payments in appropriate circumstances by waiving the current cap of 120 hours per month.

There are two main changes in the 2018 settlement. First, the 2018 settlement increases the board rate and clothing allowance beginning in July 2018 instead of July 2017. Second, Class Counsel (the attorneys for the foster parents) agreed to reduce their attorneys’ fees to \$850,000.00.

The settlement does not require the Legislature to provide money for the settlement. If the Legislature chooses not to fund the settlement again, the lawsuit will continue.

You may object to the 2018 settlement if you disagree with any of the terms, which are described below and available at a website created by Class Counsel: <http://www.hawaiiiclassaction.com/fostercare>. Deadlines to object and other important information are described in this Notice.

Differences Between this Lawsuit (the Federal Lawsuit) and the State Lawsuit

This lawsuit (in federal court) focuses on how DHS should calculate and increase the foster board rates *going forward* and how much DHS should pay foster parents *in the future*. There is a separate lawsuit in Hawaii state court that focuses on the adequacy of payments made to foster and adoptive families and children in the past. The state lawsuit has also settled. *If* you are also part of the state lawsuit, you will receive another notice describing that settlement. **Your legal rights and options in the federal lawsuit and the state lawsuit are different.** If you receive both notices (federal and state), please carefully note the differences.

Summary of Your Legal Rights and Options in the Amended Federal Settlement	
DO NOTHING	If the 2018 settlement is approved by the Court and money is provided by the Legislature, the increased payments will take effect July 1, 2018.
OBJECT TO THE SETTLEMENT	Tell the Court about your concerns and objections to the settlement by sending a letter postmarked by 5/3/2018 .
GO TO THE COURT HEARING	Tell the Court that you want to speak at the Court hearing on 5/21/2018 about the fairness of the proposed settlement by sending a letter postmarked by 5/3/2018.

Your legal rights are affected whether or not you act. Read this notice carefully.

QUESTIONS? CALL (808) 524-1800 OR VISIT <http://www.hawaiiiclassaction.com/fostercare>

BACKGROUND INFORMATION

What is this federal lawsuit about?

Foster parents filed this lawsuit claiming that DHS violates federal law because:

- The foster care maintenance payments paid by DHS to resource caregivers are too low;
- DHS does not conduct adequate periodic reviews of its foster care maintenance payments; and
- DHS does not provide enough information to resource caregivers about the kinds of additional payments and benefits that are available to support foster children.

Plaintiffs calculated that if DHS had increased its foster payments to keep up with changes in Hawaii’s cost of living, the payments would be over \$1,000 per month. Plaintiffs asked the Court to require DHS: (1) to increase the payments going forward; and (2) to change the way DHS calculates its payments going forward.

DHS contends that the way Plaintiffs are calculating the amount of the payments is flawed. DHS believes it is complying with the law and has no legal obligation to increase the payments, change the way it periodically reviews the payments, or change the way it provides information to resource caregivers about payments and benefits for foster children.

The name of this lawsuit is *Ah Chong v. Bhanot*, Civ. No. 13-00663 LEK-KSC. Judge Leslie E. Kobayashi, of the United States District Court for the District of Hawaii (the Court), is overseeing this case.

You received this notice because DHS’ records show that you were licensed as a resource caregiver between the time period relevant for this case, August 17, 2015, to March 15, 2018, even if you don’t have any foster children in your care now.

What does the Settlement provide?

The settlement will do two main things:

- (1) Beginning July 1, 2018, the monthly basic board rate and clothing allowance paid to resource caregivers for the care of foster children will increase.

Monthly board payments are paid **after** the month of care provided. Therefore, the new increased board rate payments below will begin with the payments that are made at the beginning of August 2018 for care provided in July 2018.

Ages	Current Monthly Board Rate	New Monthly Board Rate
0-5	\$576	\$649
6-11	\$650	\$742
12+	\$676	\$776

The annual clothing allowance will increase from a single rate of \$600 per year plus \$125 for special circumstances for foster children of all ages to an age-tiered system. The settlement does not change the ways that a clothing allowance can be obtained from DHS.

