

WRITTEN TESTIMONY #1
by
Laurie Thorson

08.28.25 HPHA BOARD MEETING

TO: HPHA Board of Directors

Re: Lawsuit update – court filings (attached)

Attached is copy of the following court documents filed at the 9th Circuit Court

Opening Brief filed by Laurie

Answering Brief filed by HPHA

Reply Brief filed by Laurie

No. 25-3663

IN THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

LAURIE THORSON
pro se Plaintiff-Appellant

v.

HAWAII PUBLIC HOUSING AUTHORITY (HPHA)
HAKIM OUANSAFI, HPHA EXECUTIVE DIRECTOR
RYAN AKAMINE, HPHA CHIEF COMPLIANCE OFFICER
LYLE MATSUURA, HPHA SUPERVISOR IV
Defendants-Appellees

On Appeal from the United States District Court
for the District of Hawaii
Honorable Micah W.J. Smith, United States District Judge
(Civil Case No. 1:23-CV-00412-MWJS-WRP)

APPELLANT’S REPLY BRIEF

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I. INTRODUCTION

Plaintiff-Appellant Laurie Thorson (*hereinafter* “Thorson”), an elderly disabled pro se litigant, submits this Reply Brief to rebut Defendants-Appellees’ Answering Brief (*hereinafter* “Appellees’ Brief”).

The district court erred in granting summary judgment and denying Thorson’s motions to amend her complaint, overlooking genuine issues of material facts, failing to liberally construe her pro se pleadings, and misapplying sovereign and qualified immunity.

Appellees’ misrepresentations ignore Thorson’s evidence. Thorson seeks reversal and remand for trial.

II. CLARIFICATION OF FACTUAL MISREPRESENTATIONS IN APPELLEES’ BRIEF

Appellees’ Answering Brief distorts the record, leading the district court to overlook material facts. See *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 255 (1986) (*requiring evidence to be viewed in the light most favorable to the non-movant*). As a pro se litigant, Thorson’s evidence deserves liberal construction. Appellees distortions exacerbate the prejudice she faced. See *Haines v. Kerner*, 404 U.S. 519, 520 (1972); *Erickson v. Pardus*, 551 U.S. 89, 94 (2007).

The following clarifies key inaccuracies Appellees intentionally provided the court, contrary to the accurate and detailed evidence Thorson outlined in her ‘Opening Brief’ and ‘Opposition to Defendants’ Motion for Summary Judgment’.

Key misrepresentations include:

A. HPHA Conducted Investigation:

Appellees falsely claim HUD investigated Thorson’s live in aide (*9th docket #5.1 at 40-41*). However, Thorson’s evidence proves it was HPHA who conducted the investigation, not HUD.

Thorson’s evidence proves she was informed by her former neighbor that an “investigator” informed her Thorson and her live in aide were going to prison for fraud. Immediately, Thorson contacted HUD (*docket #113-4, #113, Attachment 2*) believing the investigator was from HUD.

HUD/FHEO Branch Chief, Stephanie Rabiner responded to Thorson (*docket #113-4, #113, Attachment 2*) and confirmed in writing: “..FHEO is not investigating you for fraud... be advised that HPHA has informed FHEO that HPHA has *continued* its investigation into your son’s residency between 2017 and April 2022. HPHA’s *ongoing investigation* is a *continuation* of its April 2022 inquiry into your *need* for a live in aide and your son’s place of residence... note that HPHA has given FHEO the evidence it has collected during its investigation, including

information that HPHA staff obtained from your former neighbor and former landlord...”

Thorson’s evidence proves Appellees intentionally provide the court with false information, in an attempt to divert blame to HUD and obscure evidence of retaliation and intentionally interfering with Thorson’s live in aide (*which HPHA initially approved in 2017*).

HUD/FHEO confirmed HPHA’s investigation included “...inquiry into Thorson’s *need* for a live in aide...”, which is not permitted. Thorson provided evidence to prove that PHAs are only authorized to obtain ‘written verification’ by physicians, and do not have the authority to act as gatekeepers in determining what support services recipients can receive to accommodate their disabilities.

B. HUD Did Not Conduct Investigation:

Appellees claimed HUD investigated Thorson for fraud (*9th docket #5.1 at 41*), but HUD/FHEO Branch Chief, Stephanie Rabiner, confirmed this is a lie, by writing: “..FHEO is not investigating you for fraud... HPHA has informed FHEO that HPHA has continued its... on-going investigation is a continuation of its April 2022 inquiry into your need for a live and your son’s place of residence..” (*docket #113 at 1-2, Attachment 1*)

This intentional misrepresentation diverts blame to HUD, and obscures evidence of retaliation.

C. HPHA Live-in Aide Prerequisites:

Appellees claim their review into Thorson's *need* for a live in aide and the live in aide's residency, as routine inquiries, omitting prerequisites (*9th docket #5.1 at 35-40*).

Thorson's evidence details illegal barriers: "..Defendants illegal policies required the live in aide to live in the plaintiff's home as their 'primary residence', required live in aide must sleep in plaintiff's home (24/7)...and require that the live in aide not be employed. These illegal policies were prerequisites... the defendants knew full well the plaintiff could never comply.." (*docket #113 at 4-5; Attachments 3-4*).

Appellees intentional misrepresentation is to obscure evidence of retaliation, by ignoring Thorson's evidence (*docket #113 at 4-5, Attachments 3-4*).

