

March 14, 2012

The Hon. Lincoln S. T. Ashida
Corporation Counsel
333 Kilauea Avenue, 2nd Floor
Hilo, Hawaii 96720

**RE: Patricia Nakamoto, Glen Shikuma and Shayla Ayau v. County of Hawaii,
Settlement Demand**

Dear Mr. Ashida:

My firm has been retained by Patricia Nakamoto, Glen Shikuma and Shayla Ayau to represent them regarding their employment with and claims against the County of Hawaii, its County Clerk, private investigator hired by the County of Hawaii and yet to be named County officials. My clients are making this Settlement Offer, detailed below, in an effort to avoid future litigation.

My clients do not want to file a lawsuit in this case for the money. As former County employees they realize that any potential award, settlement and the attorneys fees and costs to defend various County officers, will be funded by taxpayers. As taxpayers, my clients do not want to burden their fellow County taxpayers, their neighbors or their families. The purpose of this letter is to propose a mutually agreeable settlement to resolve any and all claims that they may have against the County and avoid future litigation. Each Client has separate demands and I have been authorized to propose them as follows:

I. Patricia Nakamoto:

Ms. Nakamoto has authorized me to settle any and all claims for the following:

- a. Reinstatement with back pay, and restoration of seniority and all fringe benefits (including but not limited to no break in service for retirement purposes).
- b. Public letter of apology, posted in County facilities on employee bulletin boards and submitted to the Hawaii Tribune Herald, West Hawaii Today and Honolulu Star Advertiser. We will want to be able to suggest language and agree that any statement will not be or be used as an admission of liability.
- c. Change the reporting authority to have her report directly to and supervised by the Deputy County Clerk.
- d. Pay for her attorney's fees and costs, not to exceed \$10,000.00 (aggregate amount for all three individuals).

Letter to Mr. Ashida
March 14, 2012
Page 2.

- e. Award for emotional distress: \$10,000.00.
- f. Reimbursement of any and all out of pocket expenses since her termination including but not limited to COBRA payments, medications, subject to presentation of receipts/documentation.
- g. Usual Settlement and Release terms and conditions.
- h. Written assurance that no criminal complaint and/or investigation will be submitted, and if any criminal complaint and/or investigation has been initiated, that the County and any County personnel will withdraw the criminal complaint and terminate any criminal investigation.

II. Glen Shikuma:

Mr. Shikuma has authorized me to settle any and all claims for the following:

- a. Reinstatement with back pay, and restoration of seniority and all fringe benefits (including but not limited to no break in service for retirement purposes).
- b. Public letter of apology, posted in County facilities on employee bulletin boards and submitted to the Hawaii Tribune Herald, West Hawaii Today and Honolulu Star Advertiser. We will want to be able to suggest language and agree that any statement will not be or be used as an admission of liability.
- c. Pay for his attorney's fees and costs, not to exceed \$10,000.00 (aggregate amount for all three individuals).
- d. Award for emotional distress: \$10,000.00.
- e. Reimbursement of any and all out of pocket expenses since his termination including but not limited to COBRA payments, medications, subject to presentation of receipts/documentation.
- f. Return of any personal property held by the County and its agencies.
- g. Usual Settlement and Release terms and conditions.
- h. Withdraw criminal complaint and terminate criminal investigation.

III. Shayla Ayau:

Ms. Ayau has authorized me to settle any and all claims according to the following terms and conditions:

- a. Reinstatement with back pay, and restoration of seniority and all fringe benefits (including but not limited to no break in service for retirement purposes).
- b. Retroactive approval of her request for at the salary range, seniority and other fringe benefits at the time she was wrongfully terminated (e.g., restoration of sick and vacation leave).
- c. Public letter of apology, posted in County facilities on employee bulletin boards and submitted to the Hawaii Tribune Herald, West Hawaii Today and Honolulu Star Advertiser. We will want to be able to suggest language and agree that any statement will not be or be used as an admission of liability.
- d. Pay for her attorney's fees and costs, not to exceed \$10,000.00 (aggregate amount for Ms. Nakamoto and Ms. Ayau).
- e. Award for emotional distress: \$10,000.00.
- f. Reimbursement of any and all out of pocket expenses since her termination including but not limited to COBRA payments, medications, subject to presentation of receipts/documentation.
- g. Usual Settlement and Release terms and conditions.
- h. Written assurance that no criminal complaint and/or investigation will submitted, and if any criminal complaint and/or investigation has been initiated, that the County and any County personnel will withdraw the criminal complaint and terminated any criminal investigation.

IV. Conclusion:

I don't need to discuss the facts and liability issues, as the County already knows the strengths and weaknesses of the County's case. I don't need to talk about the County's, the Clerk's and Mr. Yagong's potential exposure. I think the appointment of Special Counsel to represent them speaks for itself. And I don't need to address the steady leaking of confidential personnel information arising from the investigation to the media, which was done intentionally to either unfairly prejudice my clients or buoy the ambition of other individuals involved in this case.

Letter to Mr. Ashida
March 14, 2012
Page 4.

My clients feel it is important to make these offers at this time, before all sides become entrenched and fees and costs start spiraling out of control. My clients are concerned about the potential costs to County taxpayers should their cases be litigated. Make no mistake, my clients and I feel very strongly about their potential claims against the County and County officials. They are eager to pursue their claims. But they feel that for whatever reason, they were terminated in violation of the applicable collective bargaining agreements, state law and the law of defamation. They wish to pursue their remedies but are willing to compromise.

Please be aware that this offer expires on March 30, 2012 at 2:00 p.m..

Thank you for your immediate attention to this request. If you have any questions or concerns, please do not hesitate to contact me.

Respectfully,

Ted H. S. Hong

cc: Clients