Ages	Current Clothing Allowance	New Clothing Allowance
0-5	\$600 (+ \$125 for special circumstances)	\$810
6-11		\$822
12+		\$1026

- (2) The proposed settlement also requires DHS to conduct periodic reviews of the basic board rates, and to ask the Legislature for additional money to increase the board rates if Hawaii’s cost of living increases five percent or more. The settlement requires DHS to do this for ten years. And even though DHS must ask the Legislature to provide money to raise the board rates, the Legislature could refuse to fund any increases that DHS requests.

QUESTIONS? CALL (808) 524-1800 OR VISIT <http://www.hawaiiclassaction.com/fostercare>

In addition, DHS will work with the Class Representative and Class Counsel to provide more information to resource caregivers about the kinds of payments and benefits that are available to help support foster children.

Separate from this lawsuit, DHS has been looking into changing its difficulty of care (DOC) payments. Until it implements the changes, DHS has agreed to waive the current DOC payment cap of 120 hours per month in appropriate circumstances. Resource caregivers must request an increase in the number of hours over 120 per month, requests will be subject to current DHS procedures, and requests can be approved only if it is in the best interest of the foster child and other children in the resource family home.

Will I be paid any money under the Federal Settlement for foster children currently in my care or for foster children I cared for in the past?

No. This settlement sets future monthly basic board rates and clothing allowances beginning July 1, 2018. It does not increase payments right now for foster children currently in your care, and does not provide any payments for foster children who were in your care in the past. This settlement provides for what is called prospective, or future, relief only.

There is a possibility that you may be entitled to a payment for foster children you cared for in the past under a different lawsuit in state court. If you are part of the state lawsuit, you will receive a separate notice about that lawsuit and settlement. **The state lawsuit notice will tell you whether or not you will receive back payments.** Information about the state lawsuit is available at <http://www.hawaiiclassaction.com/fostercare>.

Are there any conditions to this Settlement?

This settlement will not become final until the federal court approves this settlement, the state court approves the settlement of the state lawsuit, and the Hawaii Legislature approves the money that will be needed to pay for both settlements.

BEING PART OF THE SETTLEMENT

Do I need to do anything to get the benefits of the Settlement?

No. You do not have to do anything to be part of the Class or to get the benefits of the settlement of this federal lawsuit. If you have received this notice, you are part of the Class and automatically part of the settlement.

What if I don't want to be in the Settlement?

By law, you cannot exclude yourself from this settlement. But you can object to the settlement. If the Court approves this settlement, you will not be able to sue the State (including DHS) about the adequacy of the prior and current foster care maintenance payments, or the increased payments embodied in the Parties' settlement agreement, for the 10 years that this settlement remains in effect.

THE LAWYERS REPRESENTING THE CLASS

Do I have lawyers in the case?

Yes. The Court has appointed these lawyers to represent you and other Class Members as Class Counsel:

Paul Alston J. Blaine Rogers Claire Wong Black Alston Hunt Floyd & Ing 1001 Bishop Street, Ste. 1800 Honolulu, HI 96813	Victor Geminiani Gavin Thornton Hawaii Appleseed Center for Law and Economic Justice 119 Merchant St., Ste. 605 Honolulu, HI 96813	Marc D. Peters James R. Hancock Alessa Hwang Morrison & Foerster LLP 755 Page Mill Road Palo Alto, CA 93404
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You will not be charged personally for these lawyers. If you want to be represented by another lawyer to object to the proposed settlement, you may hire one to appear in Court for you at your own personal expense.

QUESTIONS? CALL (808) 524-1800 OR VISIT <http://www.hawaiiclassaction.com/fostercare>

How will the lawyers be paid? Do the plaintiffs get paid?

Plaintiffs will apply to the Court for an award of attorneys' fees, costs, and expenses (the "Fee Application") of not more than \$850,000.00. Copies of the Fee Application will be made available online at <http://hawaiiiclassaction.com/fostercare>.

You may object to the request for attorneys' fees and costs. After considering the objections of Class Members, the Court will determine the amount of attorneys' fees and costs to be paid to Class Counsel.

Neither you nor any other member of the Class is or will be personally liable for the Attorneys' Fee Award.