D. HPHA Policies Are Noncompliant With HUD Regulations:

Appellees portray illegal policies (e.g., using "low" comparables against the "contract rent" for all rent reasonableness) as compliant, ignoring Ouansafi's admission of "illegal policies" (*Appellees Brief at 3-7*). Appellees attempt to deny links to discrimination or fraud fails (*Appellees' Brief at 3-7, 35-37*).

Thorson's evidence proves violations: "..The illegal policy to use "low comparables against the contract rent"... is a part of the fraud scheme... defendants intentionally are violating federal and state rules... FRAUD CHARTS... confirm

defendants stole over \$110M since January 2015.." (*docket #113 at 3-4; Attachments A-C; references to 24 C.F.R. §§ 982.507, 982.52(a), 982.54(b)*).

This deletion of evidence misrepresents noncompliance with federal rules and HUD Regulations, which are central to Thorson's claims.

E. Medical Evidence Supports Need For Live-in Aide:

Appellees claim there are no material facts to prove discrimination simply by ignoring Thorson's medical evidence, (*Appellees' Brief at 35-37; omitting physician letters at 11-13*). Thorson provided: "..voluminous amount of medical evidence... seven (7) letters from six (6) different physicians, who unanimously agree the plaintiff is disabled and requires a live in aide.." (*docket #113 at 6*).

Appellees' deletion of Thorson's medical evidence is intentional, to negate discrimination and retaliation claims.

F. HPHA Actions Caused Eviction and Homelessness:

Thorson's evidence proves "..defendants... created obstacles... which ultimately caused the plaintiff... to be homeless sleeping in her vehicle.." (*docket #113 at 4-5; Attachments 3-4*). Appellees downplay eviction and homelessness as resolved (*Appellees Brief at 16*).

This twist deletes evidence of continued retaliation by intentionally interfering with Thorson's housing. After terminating Thorson's live in aide and

2-bedroom, Appellees imposed restrictions on the landlord to prevent Thorson from remaining in the rental with her 0-bedroom voucher. This caused Thorson to be evicted and homeless.

G. Fraud Allegations Are Not Futile:

Appellees claim Thorson's fraud claim is *futile*, denying fund misuse (*Appellees' Brief at 24-25*). However, Thorson's "*..FRAUD CHARTS... prove that actually three of five PHAs in Hawaii steal from Section 8...*" (*docket #113 at 3-4; Attachments A-C*).

Appellees' denial of evidence is intentional. This warrants reversal to adjudicate the facts.

III. REPLY TO APPELLEES' COUNTERSTATEMENT OF JURISDICTION

Appellees concede this Court's jurisdiction under *28 U.S.C. § 1291* to review the district court's grant of summary judgment and denial of Thorson's motions to amend her complaint (*Appellees' Brief at 2*).

Thorson agrees that interlocutory orders denying her motions to amend became appealable upon entry of final judgment, as Appellees acknowledge, citing *Am. Ironworks & Erectors, Inc. v. N Am. Constr. Corp.*, *248 F.3d 892, 897 (9th Cir. 2001)*.

Appellees' claim Thorson waived issues not distinctly raised in her Opening Brief is misplaced. Thorson's Opening Brief clearly articulates six (6) issues

(*Opening Brief at 7*), supported by extensive evidence and legal citations, covering all relevant claims and procedural errors. *No issues have been waived.*

Appellees' waiver claim overlooks Thorson's extensive evidence to prove all her claims (*42 U.S.C. § 3617*).

IV. REPLY TO APPELLEES' ARGUMENTS

A. The District Court Erred by Failing to Liberally Construe Thorson's Pro Se Pleadings and Evidence

Appellees dismiss Thorson's evidence failed to present sworn statements or admissible evidence (*Appellees' Brief at 12*). Appellees dismiss Thorson's evidence (*Appellees' Brief at 12*), and ignore pro se leniency (*Hebbe v. Pliler, 627 F.3d 338, 342 (9th Cir. 2010)*).

Appellees ignore the Ninth Circuit's mandate to liberally construe pro se pleadings and evidence, particularly for an elderly disabled litigant, like Thorson. See *Haines v. Kerner, 404 U.S. 519, 520 (1972)*; *Erickson v. Pardus, 551 U.S. 89, 94 (2007)*; *Hebbe v. Pliler, 627 F.3d 338, 342 (9th Cir. 2010)*.

Thorson's Opposition to Defendants' Motion for Summary Judgment (*docket #113*) included voluminous evidence (i.e., medical records, seven (7) physician letters confirming she is disabled and requires support services from a live-in aide). Thorson's evidence proved HPHA's policies are not in compliance

with federal rules and HUD Regulations, and she proved the retaliatory investigation was intentional to interfere with her disability and live in aide (*Opening Brief at 11*). Thorson's evidence, while not all formally sworn under 28 U.S.C. § 1746, should have been considered under a less stringent standard for pro se litigants. See *Eldridge v. Block*, 832 F.2d 1132, 1137 (9th Cir. 1987).

Appellees' reliance on *Celotex Corp. v. Catrett*, 477 U.S. 317 (1986) to argue Thorson failed to meet her burden under FRCP 56 is misplaced (*Appellees' Brief at 12*).

The district court failed to view Thorson's evidence in the light most favorable to her, as required by *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 255 (1986). For example, Thorson's evidence of HPHA's noncompliant policy to use "low" comparables (*docket #113-22, Attachment 20*) and retaliatory termination of her live-in aide and voucher (*Opening Brief at 10-11*) raised genuine issues of material fact regarding FHA violations.

The district court's dismissal of these claims without liberal construction was an abuse of discretion, warranting reversal.

