

NOTICE TO SETTLEMENT CLASS MEMBERS IN THE *KALIMA v. STATE OF HAWAI'I* CLASS ACTION

This notice explains the Settlement Payment process to Settlement Class Members in the *Kalima v. State of Hawai'i* class action and their representatives. Please read the sections that apply to your situation carefully.

NOTICE OF A PROPOSED PAYMENT FROM THE *KALIMA V. STATE OF HAWAI'I* CLASS ACTION SETTLEMENT Pages 1 - 4

All Settlement Class Members and their representatives should read this section. It describes the Settlement Payment(s) Class Members will receive and how those payments were calculated. This section also contains important information for anyone receiving a Settlement Payment who also is receiving public benefits or assistance and information about how you can support or object to the Settlement.

NOTICE AND SPECIAL INSTRUCTIONS FOR PAYMENT OF CLAIMS TO DECEASED CLASS MEMBERS' FAMILIES AND DEVISEES Pages 5 – 6

Representatives and family members of deceased Settlement Class Members should read this section. It describes the probate process that must be completed before the heirs and devisees of deceased Settlement Class Members will receive payment. This section also contains information about retaining a private probate attorney.

DECEASED CLASS MEMBER INFORMATION REQUEST FORM

Representatives and family members of deceased Settlement Class Members: Please submit this form to provide the Claims Administrator with more information about a deceased Settlement Class Member's possible heirs who may be entitled to payments. If applicable to you, you may return this form in the enclosed envelope.

TAX LETTER

All Settlement Class Members and their representatives should read this letter. This letter describes the general tax status of Settlement Payments. Each individual's tax income and other tax obligations are unique. The enclosed Tax Letter is presented for each Class Member's individual use.

DECLARATION IN SUPPORT OF SETTLEMENT

You can use this form to tell the Court you support the Settlement. By submitting the form, you may state to the Court why you believe the Settlement is fair, reasonable, and adequate. **Submitting the declaration of support form is optional and is not necessary to receive any Settlement Payment.**

INSTRUCTIONS FOR ALL SETTLEMENT CLASS MEMBERS

IF YOU AGREE WITH THE INFORMATION LISTED ABOVE, YOU DO NOT NEED TO TAKE FURTHER ACTION OR RESPOND TO THIS NOTICE.

The Court has scheduled the Final Approval Hearing for July 21, 2023, at 9:00 a.m. Please follow the instructions below if you wish to support or object to the Settlement or make a statement at the hearing.

YOU DO NOT NEED TO ATTEND THE HEARING TO RECEIVE YOUR SETTLEMENT PAYMENT.

When Will We Receive Payment?

If Final Approval is granted by the Court on July 21, 2023, the Settlement Payment distribution process is expected to begin by September 1, 2023, or when any appeals end, whichever is later.

How Are Settlement Payments Calculated?

The estimated Settlement Payment(s) shown on the prior page was (were) calculated by the following method:

1. Individual claim values for all Settlement Class Members were added together to calculate the "Total Claims Amount."
2. Settlement Class Members' **individual** claim amounts were compared to the Total Claims Amount to calculate each Settlement Class Member's "Proportional Share Percentage" of the "Net Settlement Amount."
3. The Net Settlement Amount is calculated by deducting attorneys' fees, approved Class Representative Incentive Awards, and claims administration costs from the Gross Settlement Amount of \$328 million. Class Counsel has requested the Court approve their fees of approximately 12.19 % of the Gross Settlement Amount (\$40 million), as provided in the Settlement Agreement. Class Counsel has agreed to waive their costs (approximately \$500,000). Class Representative Incentive Awards total \$75,000 as provided for in the Settlement Agreement. Claims administration costs are estimated at .53% of the Gross Settlement Amount (\$1,728,700.00).
4. Settlement Class Members' Settlement Payment(s) are calculated by applying their Proportional Share Percentage to the Net Settlement Amount.

How Do I Support or Object to The Settlement?

1. To tell the Court you support the Settlement, please complete the enclosed Declaration in Support of Settlement and return it by mail addressed to Kalima Claims Administrator, P.O. Box 135035, Honolulu, HI 96801, or by email to info@kalima-lawsuit.com. You may also download a copy of the Declaration in Support of Settlement on the website at kalima-lawsuit.com/important-documents. Please mail or email the Declaration to the Claims Administrator by **July 6, 2023**.
2. You also may appear and ask to be heard in support of the Settlement at the July 21, 2023, 9:00 a.m. Final Approval Hearing. Please notify the Claims Administrator by **July 6, 2023**, by mail addressed to P.O. Box 135035, Honolulu, HI 96801, or by email to info@kalima-lawsuit.com if you wish to do so. Settlement Class Members will be heard in the order in which they sign up. Please focus your statements on whether you think the Settlement is fair, reasonable, and adequate.
3. If you wish to object to the Settlement, you must file your objection in writing addressed to *Kalima v. State*, Civ. No. 99-4771-12 LWC, Clerk of the First Circuit Court, Ka'ahumanu Hale, 777 Punchbowl Street, Honolulu, HI 96813-5093. The objection must be **received** by the Court no later than **July 6, 2023**. At the same time, you must also send a copy of your objection to the attorneys for all the Parties to the lawsuit, including Class Counsel, and the attorneys representing the Defendant at their addresses found below.