Class Counsel will ask the Court to allow Service Awards for the plaintiffs who brought this lawsuit. These Service Awards are intended to recognize the Named Plaintiffs for the extensive services they performed for the class, the time they spent on this case, and the risks they assumed in connection with this litigation. The amount of the Service Awards, if any, will be deducted from any award of attorneys' fees and costs by the Court.

OBJECTING TO THE SETTLEMENT

How can I object to the Settlement?

You may send a letter to the Court objecting to the settlement if you don't like any part of it. This includes the amount of the basic board rate increase, the clothing allowance increase, the Fee Application, or the Service Award for the Class Representative and Named Plaintiffs. The Court will consider your views.

Send objections to: The Honorable Leslie E. Kobayashi
United States District Court for the District of Hawai'i
300 Ala Moana Boulevard, Room C-338
Honolulu, HI 96850-0338

Your objection must include the following information:

Title: Objection to Class Settlement in *Ah Chong v. Bhanot*, Civil No. 13-00663 LEK-KSC

Contact Information: your name, address, and telephone number or email.

Objections: Tell the Court the reasons why you object to the settlement.

Deadline: Your objection must be **postmarked no later than May 3, 2018**.

THE FAIRNESS HEARING

When and where will the Court decide whether to approve the Settlement?

The Court will hold a Fairness Hearing on **May 21, 2018, at 9:45 a.m.**, at the United States District Court for the District of Hawaii, 300 Ala Moana Boulevard, Honolulu, Hawaii, in Courtroom Aha Nonoi on the fourth floor. The hearing may be moved to a different date or time without additional notice, so it is a good idea to check Class Counsel's website (<http://www.hawaiiiclassaction.com/fostercare>) or the federal court's calendar (<http://www.hid.uscourts.gov/base.cfm?pid=0&mid=2>) before you attend in person. You must bring government issued photo ID in order to get into the Courthouse.

At this hearing, the Court will consider whether the settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Judge will listen to people who have asked to speak at the hearing. The Court may also decide how much to pay Class Counsel. After the hearing, the Court will decide whether to approve the settlement. We do not know how long these decisions will take.

Do I have to come to the Fairness Hearing?

No. Class Counsel will answer questions the Judge may have. But you are welcome to come at your own expense. If you send an objection, you don't have to come to Court to talk about it. As long as you mailed your written objection on time, the Court will consider it. You may also pay another lawyer to attend on your behalf, but it's not necessary.

QUESTIONS? CALL (808) 524-1800 OR VISIT <http://www.hawaiiiclassaction.com/fostercare>

May I speak at the Fairness Hearing?

You may ask the Court for permission to speak in person or through a lawyer at the Fairness Hearing by sending a letter to Judge Kobayashi (at the same address you can send objections) saying that it is your "Notice of Intention to Appear in *Ah Chong v. Bhanot*, Civil No. 13-00663 LEK-KSC." Be sure to include your name, address, and telephone number, and if a lawyer will attend for you, also include your lawyer's name, address, and telephone number. Your Notice of Intention to Appear must be **postmarked** no later than **May 3, 2018**.

GETTING MORE INFORMATION

How do I get more information?

This notice summarizes the proposed settlement. You can call Class Counsel at (808) 524-1800; email Class Counsel at fostercare@ahfi.com; or visit Class Counsel's website for this litigation at <http://www.hawaiiclassaction.com/fostercare>, where you will find other information about the federal lawsuit and the proposed settlement.

PLEASE DO NOT CALL THE COURT WITH YOUR QUESTIONS.

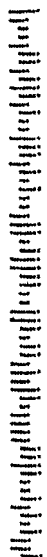
April 3, 2018

QUESTIONS? CALL (808) 524-1800 OR VISIT <http://www.hawaiiclassaction.com/fostercare>

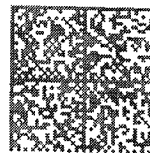
Department of Human Services
Social Services Division
1010 Richards Street, Room 216
Honolulu, HI 96813

MS. KAYLE PEREZ
SOCIAL SERVICES DIVISION ADMINISTRATOR
1010 RICHARDS STREET, ROOM 216
HONOLULU, HI 96813

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FIRST CLASS



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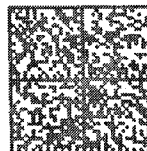
EXHIBIT B