B. The District Court Misapplied Sovereign Immunity and Failed to Address Ongoing Fair Housing Act Violations Under 'Ex parte Young'

Appellees claim sovereign immunity bars claims against state employees in their official capacity. Appellees invoke immunity but ignore '*Ex parte Young*' for

prospective relief to remedy ongoing violations (*Appellees' Brief at 29*; '*Ex parte Young*', 209 U.S. 123 (1908)).

Thorson alleges ongoing violations from noncompliant policies (e.g., low comparables), leading to retaliation, eviction, and homelessness (Opening Brief at 10-11). See *Coal. to Def. Affirmative Action v. Brown*, 674 F.3d 1128, 1134 (9th Cir. 2012). Evidence includes HUD correspondence (*docket #113-64, #113-65*). Reversal needed for injunctive relief.

Thorson's Opening Brief clearly alleged ongoing violations stemming from HPHA's noncompliant policies ("low" comparables, against the "contract rent"). HPHA was provoked to retaliate *after* Thorson disputed the policies. Retaliation by HPHA ultimately caused her voucher's payment standard to be reduced, imposing prerequisites, termination of live in aide and 2-bedroom voucher, interference with her remaining in rental with her 0-bedroom voucher by imposing fabricated restrictions on landlord, ultimately leading to Thorson's eviction and homelessness (*Opening Brief at 10-11, 27-31*).

These allegations fall squarely within '*Ex parte Young*'s exception for prospective relief against state officials to halt ongoing federal law violations. See *Coal. to Def. Affirmative Action v. Brown*, 674 F.3d 1128, 1134 (9th Cir. 2012)

Appellees' Brief does not dispute "illegal policies", which deviate from HUD's mandate (*Opening Brief at 12*), confirmed by HUD/PIH Director, Jesse Wu.

Thorson's evidence, including HUD correspondence (*docket #113-64, #113-65*), demonstrates HPHA's refusal to ratify *HPHA Administrative Plan 8.III-D* into compliance with HUD Regulations, as required by *24 CFR § 982.52(a), 982.54(b), and 982.507*. This refusal substantiates determination to continue to commit fraud.

The district court erred by failing to order an injunctive to compel Appellees to comply with HUD regulations. See *Doe v. Lawrence Livermore Nat'l Lab.*, *131 F.3d 836, 840 (9th Cir. 1997)*.

Appellees' reliance on sovereign immunity to dismiss all claims ignores Thorson's valid '*Ex parte Young*' claims, necessitating reversal.

C. The District Court Erred in Granting Qualified Immunity to Individual Defendants Despite Genuine Issues of Material Fact

Appellees argue qualified immunity shields Appellees in their personal capacities because Thorson failed to show a violation of clearly established FHA violations (*Appellees' Brief at 30*). This argument fails.

Thorson's evidence proves retaliation: payment standard reduced, termination of live in aide and 2-bedroom voucher, obstacles to prevent her from remaining in her home, eviction, homelessness, etc.). This violates *42 U.S.C. § 3617 and 24 C.F.R. § 982.316*. See *Walker v. City of Lakewood*, *272 F.3d 1114, 1128 (9th Cir. 2001)*; *Hope v. Pelzer*, *536 U.S. 730, 739 (2002)*. Material facts preclude immunity; jury resolution needed. See *Anderson*, *477 U.S. at 255*.

Thorson provided evidence of Appellees imposing prerequisites to terminate her live-in aide and 2-bedroom voucher, and then imposed restrictions so she could not remain in the rental with her 0-bedroom voucher, which caused Thorson's eviction and homelessness (*Opening Brief at 10-11*).

Thorson's evidence proves Appellees retaliated *after* she disputed noncompliant policies and claim of fraud, establishing a prima facie case of retaliation. See *Walker v. City of Lakewood*, 272 F.3d 1114, 1128 (9th Cir. 2001). Thorson has a FHA-protected right to dispute illegal policies, and to have a live in aide (24 CFR. § 982.316). See *Hope v. Pelzer*, 536 U.S. 730, 739 (2002).

Thorson's medical evidence and 'written verification' from multiple physician was sufficient to approve Thorson's live in aide. Acting outside the scope of their duties, Appellees chose to act as gatekeepers in determining what support services Thorson could receive (*docket #113-28, #113-64, #113-65*).

The district court ignored these material facts by granting qualified immunity, which when viewed in Thorson's favor, preclude summary judgment. See *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 255 (1986).

Reversal is warranted to allow a jury to resolve these disputes.

D. The District Court Erred by Denying Thorson Adequate Notice and Opportunity to Cure Deficiencies

Appellees claim the district court was not required to provide Thorson with notice of summary judgment requirements or an opportunity to cure deficiencies

(Appellees' Brief at 45). This argument disregards the Ninth Circuit's clear directive that pro se litigants, especially those with disabilities, must receive adequate notice and opportunity to respond to summary judgment motions and cure deficiencies. See *Rand v. Rowland*, 154 F.3d 952, 960 (9th Cir. 1998); *Hebbe v. Pliler*, 627 F.3d 338, 342 (9th Cir. 2010).

Thorson's pro se status - and the complexity of her claims - required the district court to ensure she understood procedural requirements under FRCP 56.

Thorson's Opposition (*docket #113*) included substantial evidence, but the district court dismissed Thorson's evidence for lack of formal sworn statements without offering her a chance to cure (*Opening Brief at 38-40*). This was particularly prejudicial given Thorson's reliance on medical records, physician letters, HUD and HPHA correspondence, which are all admissible under a liberal construction standard. See *Eldridge v. Block*, 832 F.2d 1132, 1137 (9th Cir. 1987).

