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**DEPARTMENT OF THE ATTORNEY GENERAL PREVAILS IN *DANNENBERG*
CLASS-ACTION LAWSUIT**

FOR IMMEDIATE RELEASE

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HONOLULU – After nearly 18 years of litigation, the Department of the Attorney General has prevailed in a class-action lawsuit in the case of *Dannenberg v. State*, in which a class of retired government employees sought to recover hundreds of millions of dollars in claims relating to retiree health benefits provided by the Hawai'i Employer-Union Health Benefits Trust Fund (EUTF). Following a lengthy trial, First Circuit Court Judge Jeffrey P. Crabtree today ruled that the defendants in this case—the State of Hawai'i, the Board of Trustees of the EUTF, the State of Hawai'i, and four Hawai'i counties—prevailed on all claims and that the class will recover no money in damages.

The plaintiffs initially filed their complaint on June 30, 2006. After two appeals to the Hawai'i Supreme Court, on December 28, 2017, the plaintiffs filed a third amended complaint, contending that the EUTF had unconstitutionally diminished accrued retiree health benefits under Article XVI, Section 2 of the Hawai'i Constitution.

On June 21, 2019, Judge Crabtree certified a damages subclass that included all employees and their dependent-beneficiaries) who began working for the Territory of Hawai'i, the state of Hawai'i, or any counties before July 1, 2003, and have utilized accrued post-retirement health benefits, along with their estates and heirs. There were approximately 50,000 to 60,000 class members.

Trial was held over three years in 2021, 2022, and 2023, and proceeded in two phases. Today, Judge Crabtree issued his Amended and Final Findings of Fact and Conclusions of Law (Phase 2), which denied all of the plaintiffs' claims, and the Final Judgment. Judge Crabtree observed: "This case is remarkable in its scope and depth," and "It is by far the most complex case this judge ever tried." Judge Crabtree also noted that "the health benefits packages for ERS retirees are among the best public employee retirement packages in the United States."

The Department of the Attorney General represented the state of Hawai'i, the EUTF, and the Board of Trustees of the EUTF in this litigation. Many deputies attorney general defended their clients in this litigation, including in recent years Supervising Deputy Attorney General John

Price of the Complex Litigation Division, Deputy Attorney General Stanley Chow of the Administration Division, and Special Assistant to the Attorney General Dave Day.

Since 2018, the Department engaged the local firm of Kobayashi Sugita & Goda (KSG) and Morgan Lewis & Bockius as Special Deputy Attorneys General. Former Attorney General David M. Louie of KSG served as lead counsel at trial and was supported by KSG's Nicholas Monlux and Ryan Louie.

"I am thrilled with the result at trial in this important case," said Attorney General Anne Lopez. "This ruling shows that the EUTF and the state have provided and continue to provide world-class health benefits to loyal and valuable government retirees in accord with the mandate of the Hawai'i Constitution. The Department of the Attorney General stands ready to defend the state of Hawai'i and its agencies from claims where the plaintiffs' attorneys seek to recover massive fees to the detriment of the state treasury and the people of Hawai'i."

"This is an important victory for the state of Hawai'i, the counties, and the EUTF," said former Attorney General Louie. "The EUTF was created to ensure the future viability and sustainability of the retiree health system, it has done a remarkable job in providing great health benefits to retirees and it will continue to do so."

The Department of the Attorney General will seek to recover its reasonable attorneys' fees and costs incurred in defending this action.

The case is *Dannenberg v. State of Hawai'i*, Civil No. 06-1-1141-06 JPC. A copy of the Amended and Final Findings of Fact and Conclusions of Law (Phase II) can be found [here](#). A copy of the Final Judgment can be found [here](#).

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