Department of Human Services
Social Services Division
1010 Richards Street, Room 216
Honolulu, HI 96813

Foster Care Class Action Notice

MS. KAYLE PEREZ
SOCIAL SERVICES DIVISION ADMINISTRATOR
1010 RICHARDS STREET, ROOM 216
HONOLULU, HI 96813

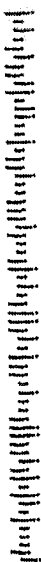
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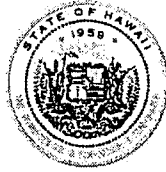
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In the United States District Court for the District of Hawaii
Sheehy, et al., v. Bhanot, Civ. No. 13-00663 LEK-KSC

LIST OF STATES IN WHICH
HAWAII-LICENSED RESOURCE CAREGIVERS RESIDE

Alaska	North Carolina
Alabama	Nebraska
Arkansas	New Hampshire
Arizona	New Jersey
California	Nevada
Colorado	New York
Connecticut	Ohio
Florida	Oklahoma
Georgia	Oregon
Hawaii	Pennsylvania
Iowa	Rhode Island
Idaho	South Carolina
Illinois	South Dakota
Indiana	Tennessee
Kentucky	Texas
Louisiana	Utah
Massachusetts	Virginia
Maine	Vermont
Minnesota	Washington
Missouri	Wisconsin
Mississippi	West Virginia
Montana	Wyoming



DAVID Y. IGE
GOVERNOR

RUSSELL A. SUZUKI
ATTORNEY GENERAL

STATE OF HAWAII
DEPARTMENT OF THE ATTORNEY GENERAL
425 QUEEN STREET
HONOLULU, HAWAII 96813
(808) 586-1500

April 4, 2018

The Honorable Jeff Sessions
Attorney General of the United States
U.S. Department of Justice
950 Pennsylvania Avenue, NW
Washington, DC 20530-0001

Subject: *Notice Under 28 U.S.C. § 1715 of AMENDED Class Action Settlement Patrick Sheehey, et al. v. Pankaj Bhanot* (this case is sometimes referred to by its original name, *Ah Chong v. McManaman*)
Civil No. CV13-00663 LEK-KSC
United States District Court, District of Hawaii

Dear Mr. Attorney General:

The Hawaii Department of the Attorney General represents Defendant Pankaj Bhanot, in his official capacity as the Director of the Hawaii Department of Human Services (HDHS), in the above-referenced class action. The case is pending in the United States District Court for the District of Hawaii, the Honorable Leslie E. Kobayashi presiding.

By letter dated March 23, 2017, you were provided with notice under the Class Action Fairness Act of 2005, 28 U.S.C. § 1715 (“CAFA”), of a proposed settlement in this lawsuit. The settlement as described in the March 23, 2017 letter was *not* finally approved because the Hawaii Legislature did not appropriate the moneys needed to fund the settlement. After further negotiation between Plaintiffs and Defendant, the proposed settlement has now been amended. The two key amendments are: (1) Plaintiffs have agreed to reduce their request for attorneys’ fees and costs from \$1,100,000 to \$850,000; and (2) the primary deadlines and due dates set out in the original agreement have been extended by a year. The proposed amended settlement has been submitted to the court.

Plaintiffs in this class action lawsuit assert a claim under 42 U.S.C. § 1983 against Defendant alleging violation of the Adoption Assistance and Child Welfare Act of 1980, as amended, codified as Title IV-E of the Social Security Act, 42 U.S.C. §§ 670-679c (the “Child Welfare Act”). Plaintiffs seek a declaratory ruling that Defendant is failing to pay the proper

EXHIBIT D

The Honorable Jeff Sessions
April 4, 2018
Page 2

amounts to Hawaii-licensed foster parents (known in Hawaii as resource caregivers) for foster care maintenance payments. They also seek injunctive relief prohibiting Defendant from allegedly continuing to violate the rights of foster parents by (1) failing to make foster care maintenance payments adequate to cover the costs enumerated in the Child Welfare Act, (2) failing to set appropriate foster care maintenance payment rates, and (3) failing to update the foster care maintenance payment rates to assure their continuing appropriateness. Plaintiffs do not seek damages in this case (which are precluded in federal court by the State's sovereign immunity).