The district court's failure to provide notice or an opportunity to cure violated Thorson's due process rights as an elderly disabled pro se litigant, necessitating reversal.

E. The District Court Erred by Failing to Address HPHA's Noncompliant Policies as Material Facts Supporting Thorson's Claims

Appellees' ignore noncompliant policies, which are not in compliance with HUD Regulations as required in 24 C.F.R. § 982.52(a), 982.54(b), 982.507. This

constitutes discrimination and retaliation under *42 U.S.C. § 3604(f) and 42 U.S.C. § 3617 (Opening Brief at 40-45)*.

Thorson's evidence proves *HPHA Administrative Plan 8-III.D* is not in compliance with HUD's *mandate* on rent reasonableness "methodology" (*docket #113-22*), *Federal Register 98-10374 (docket #113-28)*, *PIH Notice 2010-26*, *PIH Notice 2014-25*). HPHA's noncompliant policy reduces the payment standards for all vouchers so Appellees can divert federal funds from all vouchers (*Opening Brief at 10*). This is fraud.

The other fraud scheme Appellees implement is to claim 100% of subsidy is used to issue 75% of vouchers received from HUD. Appellees divert funds for the balance of unused vouchers.

Thorson's dispute of Appellees noncompliant policies (*to use low comparables against the contract rent*) in determining rent reasonableness, is what initiated retaliation. This noncompliant policy was admitted as being "illegal" by Appellee Hakim Ouansafi (*docket #102-1*).

The district court's failure to address this policy as a material fact was error, especially in light of *Loper Bright Enterprises v. Raimondo*, *144 S. Ct. 2244 (2024)*, which requires courts to independently define and evaluate agency actions without deference to noncompliant policies (*Opening Brief at 41*).

Appellees' assertion that Thorson's claims lack evidentiary support ignores HUD mandates such as *PIH Notice 2010-26* and *PIH Notice 2014-25*, which prohibit PHAs from imposing unauthorized requirements on disabled recipients' accommodations (*Opening Brief at 11*).

The district court's oversight of federal regulations, and Thorson's evidence of noncompliant policies and practices, constitutes reversible error. See *United States ex rel. Anti-Discrimination Ctr. v. Westchester County*, 668 F. Supp. 2d 548 (S.D.N.Y. 2009) (holding PHA liable for noncompliant policies under FHA)

F. The District Court Erred by Denying Thorson's Motions to Amend Her Complaint

Appellees argue the district court properly denied Thorson's motions to amend her complaint to add a fraud claim and add Bennett Liu (Chief Financial Officer) as a defendant, citing *futility* and *lack of good cause* under *FRCP 16* (*Appellees' Brief at 23-26*).

This argument fails under *Foman v. Davis*, 371 U.S. 178, 182 (1962), which mandates liberal allowance of amendments absent undue prejudice or bad faith. Thorson's proposed fraud claim alleged diversion of federal funds through noncompliant policies is *not* futile (*Opening Brief at 9-10*).

Thorson's evidence supports a plausible claim under 18 U.S.C. § 666, as it alleges intentional misuse of federal subsidies. Using only HUD data and HPHA

financial statements (*Opening Brief at 13*), Thorson created the Fraud Charts to prove fraud and diversion of federal funds, then immediately petitioned the court to amend her complaint, which was denied.

Thorson filed a second motion to amend to add a claim of Bribery, after discovering Ouansafi implemented another fraud scheme to pay his management staff a salary that exceeded the governor's salary, which is against state law.

The district court's finding of *futility* ignored Thorson's evidence, and pro se status by refusing to apply liberal standards for amendments. See *Erickson v. Pardus*, 551 U.S. 89, 94 (2007).

Thorson demonstrated good cause to amend as new evidence emerged during discovery (*Opening Brief at 46*). Denying the motions prejudiced Thorson's ability to fully litigate her claims, particularly given the complexity of the fraud allegations and her pro se status. See *Haines v. Kerner*, 404 U.S. 519, 520 (1972).

Reversal is necessary to allow Thorson to amend her complaint and include Bennett Liu (Chief Financial Officer) as a defendant.

V. REPLY TO APPELLEES CONTRADICTIONS AND MISREPRESENTATIONS

Appellees' contradictions and misrepresentations distort facts to avoid liability. Appellees portray Thorson as confused and unreliable, to discredit Thorson as a pro se litigant.

To prove Appellees are distorting the record, Thorson provides comparisons from Appellees own documents:

- *Answer*
(in response to Thorson's complaint - docket #24, filed 01/21/24)
- *Motion for Summary Judgment*
(docket #113, filed 03/12/25)
- *Answering Brief*
(docket #5.1, filed 08/19/25)

A. Source and Conduct of Investigation into Live-in Aide

Answer:

Answer does not attribute any actions to HUD.

Answer does not address an “investigation” into Thorson’s live-in aide.

Answer does address a “review” into Thorson’s *need* for a live in aide.

Answer implies Thorson is noncompliant with prerequisites, to warrant review of her file, allowing Appellees to determine need and what support services Thorson is eligible to receive from a live in aide.

Ryan Akamine emailed Thorson on April 12, 2022, demanding she respond to a series of questions about her need for a live in aide and the live in aide’s residency, requiring Thorson answer the questions regarding her disability and what support services she receives. Thorson had 2 hours and 43 minutes to respond, or Akamine threatened to cancel the inspection scheduled the following morning. (*Page 5-6, para. 13*).

