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STATE OF HAWAII and
HAWAII PUBLIC HOUSING AUTHORITY

IN THE CIRCUIT COURT OF THE FIRST CIRCUIT

STATE OF HAWAII

LEWERS FALETOGO; HAZEL
MCMILLON; GENE STRICKLAND;
TRUDY SABALBORO; and LEE
SOMMERS, individually and on behalf of a
class of past, present and future residents of
Kuhio Park Terrace,

Plaintiffs,

vs.

STATE OF HAWAII; HAWAII PUBLIC
HOUSING AUTHORITY; REALTY LAUA
LLC, formerly known as R & L Property
Management LLC, a Hawaii limited liability
company; and Does 1-20,

Defendants.

CIVIL NO. 08-1-2608-12 SSM
(Other Civil Action)

**DEFENDANTS STATE OF HAWAII AND
HAWAII PUBLIC HOUSING
AUTHORITY'S ANSWER TO
COMPLAINT FILED ON DECEMBER 18,
2008, AND DEMAND FOR JURY TRIAL;
CROSS-CLAIM AGAINST DEFENDANT
REALTY LAUA, LLC, FORMERLY
KNOWN AS R & L PROPERTY
MANAGEMENT, LLC, A HAWAII
LIMITED LIABILITY COMPANY;
CERTIFICATE OF SERVICE**

(No trial date set)

1ST CIRCUIT COURT
STATE OF HAWAII
FILED

2009 JUN -4 PM 3: 15

E. ALAGAO
CLERK

**DEFENDANTS STATE OF HAWAII AND HAWAII PUBLIC HOUSING
AUTHORITY'S ANSWER TO COMPLAINT
FILED ON DECEMBER 18, 2008 AND DEMAND FOR ADVISORY JURY**

Comes now Defendants STATE OF HAWAII and HAWAII PUBLIC HOUSING AUTHORITY (hereafter collectively referred to as "HPHA"), by and through the Attorney General of the State of Hawaii, in Answer to Plaintiff's Complaint filed on December 18, 2008, and specifically only as to Plaintiff's remaining Causes of Action, being the First, Second and Third Causes of Action, therein, allege and aver as follows:

I. Admissions and Denials

1. HPHA admits the allegations in paragraphs 1, 11, 12, 13, 28, and 46.
2. HPHA at this time lacks knowledge or information sufficient to form a belief about the truth of the allegations in paragraphs 3, 5, 14, 16, 17, 18, 27, 39, 40, 45, 51, and 56.
3. As to the following:
 - a. paragraph 32: HPHA admits that it is a party to the Annual Contributions Contract (ACC) with HUD, but denies the remaining allegations;
 - b. paragraph 35: HPHA admits that each of the towers at KPT has two tenant elevators and one freight elevator, but denies all the remaining allegations.
4. HPHA denies the allegations in paragraphs 2, 4, 6, 7, 8, 9, 10, 15, 18, 19, 20, 21, 22, 23, 24, 25, 26, 29, 30, 31, 33, 34, 36, 37, 38, 41, 42, 43, 44, 47, 48, 49, 50, 53, 54, 55, 58, 59, 60, 61, 62 and the entire Prayer for Relief.
5. Defendants make no answer to paragraphs 52 and 57 other than to state that the referenced documents speak for themselves.

6. Defendants make no answer to paragraphs 63 through 75 as these “causes of action” have been dismissed by this Court.

II. Lack of Jurisdiction

All or a portion of the Complaint is barred because the Court lacks the requisite jurisdiction.

III. Failure to State a Claim

The Complaint fails to state a claims or causes of action upon which relief can be granted.

IV. Statute of Limitations

All or part of the Plaintiffs’ claims or causes of action may be barred by the statute of limitations against HPHA because it arose more than two years before this action was commenced.

V. Mootness and Ripeness

All or part of the Plaintiffs’ claims or causes of action may be moot or not ripe.

VI. Failure to Exhaust Administrative Procedures and Remedies

Plaintiffs have failed to exhaust the required administrative procedures and remedies relating to their allegations.

VII. Discretionary Function

HPHA cannot be held liable on any claim, allegation or cause of action based on acts or omissions in performing or failing to perform a discretionary function or duty.

VIII. Accommodation; Accord and Satisfaction

HPHA has made the required reasonable effort to accommodate Plaintiffs needs. Some or all of Plaintiffs claims or causes of action have been addressed or satisfied.

IX. Standing

Plaintiffs lack the requisite standing to assert the statutory causes of action due to their failure to comply with required rules and procedures.

X. Wrongdoing By Others

HPHA is not liable for the wrongdoing, if any, of others.

XI. Failure to Name an Indispensable Party

Plaintiffs have failed to name an indispensable party or parties to this action.

XII. No Retroactive Injunctive Relief

Plaintiffs are not entitled to injunctive relief to remedy any alleged retroactive claims.