On August 17, 2015, the court in this case certified the following class: “[A]ll currently licensed foster care providers in Hawaii who are entitled to receive foster care maintenance payments pursuant to the Child Welfare Act when they have foster children placed in their care.”

Defendant denies any liability, fault, or wrongdoing of any kind in this case. Nevertheless, Defendant has considered the risks and potential costs of litigation, on the one hand, and the proposed settlement, on the other hand, and desires to settle upon the terms and conditions set forth in the proposed amended settlement.

As with the original settlement, the proposed amended settlement of this class action provides for prospective injunctive relief only and will do two main things: (1) it will increase Hawaii's monthly basic foster care board rates and the annual clothing allowance starting with Hawaii's next fiscal year (July 1, 2018), subject to legislative appropriation; and (2) it requires HDHS to conduct periodic reviews of the basic board rates using prescribed cost of living and inflation indexes, and to seek legislative appropriations to increase the payments when certain thresholds are met.

The court has directed that class notice be sent to HDHS-licensed foster care providers who were licensed between August 17, 2015, through March 15, 2018. There are 2,840 class members. The terms of the proposed amended settlement are set forth in the Amended Federal Lawsuit Class Action Settlement Agreement included on the enclosed CD.

The proposed amended settlement, if approved, will resolve the above-referenced class action. There is a related Hawaii state-court class action seeking damages, *Sheehey, et al. v. State of Hawaii*. The parties in that case are seeking approval of the terms of that settlement from the state court. Unless both cases settle, neither one will settle.

The Honorable Jeff Sessions
April 4, 2018
Page 3

ENCLOSED COPIES OF SETTLEMENT MATERIALS

As required by 28 U.S.C. § 1715(b), enclosed is a CD containing the following materials (in .pdf format) relating to the proposed amended settlement:

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The Honorable Jeff Sessions
April 4, 2018
Page 4

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Very truly yours,



Donna H. Kalama
Deputy Attorney General

DHK:dyi

Enclosure



DAVID Y. IGE
GOVERNOR

RUSSELL A. SUZUKI
ATTORNEY GENERAL

STATE OF HAWAII
DEPARTMENT OF THE ATTORNEY GENERAL
425 QUEEN STREET
HONOLULU, HAWAII 96813
(808) 586-1500

April 4, 2018

The Honorable Jahna Lindernuth
Attorney General of Alaska
1031 W. 4th Avenue, Suite 200
Anchorage, AK 99501-1994

Subject: *Notice Under 28 U.S.C. § 1715 of AMENDED Class Action Settlement Patrick Sheehey, et al. v. Pankaj Bhanot* (this case is sometimes referred to by its original name, *Ah Chong v. McManaman*)
Civil No. CV13-00663 LEK-KSC
United States District Court, District of Hawaii

Dear Madam Attorney General:

The Hawaii Department of the Attorney General represents Defendant Pankaj Bhanot, in his official capacity as the Director of the Hawaii Department of Human Services (HDHS), in the above-referenced class action. The case is pending in the United States District Court for the District of Hawaii, the Honorable Leslie E. Kobayashi presiding.

By letter dated March 23, 2017, you were provided with notice under the Class Action Fairness Act of 2005, 28 U.S.C. § 1715 ("CAFA"), of a proposed settlement in this lawsuit. The settlement as described in the March 23, 2017 letter was not finally approved because the Hawaii Legislature did not appropriate the moneys needed to fund the settlement. After further negotiation between Plaintiffs and Defendant, the proposed settlement has now been amended. The two key amendments are: (1) Plaintiffs have agreed to reduce their request for attorneys' fees and costs from \$1,100,000 to \$850,000; and (2) the primary deadlines and due dates set out in the original agreement have been extended by a year. The proposed amended settlement has been submitted to the court.

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EXHIBIT E

The Honorable Jahna Lindemuth
April 4, 2018
Page 2

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Defendant denies any liability, fault, or wrongdoing of any kind in this case. Nevertheless, Defendant has considered the risks and potential costs of litigation, on the one hand, and the proposed settlement, on the other hand, and desires to settle upon the terms and conditions set forth in the proposed amended settlement.