Motion for Summary Judgment:

Motion for Summary Judgment states “..it was *not* Defendants, but rather the inquiries of an investigator with HUD that caused Thorson’s son to begin to be too afraid to continue in his role as Thorson’s live-in aide... HUD official investigating Thorson’s complaint, stated that it was ‘considering further action and/or investigation...to determine whether this might be an occurrence of fraud..’.” (*docket #113 at 1, quoting Motion for Summary Judgment at Page 40-41*).

Answering Brief:

Answering Brief claims Thorson “..continues to *confuse* HPHA’s review of her file with HUD’s investigation... evidence in this record suggests it was not Defendants, but rather the inquiries of an investigator with HUD caused Thorson’s son to be too afraid to continue in his role as Thorson’s live-in aide... ‘investigator’ contacted the former neighbor as part of an investigation..” (*pages 40-41*).

Contradiction:

Answer acknowledges HPHA’s role in questioning Thorson’s need for a live in aide, and live-in aide’s residency (*via Akamine’s email*).

Motion for Summary Judgment and Answering Brief explicitly shifts blame to HUD, falsely claiming HUD investigators contacted Thorson’s former neighbor, not HPHA. This contradicts the Answer’s lack of any mention of HUD, and is

directly refuted by Thorson's evidence (*docket #113 at 1-3, Attachment 1*).

HUD/FHEO Branch Chief Stephanie Rabiner confirmed HPHA, not HUD, investigated Thorson to determine her *need* for a live in aide and live in aide's residency. Evidence proves HPHA investigator contacted the former neighbor and informed the neighbor Thorson and her live in aide were going to prison for fraud. It was this threat that caused Thorson's live in aide to quit.

Thorson's evidence quotes Rabiner: "...FHEO is not investigating you for fraud... HPHA has continued its investigation into your son's residency... HPHA has given FHEO the evidence it has collected during its investigation, including information that HPHA staff obtained from your former neighbor and former landlord.." (*docket #113 at 1-2; Attachment 1*).

Significance:

This contradiction proves Appellees provide false information to the court to deny retaliation under *42 U.S.C. § 3617*. HPHA's investigation supports a retaliation claim, which Appellees initiated *after* Thorson disputed illegal policies.

B. HUD Not Involved in Fraud Allegations

Answer:

Answer makes no mention of HUD or fraud. Instead focus on denying Thorson's claims (*e.g., pages 2-3, para. 2-3*), claiming lack of knowledge (*pg 3, para. 3*)

Motion for Summary Judgment:

Motion for Summary Judgment claims HUD was considering a fraud claim against Thorson (*docket #113 at 1, quoting Motion at Page 41*). Appellees' falsely assert, "...HUD official investigating Thorson's complaint, stated that it was 'considering further action and/or investigation...to determine whether this might be an occurrence of fraud'.."

Answering Brief:

Answering Brief asserts "...HUD official investigating Thorson's complaint, stated that it was 'considering further action and/or investigation...to determine whether this might be an occurrence of fraud..'." (*Page 41*).

Contradiction:

Answer is silent on fraud allegations. No mention of HUD.

Motion for Summary Judgment and Answering Brief affirmatively assert HUD's involvement in investigating Thorson for fraud. This directly contradicts Plaintiff's evidence from HUD's Stephanie Rabiner, who writes: "...FHEO is not investigating you for fraud – fraud is outside of our jurisdiction..." (*docket #113 at 1-2, Attachment 1*).

Significance:

This contradiction deflects liability from HPHA's retaliation, by intimidating Thorson's live-in aide into quitting, and interfering with Thorson's voucher by claiming she is guilty of fraud (apparently by unknowingly not complying with the prerequisites).

C. HPHA Actions Regarding Live-in Aide Prerequisites

Answer:

Answer admits Akamine's April 12, 2022 email requested information about Thorson's need for a live in aide, and the live-in aide's residency, implying noncompliance with HPHA policy and/or HUD regulations (*Page 5-6, para. 13*).

Answer denies live-in aide approved for "...disability-related overnight care as needed.." (*Page 4, para. 10*), suggesting narrower scope of approval now applied.

Motion for Summary Judgment:

Motion for Summary Judgment portrays HPHA's actions as routine, asserting "...it was not Defendants, but rather the inquiries of an investigator with HUD..", which HUD proved is a lie (*docket #113 at 1, quoting Motion at page 40*).

Answering Brief:

Answering Brief portrays HPHA's inquiries as routine and non-adverse, asserting questions about Thorson's "need" and residency of the live-in aide were part of a review of her file, and not retaliatory (*pages 11-13, 35-40*).

Answering Brief omits any mention of live in aide prerequisites.

Contradiction:

Answer acknowledges HPHA's inquiry into live-in aide's residency, but does not deny imposing stringent prerequisites.

Motion for Summary Judgment and Answering Brief downplay these inquiries as routine, omitting Thorson's evidence of illegal prerequisites (e.g., 24/7 presence, primary residence, no separate residence, no employment), applying only to Thorson (*docket #113 at 4-5*).

Appellees provide the court fabricated facts that contradict the Answer's implicit admission of HPHA's proactive role.

Significance:

This contradiction weakens Appellees' defense against Thorson's retaliation and discrimination claims under *42 U.S.C. § 3617 and 3604(f)*.

The prerequisites evidence intentional interference with Thorson's live in aide. Thorson's evidence proves that the prerequisites were imposed after she disputed the illegal policies.

D. HPHA Policies Are Noncompliant with HUD Regulations

Answer:

Answer denies without affirming allegations of illegal policies.

Answer does not claim illegal policies (*e.g., using low comparables, against the contract rent*) are compliant with HUD Regulations, instead focuses on denying Thorson's assertions.