XIII. Lack of Primary Jurisdiction

The United States Department of Housing and Urban Development has primary jurisdiction over some or all of Plaintiffs' claims and this Court should abstain accordingly.

XIV. Other Defenses

HPHA reserves the right to amend this Answer or to otherwise plead other defenses which may be revealed during continuing discovery in this action.

XV. Claims Against Other Unnamed Parties

HPHA reserves the right to name or file additional pleadings against other parties as yet unnamed and unidentified.

XVI. Class Action

Plaintiffs have failed to plead all necessary elements to support a class action under Hawaii Rules of Civil Procedure Rule 23.

XVII. Pleading Special Matters

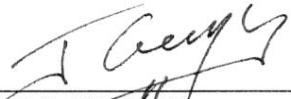
The Complaint fails to comply with Rule 9 of the Hawaii Rules of Civil Procedure.

DEMAND FOR JURY TRIAL

As provided by law, HPHA demands an advisory jury on the trial of the issues in this action.

DATED: Honolulu, Hawaii, June 4, 2009.

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Attorney General
State of Hawaii



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**CROSS-CLAIM AGAINST DEFENDANT
REALTY LAUA, LLC, FORMERLY
KNOWN AS R & L PROPERTY
MANAGEMENT, LLC, A HAWAII
LIMITED LIABILITY COMPANY**

CROSS-CLAIM AGAINST REALTY LAUA, LLC, FORMERLY KNOWN AS R & L
PROPERTY MANAGEMENT, LLC, A HAWAII LIMITED LIABILITY COMPANY

Defendants STATE OF HAWAII and the HAWAII PUBLIC HOUSING AUTHORITY
(hereinafter referred to as "HPHA") by and through the Attorney General of the State of Hawaii,
and the deputy attorneys general listed below, for its Cross-Claim against Defendant REALTY
LAUA, LLC, formerly known as R&L Property Management, LLC, a Hawaii Limited Liability
Company (hereinafter referred to as "REALTY"), allege and aver as follows:

1. Plaintiffs filed a Complaint against Defendants HPHA and REALTY on
December 18, 2008, alleging injuries and/or damages allegedly resulting from said parties'
negligence and/or violation of, among other things, 42 U.S.C. § 12132, 29 U.S.C. § 794 and 42
U.S.C. § 3604f(1).

2. REALTY is the managing agent for Asset Management Project 40, which consists of Kuhio Park Terrace and Kuhio Homes pursuant to a contract and supplements thereto, executed by and between HPHA and REALTY effective August 1, 2008 to present.

3. Pursuant to terms and conditions of the contract, REALTY shall defend, indemnify and hold harmless HPHA, the contracting agency, their officers, employees, and agents from and against all liability, loss, damage, cost and expense including all attorneys' fees, and all claims, suits and demands therefore arising out of or resulting from the acts or omissions of REALTY, REALTY'S employees, officers, agents or subcontractors under the contract.

4. If Plaintiffs sustained the injuries and/or damages as alleged in the Complaint, such injuries and/or damages were the result of the negligent, wrongful, and/or knowing conduct of REALTY and not as a result of negligence or wrongful act or omission of HPHA.

5. If Plaintiffs are entitled to any right of recovery, such right is against REALTY and not HPHA.

6. If HPHA was in any way negligent, the negligent, wrongful, and/or knowing conduct of REALTY was active and primary, whereas HPHA's conduct was only secondary and passive, and therefore, REALTY must fully indemnify HPHA for any resulting damages, including Plaintiffs attorneys' fees and costs.

7. If Plaintiffs are entitled to a judgment against HPHA, HPHA is entitled to a corresponding judgment against REALTY.

WHEREFORE, HPHA prays for judgment on its Cross-Claim against REALTY as follows:

A. That HPHA be provided full contribution and indemnification by REALTY if any or all of Plaintiffs' claims are found against HPHA;

B. That HPHA be awarded its reasonable costs and attorneys' fees by REALTY that will be incurred through the pendency of this action until a final judgment or settlement is entered;

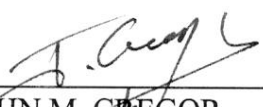
C. That if Plaintiffs are entitled to any judgment against HPHA, that said judgment be awarded against REALTY;

D. That if Plaintiffs are awarded any monetary judgment against HPHA, that HPHA have judgment against REALTY for the same monetary amount awarded to Plaintiffs;

E. That HPHA be awarded such other relief as this Court may deem just and proper.

DATED: Honolulu, Hawaii, June 4, 2009.

MARK J. BENNETT
Attorney General



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CERTIFICATE OF SERVICE

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I hereby certify that a true and correct copy of the foregoing document was duly served upon the following parties by United States mail, postage pre-paid at their last known addresses.

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DATED: Honolulu, Hawaii, June 4, 2009.



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