As with the original settlement, the proposed settlement of this class action provides for prospective injunctive relief only and will do two main things: (1) it will increase Hawaii's monthly basic foster care board rates and the annual clothing allowance starting with Hawaii's next fiscal year (July 1, 2018), subject to legislative appropriation; and (2) it requires HDHS to conduct periodic reviews of the basic board rates using prescribed cost of living and inflation indexes, and to seek legislative appropriations to increase the payments when certain thresholds are met.

The court has directed that class notice be sent to HDHS-licensed foster care providers who were licensed between August 17, 2015, through March 15, 2018. There are 2,840 class members. The terms of the proposed amended settlement are set forth in the Amended Federal Lawsuit Class Action Settlement Agreement included on the enclosed CD.

The proposed amended settlement, if approved, will resolve the above-referenced class action. There is a related Hawaii state-court class action seeking damages, *Sheehey, et al. v. State of Hawaii*. The parties in that case are seeking approval of the terms of that settlement from the state court. Unless both cases settle, neither one will settle.

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The Honorable Jahna Lindemuth
April 4, 2018
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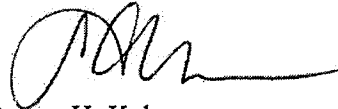
The Honorable Jahna Lindemuth
April 4, 2018
Page 4

Our records indicate that 3 out of the 2,840 class members reside in your State. Under federal and Hawaii state law, the identities of foster parents are confidential.¹ If you would like to review the names of the class members who live in your State, please contact me and I will endeavor to obtain the consent of the class members to release that information to you.

All of the documents on the CD, as well as other documents related to this case, may be accessed through a web page maintained by the Hawaii Department of the Attorney General for CAFA purposes, at <http://ag.hawaii.gov/foster-care-settlement/>. You may find additional documents and information about the case, including any further scheduled judicial hearings (or modifications to currently set hearing dates), by visiting the "PACER" online docket for the above-captioned case at <https://ecf.hid.uscourts.gov/cgi-bin/login.pl>.

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Very truly yours,



Donna H. Kalama
Deputy Attorney General

DHK:dyi

Enclosure

¹ See 42 U.S.C. § 671(a)(8) (restricting use of or disclosure of information concerning individuals assisted under the State's Title IV-E plan to certain purposes, and permitting a State to provide standards which restrict disclosures to purposes more limited than those specified therein); and Hawaii Revised Statutes § 346-10(f) (protecting the identity of foster parents from disclosure).

DAVID Y. IGE
GOVERNOR



RUSSELL A. SUZUKI
ATTORNEY GENERAL

STATE OF HAWAII
DEPARTMENT OF THE ATTORNEY GENERAL
425 QUEEN STREET
HONOLULU, HAWAII 96813
(808) 586-1500

April 4, 2018

VIA HAND-DELIVERY

The Honorable David Y. Ige
Governor, State of Hawaii
Executive Chambers
State Capitol
Honolulu, HI 96813

Subject: ***Notice Under 28 U.S.C. § 1715 of AMENDED Class Action Settlement Patrick Sheehey, et al. v. Pankaj Bhanot*** (this case is sometimes referred to by its original name, *Ah Chong v. McManaman*)
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EXHIBIT F

The Honorable David Y. Ige
April 4, 2018
Page 2

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The Honorable David Y. Ige
April 4, 2018
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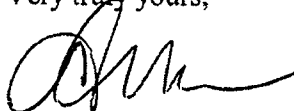
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Donna H. Kalama
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DHK:dyi

Enclosure



DAVID Y. IGE
GOVERNOR

RUSSELL A. SUZUKI
ATTORNEY GENERAL

STATE OF HAWAII
DEPARTMENT OF THE ATTORNEY GENERAL
425 QUEEN STREET
HONOLULU, HAWAII 96813
(808) 586-1500

April 4, 2018

VIA HAND-DELIVERY

The Honorable Russell A. Suzuki
Attorney General of Hawaii
Department of the Attorney General
425 Queen Street
Honolulu, HI 96813