Motion for Summary Judgment:

Motion for Summary Judgment argues policies are consistent with HUD regulations, denying any link to discrimination or retaliation (*docket #113 at 3, referencing Ouansafi's declaration, docket #102-1*). Ouansafi admits "illegal policies" are enforced but deflects responsibility to staff and board (*page 29, referencing docket #102-1*).

Answering Brief:

Answering Brief claims illegal policies, using "low comparables against the contract rent" in rent reasonableness tests, is compliant with HUD regulations.

Contradiction:

Answer avoids affirming policy compliance, denies Thorson's allegations.

Motion for Summary Judgment and Answering Brief claim compliance, despite Thorson's evidence (*docket #113 at 3-4, Attachments A-C*) showing

violations of 24 C.F.R. § 982.507, 982.52(a), and 982.54(b). HPHA's noncompliant "low comparables" policy, as admitted by Ouansafi, shifts from denial to affirmative defense. This contradicts the Answer's neutral stance.

Significance:

This contradiction is critical to Thorson's claim illegal policies are not in compliance with federal rules and HUD Regulations, which policies caused Thorson's damages (e.g., reduction of payment standard, termination of live in aide and voucher, eviction, homelessness, and she no longer has a live in aide).

Thorson's evidence proves discrimination, retaliation, and fraud claims, which undermines Appellees' sovereign immunity defense, as ongoing violations are actionable under *'Ex parte Young'*, 209 U.S. 123 (1908).

E. HPHA Actions Interfere With Thorson's Housing

Answer:

Answer is silent about Thorson's housing situation.

Motion for Summary Judgment:

Motion for Summary Judgment implies no adverse impact from actions by HPHA, instead focuses on routine review of Thorson's file, and compliance checks (*docket #113 at 1, quoting Motion at Page 40*).

Answering Brief:

Answering Brief suggests Thorson’s “..updated housing situation..” is resolved, implying no ongoing harm from HPHA’s actions (*Page 16*).

Appellees fail to inform the court, that as a result of their retaliation efforts, Thorson is now without a live a aide.

Contradiction:

Answer denies interfering with Thorson’s housing, which interference caused her eviction and homelessness.

Motion for Summary Judgment and Answering Brief suggest her situation is resolved. Fact is, Thorson is without a live in aide. Thorson’s evidence proves that it was Appellees actions that caused her harm (*docket #113 at 4-5, Attachments 3-4*).

Significance:

This contradiction supports Thorson’s argument of ongoing violations under ‘*Ex parte Young*’; and obscures the harm caused by Appellees retaliation, a key element of Thorson’s FHA claim under *42 U.S.C. § 3617*.

F. Fraud And Diversion of Federal Funds

Answer:

Answer denies fraud or fund misuse (*e.g., paragraphs B.8.(a)-(d), B.9, Page 2, para. 2*), claims lack of knowledge for related claims (*page 3, para. 3*).

Motion for Summary Judgment:

Motion for Summary Judgment mirrors Answering Brief's stance, asserting no evidence to support fraud claims, despite Ouansafi's declaration deflecting responsibility of "illegal policies" (*docket #113 at 3*).

Answering Brief:

Answering Brief argues Thorson's proposed fraud claim is "futile". Appellees deny fraud and fund misuse (*Pages 24-25*).

Contradiction:

Answer denies fraud, while Motion for Summary Judgment and Answering Brief affirmatively argue *futility*, dismissing Thorson's fraud charts (*docket #113 at 3-4, Attachments A-C*) that prove fraud and diversion of federal funds by Appellees (Hawaii Public Housing Authority) and two other PHAs in Hawaii.

Appellees shift from denial to affirmative dismissal contradicts the Answer's neutral stance, and ignores Thorson's evidence.

Significance:

This contradiction impacts Thorson's motions to amend her complaint under *Foman v. Davis, 371 U.S. 178 (1962)*, as her fraud claim, supported by evidence, *is not futile* and warrants consideration.

G. SUMMARY

... of Section V. REPLY TO APPELLEES CONTRADICTIONS AND MISREPRESENTATIONS

Appellees contradictions reflect a pattern of shifting narratives to minimize their liability and obscure genuine issues of material fact. They are particularly significant because they:

1. Undermines the Appellees' defenses against Thorson's retaliation and discrimination claims by misrepresenting HPHA's role in the investigation and policy violations.
2. Supports Thorson's argument the district court erred in granting summary judgment, as contradictions highlight disputed facts that should have been viewed in Thorson's favor under *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 255 (1986).
3. Supports Thorson's claim to amend, as the fraud allegations are supported by evidence not adequately addressed by Appellees' shifting positions.

Live-in Aide Residency:

Appellees claim Thorson's admission of her aide's status justify HPHA's actions as routine, ignoring evidence of retaliatory prerequisites which applied only to Thorson. Appellees attempted to discredit Thorson's discrimination claim.

Policy and Fraud Allegations:

Appellees attempt to dismiss Thorson’s fraud claims as speculative, ignoring her detailed evidence, portraying Thorson as an unreliable confused litigant. This behavior by Appellees prejudices Thorson by leading the court to overlook genuine issues of material fact, particularly regarding retaliation (*42 U.S.C. § 3617*) and discrimination (*42 U.S.C. § 3604(f)*).

As a pro se litigant, Thorson’s pleadings and evidence deserve liberal construction (*Haines v. Kerner, 404 U.S. 519, 520 (1972)*). Appellees distortions exacerbate the district court’s errors in granting summary judgment.

VI. REPLY TO APPELLEES EFFORTS TO UNDERMINE THORSON’S CREDIBILITY

Appellees misrepresent Thorson’s statements to portray her as confused. Appellees undermine Thorson’s credibility.