INSTRUCTIONS FOR ALL SETTLEMENT CLASS MEMBERS (CONTINUED)

Court	Class Counsel	Defense Counsel
<i>Kalima v. State</i> , Civ. No. 99-4771-12 LWC Clerk of the First Circuit Court Ka'ahumanu Hale 777 Punchbowl Street Honolulu, HI 96813-5093	Carl M. Varady Pauahi Tower 1003 Bishop Street, Suite 1730 Honolulu, HI 96813 Thomas R. Grande 41-859 Kalaniana'ole Highway, #271 Waimānalo, HI 96795	Anne E. Lopez Attorney General, State of Hawai'i 425 Queen Steet Honolulu, HI 96813

Any objection to the proposed Settlement must be filed in writing and must include:

1. the objector's full name, address, email address, and current telephone number;
2. the case name and number of the litigation (*Kalima, et al. v. State of Hawai'i, et al.*, Civil No. 99-4771-12 LWC);
3. all grounds for the objection, with factual and legal support for the stated objection, including any supporting materials, whether you intend to appear at the Final Approval Hearing, and the names and addresses of any witnesses you intend to call at the hearing;
4. the identification of any other objections the objector has filed, or has had filed on the objector's behalf, in any other class action cases in the last four years; and
5. the objector's signature.

If you file a written objection, you may appear at the Final Approval Hearing, which is scheduled for July 21, 2023, at 9:00 a.m. (or other date set by the Court), in person or through counsel to show cause as to why the proposed Settlement should not be approved as fair, reasonable, and adequate. Attendance at the hearing is not necessary. However, persons wishing to object to the Final Approval of the Settlement, the request for attorneys' fees and claims administration costs, and/or the request for an Incentive Award to the Class Representatives are required to file written objections that comply with the requirements described above and that are **received** by the Court on or before **July 6, 2023**.

If you hire an attorney in connection with making an objection, that attorney must also file with the Court a notice of appearance by the objection deadline of **July 6, 2023**. If you hire your own attorney, you will be solely responsible for payment of any fees and costs the attorney incurs on your behalf. If you exclude yourself from the Settlement, you cannot file an objection.

Are Settlement Payments Taxable?

Please review the enclosed Tax Letter explaining the general tax status of Settlement Payments. Each individual's tax obligations are unique. The enclosed Tax Letter is presented for each Settlement Class Member's individual use. A copy of the tax opinion on which the letter is based can be viewed at kalima-lawsuit.com/important-documents.

Will My Settlement Payment Affect Certain Public Benefits I Receive?

Certain public assistance programs, including, but not limited to, the Supplemental Nutrition Assistance Program (sometimes called "SNAP" or "food stamps"), subsidized housing/housing assistance (such as public housing or a voucher program sometimes called "Section 8"), some state-issued health insurance policies, some college tuition/grant programs, some Medicaid programs (sometimes known as "Quest" or "Med-Quest"), some VA benefits, Social Security Disability Insurance, or Supplemental Security Income, may be affected by your receipt of a Settlement Payment.

Contact Your Program

Each of these programs has complicated rules. Advice about your specific circumstances and public benefits are beyond the scope of our services, and we cannot advise you about these issues. Please comply with all program rules and requirements for these programs, especially including any rule or requirement that you disclose changes in financial status to the relevant public assistance program. Certain program agencies may provide additional information about their unique rules. The loss or limitation of certain benefits can sometimes be avoided by having payment made into a special type of trust called a "Special Needs Trust."

INSTRUCTIONS FOR ALL SETTLEMENT CLASS MEMBERS (CONTINUED)

Special Needs Trust by Hawai'i-Based Trustee

If you would like to have your Settlement Payment held for you and managed in a Special Needs Trust, please contact the Kalima Claims Administrator by mail at P.O. Box 135035, Honolulu, HI 96801, by phone at 808-650-5551 or 833-639-1308, or via email to info@kalima-lawsuit.com. The Claims Administrator will send you information about Special Needs Trusts, including contact information for a Hawai'i-based trustee. You must notify the Claims Administrator by **August 21, 2023**, that you want information about Special Needs Trusts. If you request such information, your Settlement Payment will be held by the Claims Administrator until the time set by the Court for you to decide whether you want your Settlement Payment to be managed in a Special Needs Trust. Please notify the Claims Administrator if you hire a private attorney to assist you with a Special Needs Trust.

Private Attorney for Special Needs Trust

You may want to hire your own private lawyer (at your own cost) to advise you about these complicated programs and/or a Special Needs Trust. If you want to hire a private attorney to counsel you about the Special Needs Trust, you should make sure that the attorney is familiar with the public benefit programs and Special Needs Trusts. You can contact the Hawai'i State Bar Association Lawyer Referral and Information Service at 808-537-9140 or via email to LRIS@hsba.org to seek assistance from an attorney for this purpose.