Subject: *Notice Under 28 U.S.C. § 1715 of AMENDED Class Action Settlement Patrick Sheehey, et al. v. Pankaj Bhanot* (this case is sometimes referred to by its original name, *Ah Chong v. McManaman*)
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EXHIBIT

The Honorable Russell A. Suzuki
April 4, 2018
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The Honorable Russell A. Suzuki
April 4, 2018
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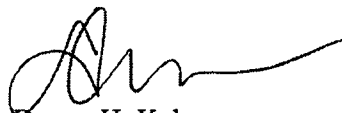
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Very truly yours,

A handwritten signature in black ink, appearing to read 'Donna H. Kalama', with a long horizontal flourish extending to the right.

Donna H. Kalama
Deputy Attorney General

DHK:dyi

Enclosure

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF HAWAI'I**

PATRICIA SHEEHEY, PATRICK
SHEEHEY, RAYNETTE AH CHONG,
individually and on behalf of the class
of licensed foster care providers in the
state of Hawai'i,

Plaintiffs,

vs.

PANKAJ BHANOT, in his official
capacity as the Director of the Hawai'i
Department of Human Services,

Defendant.

CIVIL NO. CV13-00663 LEK-KSC

CERTIFICATE OF SERVICE

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the date and by the method of service noted below, a true and correct copy of the foregoing was served on the following at their last-known addresses:

Served electronically through CM/ECF:

M. VICTOR GEMINIANI
Lawyers for Equal Justice
P. O. Box 37952
Honolulu, HI 96837

victor@lejhawaii.org

GAVIN THORNTON
Hawaii Appleseed Center for
Law & Economic Justice
119 Merchant Street, Suite 605
Honolulu, HI 96813

gavin@hiappleseed.org

PAUL ALSTON
J. BLAINE ROGERS
CLAIRE WONG BLACK
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ALESSA Y. HWANG
JAMES R. HANCOCK
MARC DAVID PETERS
Morrison & Foerster LLP
755 Page Mill Road
Palo Alto, CA 94304

ahwang@mofocom
JHancock@mofocom
mdpeters@mofocom

Attorneys for Plaintiffs

DATED: Honolulu, Hawai'i, April 23, 2018.

/s/ Caron M. Inagaki

CARON M. INAGAKI

SKYLER G. CRUZ

Deputy Attorneys General

Attorneys for Defendant
PANKAJ BHANOT, in his
official capacity as Director of the
State of Hawai'i, Department of
Human Services

This is an automatic e-mail message generated by the CM/ECF system. Please DO NOT RESPOND to this e-mail because the mail box is unattended.

*****NOTE TO PUBLIC ACCESS USERS***** Judicial Conference of the United States policy permits attorneys of record and parties in a case (including pro se litigants) to receive one free electronic copy of all documents filed electronically, if receipt is required by law or directed by the filer. PACER access fees apply to all other users. To avoid later charges, download a copy of each document during this first viewing. However, if the referenced document is a transcript, the free copy and 30 page limit do not apply.

U.S. District Court

District of Hawaii

Notice of Electronic Filing

The following transaction was entered by Inagaki, Caron on 4/23/2018 at 3:56 PM HST and filed on 4/23/2018

Case Name: Ah Chong v. Bhanot
Case Number: [1:13-cv-00663-LEK-KSC](#)
Filer:
Document Number: [394](#)

Docket Text:

[Declaration of Caron M. Inagaki Regarding Class Action Notice. \(Attachments: # \(1\) Exhibit, # \(2\) Exhibit, # \(3\) Exhibit, # \(4\) Exhibit, # \(5\) Exhibit, # \(6\) Exhibit, # \(7\) Exhibit, # \(8\) Certificate of Service\)\(Inagaki, Caron\)](#)

1:13-cv-00663-LEK-KSC Notice has been electronically mailed to:

Alessa Y. Hwang ahwang@mofo.com

Caron M. Inagaki Caron.M.Inagaki@hawaii.gov, Lavonne.M.Makaawaawa@Hawaii.gov

Claire Wong Black cblack@ahfi.com, ccrawford@ahfi.com, notice@ahfi.com

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The following document(s) are associated with this transaction:

Document description:Main Document

Original filename:n/a

Electronic document Stamp:

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