The following are contradictions involving Appellees misrepresentations of Thorson’s statements, as outlined in Appellees’ Motion for Summary Judgment (*docket #113*), and Answering Brief (*9th docket #5.1*):

A. Thorson Knows HPHA, Not HUD, Conducted The Investigation

Appellees’ Claim in Motion for Summary Judgment:

Appellees claim Thorson is confused by writing, “..Thorson continues to confuse HPHA’s review of her file with HUD’s investigation...” (*docket #113 at 1*,

quoting Motion at Page 40). Appellees suggest Thorson's initial assumption was that the investigators who contacted her ex-neighbor were from HUD, implying Thorson is confused.

Appellees' Claim Thorson Is Confused:

Appellees' reiterate Thorson "...confuse HPHA's review of her file with HUD's investigation..", and adds "...evidence in this record suggests that it was not Defendants, but rather the inquiries of an investigator with HUD that caused Thorson's son to begin to be too afraid to continue in his role as Thorson's live-in aide.." (*Pages 40-41*).

Appellees portray Thorson as being *confused* about who conducted the investigation.

Thorson's Actual Statement (*docket #113, Opposition*):

Thorson writes, "...plaintiff contacted the FHEO because she believed the investigators belonged to FHEO, but as Mrs. Rabiner confirms, the defendants investigators made contact with the ex-neighbor, not HUD. It was the investigators who communicated to the ex-neighbor the threat that the plaintiff and live in aide were going to prison for fraud (as was conveyed by the 'investigators'). It was this 'threat' that caused plaintiff's live in aide to quit.." (*docket #113 at 3; Attachment 2 - email from Thorson to HUD/FHEO*).

HUD/FHEO Branch Chief, Stephanie Rabiner responds in writing:

“..FHEO is not investigating you for fraud... HPHA has given FHEO the evidence it... obtained from your former neighbor and former landlord..” (*docket #113 at 1-2; Attachment 1*).

Contradiction:

The Answer (*docket #24*) does not address investigations, but confirms a review of Thorson’s file, and does admit to 04.12.22 email from Ryan Akamine questioning Thorson’s live-in aide’s residency (*Page 5-6, para. 13*). Appellees claim Thorson is confused.

However, in Appellees’ Motion for Summary Judgment and Answering Brief, Appellees’ attribute the investigation to HUD, which is a lie according to Rabiner, who confirmed it was the investigators from HPHA who made contact with the former neighbor.

Thorson’s Opposition supports this evidence, yet Appellees misrepresent to the court that Thorson’s position is based on *confusion*.

Intentional Distortion to Discredit:

By framing Thorson as “confused”, Appellees undermine Thorson’s credibility. This distorts Thorson’s claim that HPHA’s investigation was retaliatory, aimed at interfering with Thorson’s live-in aide by making threats of imprisonment.

Appellees attempt to weaken Thorson's retaliation claim under *42 U.S.C. § 3617* by shifting blame to HUD, and portraying Thorson as confused.

B. Allegations Thorson Committed Fraud, Threats of Prison Caused Live In Aide to Quit

Appellees' Claim in Motion for Summary Judgment:

Appellees' falsely asserts "...HUD official investigating Thorson's complaint, stated that it was 'considering further action and/or investigation...to determine whether this might be an occurrence of fraud'.." and that "...Thorson previously submitted to this Court images of text messages that she alleged were from a former neighbor at the Kailua unit, which appear to indicate that an 'investigator' contacted the former neighbor as part of an investigation.."
(docket #113 at 1, quoting Motion at pages 40-41).

Appellees' falsely asserts Thorson claimed HUD conducted the investigation for fraud and HUD caused her live in aide to quit.

Appellees' Claim in Answering Brief:

Appellees' Answering Brief *(docket 5.1)* echoes the Motion for Summary Judgment, stating "...evidence in this record suggests that it was not Defendants, but rather the inquiries of an investigator with HUD that caused Thorson's son to

begin to be too afraid to continue in his role as Thorson's live-in aide... an 'investigator' contacted the former neighbor as part of an investigation..” (*Pages 40-41*). This blatant fabrication implies Thorson's allegation of fraud threats stem from actions by HUD, when evidence proves it was HPHA.

Thorson's Actual Statement (*docket #113, Opposition*):

Thorson wrote, “..It was the investigators who communicated to the ex-neighbor the threat that plaintiff and the live in aide were going to prison for fraud (as was conveyed by the ‘investigators’). It was this ‘threat’ that caused the plaintiff's live in aide to quit..” (*docket #113 at 3; Attachment 2*).

Thorson clarified, quoting Rabiner's email, “..*FHEO is not investigating you for fraud.. HPHA has given FHEO the evidence it has collected during its investigation..*” “..it was not HUD, but rather it was the defendants who were ‘investigating’ the plaintiff and her live in aide, and it was the defendants who contacted the ex-neighbor and ex-landlord, not HUD..”

Appellees' refused to provide Thorson with a copy of their “investigation” or “review of Thorson's file”, despite several attempts by Thorson to request the district court compel production.

Contradiction:

Answer (*docket #24*) is silent on Thorson's specific allegations about fraud, neither confirming nor denying (because Thorson had not yet created her Fraud Charts).

Motion for Summary Judgment and Answering Brief misrepresent Thorson as attributing the fraud investigation and threats to HUD, implying Thorson falsely or mistakenly alleged HPHA's involvement.

Thorson's Opposition clearly attributes threats of fraud to HPHA investigators, supported by HUD's confirmation. Yet, Appellees continue to twist this to suggest Thorson is confused.