NOTICE AND SPECIAL INSTRUCTIONS FOR PAYMENT OF CLAIMS TO DECEASED SETTLEMENT CLASS MEMBERS' FAMILIES AND DEVISEES

The rightful heirs and devisees of deceased Settlement Class Members in this case may be entitled to receive their portion of a deceased Settlement Class Member's Settlement Payment made to that Settlement Class Member's estate.

An "heir" is a spouse, child, or other person who may share in the estate of a deceased Settlement Class Member as defined by H.R.S. §§ 560:1-201, 560:2-101, 560:2-102 and 560:2-701. The "estate" includes a Settlement Payment the deceased Settlement Class Member will receive in this case. A "devisee" means a person designated in a will to receive a share in the estate of a deceased Settlement Class Member, including a trustee, and as defined by H.R.S. § 560:1-201.

Probate Court approval is required for deceased Settlement Class Members' estates, heirs, or devisees to receive Settlement Payments. Please read and follow these instructions carefully.

1. To Seek a Settlement Payment, a Deceased Settlement Class Member's Heirs or Devisees Must Submit an Information Request Form for Deceased Class Members

In order to deliver Settlement Payments to the proper heirs and devisees of deceased Settlement Class Members, and to help expedite this process, the Claims Administrator must have complete contact information about all deceased Settlement Class Members' heirs and devisees. Additionally, please designate one person for each deceased Settlement Class Member to provide and receive information. By submitting this information, it will help speed up payment of the Deceased Class Member's Settlement Payment.

If you have not already done so, please complete the enclosed Information Request Form for Deceased Class Members.

The Information Request Form for Deceased Class Members is also available online at kalima-lawsuit.com/important-documents. If you have already filled out an Information Request Form and the information you submitted is accurate, you do not need to submit another. However, if the information you previously submitted has changed, please submit another form with the updated information.

2. Settlement Payments Made to Heirs and Devisees of Deceased Settlement Class Members

If a deceased Settlement Class Member qualifies to receive a Settlement Payment, the heirs or devisees of the deceased Settlement Class Member must follow the Court-approved Probate Plan. In the Court-approved plan, the Probate Settlement Funds will be managed and administered by a trust. You may review a copy of the Probate Plan and trust at kalima-lawsuit.com/important-documents.

Under Court supervision, the Trustee of the Trust will distribute Settlement proceeds as follows:

a. Settlement Payments from the Trust will be made to the Personal Representatives of deceased Settlement Class Members' estates after they present appropriate court documents establishing the Personal Representative's appointment.

b. Settlement Payments from the Trust will be made to the heirs and devisees of deceased Settlement Class Members who do not have Personal Representatives, after orders are issued by the Probate Court of the First Circuit, State of Hawai'i approving those payments.

3. Representation of Deceased Settlement Class Members in Probate Court

The Court-appointed Probate Special Master and Probate Special Counsel will carry out the Court-approved Probate Plan to distribute Settlement Payments to the proper takers entitled to the interests of the deceased Settlement Class Members. Costs and fees associated with this Probate Plan will be deducted from the Settlement Payment of the deceased Settlement Class Member.

4. Private Counsel

Heirs and devisees of the estate of a deceased Settlement Class Member may hire a private attorney at their own cost. You may contact the Hawai'i State Bar Association Lawyer Information and Referral Service at 808-537-9140 or email LRIS@hsba.org and request a referral to lawyers who are willing to work on the "Kalima Probate" claims. The referral service is not an endorsement or recommendation of the attorneys.

**NOTICE AND SPECIAL INSTRUCTIONS FOR PAYMENT OF CLAIMS TO DECEASED
SETTLEMENT CLASS MEMBERS' FAMILIES AND DEVISEES (CONTINUED)**

The deadline to notify the Claims Administrator that you have hired a private attorney is **December 1, 2023**. Please ask your private attorney to inform the Claims Administrator via letter that you are being represented by a private attorney for the probate of the deceased Settlement Class Member's Settlement Payment. Please ask your private attorney to reference the Kalima Settlement in court-filed documents.

5. Out of State Deceased Settlement Class Members

If the deceased Settlement Class Member died outside Hawai'i, the heirs and devisees must send a certified copy of the death certificate to the Claims Administrator. You may submit a paper copy by mail to Kalima Claims Administrator, P.O. Box 135035, Honolulu, HI 96801, or an electronic copy by email to info@kalima-lawsuit.com. Please make sure that you copy or scan both sides of the certificate so that any certification, seal, or stamp on the front or back of it is clear and visible. **Do not send the original copy.** Please also complete the Information Request Form for Deceased Class Members. Please contact a local attorney if you have questions about state laws where the Settlement Class Member died. The Probate Plan describes what documentation will be required to obtain payment and will address the interests of deceased Settlement Class Members who resided out of the State of Hawai'i at the time of their death. A summary of the requirements and a copy of the Probate Plan will be available for review at kalima-lawsuit.com/important-documents.