Intentional Distortion to Discredit:

Appellees portray Thorson as making baseless or confused allegations, undermining Thorson's credibility and reliability of Thorson's evidence (e.g., email from Rabiner).

By shifting the fraud threats to HUD, Appellees negate Thorson's retaliation claim, as HPHA's direct role in threatening Thorson's live in aide is what caused the live in aide to quit. Appellees actions were retaliatory because they happened *after* Thorson challenged the HPHA illegal policies.

C. Thorson's Statements About Live-in Aide's Residency

Appellees' Claim in Answer:

Appellee, Ryan Akamine, writes to Thorson (on April 12, 2022), "...Ryan Thorson was NOT living in your unit on a full-time basis and would visit you only at certain times.." (*Page 6, para. 13*).

This suggests Thorson admitted her live-in aide (son) did not meet residency requirements, justifying HPHA's inquiries.

Appellees' Claim in Answering Brief:

Builds on their Answer, Appellees state Thorson's statements about her son's presence (only when needed) prompted HPHA's routine compliance review, not retaliation, and that "...Thorson's own statements regarding son's residency raised questions about compliance with HUD regulations.." (*pages 11-13, 35-40*). This implies admission by Thorson of noncompliance with Akamine's prerequisites, thereby negating any retaliatory intent by Appellees.

Thorson's Actual Statement (docket #113, Opposition):

Thorson repeatedly confirmed in her Opposition that she did not want her son (or any live in aide) to live in her home when they were not providing support services, and was only allowed to live in her home when providing support services, which included overnight care when needed.

Thorson described HPHA's imposition of illegal prerequisites: "...Defendants illegal policies required the live in aide to live in the plaintiff's home as their 'primary residence', required live in aide to sleep in the plaintiff's home each night of the week (24/7)... and require that the live in aide not be employed. These illegal policies were prerequisites... the defendants knew full well the plaintiff could never comply.." (*docket #113 at 4-5*).

Thorson confirms HPHA approved her live-in aide in 2017 and annually thereafter (*docket #113 at 4; Attachments 3-4*), implying no prior issue with residency until *after* Thorson disputed the illegal policies.

HPHA never provided Thorson or her live in aide with any documentation of policies and procedures to support their prerequisites. 'Written verification' by Thorson's doctors is all that was required to satisfy approval in 2017, but this changed after she disputed HPHA's illegal policies.

Contradiction:

Answer cites Thorson's statement as a basis for HPHA's inquiry, without context or evidence of the statement itself. The Answering Brief amplifies this, framing Thorson's "admission" as the sole trigger for a routine review, omitting HPHA imposed new stringent prerequisites (24/7 presence, no employment, etc.) knowing full well Thorson could not comply.

Thorson's Opposition does not confirm this "part-time" statement and instead highlights HPHA's retaliatory imposition of impossible conditions, contradicting the Defendants' claim that Thorson admitted noncompliance.

Intentional Distortion to Discredit:

By claiming Thorson admitted her live in aide's non-full-time residency, Appellees twist Thorson's position to suggest she undermined her own reasonable accommodation claim, discrediting her retaliation argument. This misrepresentation ignores Thorson's evidence of HPHA's new prerequisites applied selectively only to Thorson, post-dispute, to force Thorson's aide to quit and to interfere with her housing, supporting Thorson's claim under *42 U.S.C. § 3617*.

D. Thorson's Allegations About HPHA's Policies and Fraud

Appellees' Claim in Answer:

Answer denies Thorson's allegations of illegal policies, including claims HPHA use of "low comparables" violates HUD regulations (*Page 2, para. 2, denying paragraphs B.8.(a)-(d), B.9, etc.*). Appellees do not address Thorson's statements about these policies.

Appellees' Claim in Answering Brief:

Answering Brief asserts Thorson “..allege without evidence that HPHA’s policies, such as the use of comparables in rent reasonableness determinations, are illegal and part of a fraud scheme..” (*Pages 3-7, 35-37*). Claims Thorson’s fraud allegations are “speculative” and lack supporting evidence, implying Thorson fabricated or exaggerated claims about a fraud scheme (*page 24-25*).

Thorson’s Actual Statement (*docket #113, Opposition*):

Thorson stated, “..illegal policy to use low comparables against the contract rent in determining rent reasonableness is a part of the fraud scheme... Plaintiff provides the necessary federal rules that prove the defendants intentionally are violating federal and state rules in order to fraudulently steal millions from the Section 8 program... The plaintiff created FRAUD CHARTS using only figures extracted from the defendants’ financial statements and HUD records, which confirm defendants stole over \$110M since January 2015, and continue to steal over \$1M each month from the Section 8 program..” (*docket #113 at 3-4; Attachments A-C - Fraud Charts*).

Contradiction:

Answer denies Thorson’s policy and fraud allegations without addressing specific claims or evidence. Answering Brief, however, misrepresents Thorson’s

statements by claiming she provided *no* evidence, ignoring Thorson’s Fraud Charts created from HPHA’s financials and HUD data (*docket #113, Attachments A-C*).

Thorson’s Opposition clearly ties the “low comparables” policy to fraud and to non-compliance with HUD regulation, violations of *24 C.F.R. § 982.507, 982.52(a), 982.54(b)*. Answering Brief twists this as speculative, contradicting the Answer’s neutral denial.

Intentional Distortion to Discredit:

By claiming Thorson’s fraud allegations lack evidence, Appellees attempt to portray Thorson as confused and making baseless accusations, undermining Thorson’s credibility as an elderly disabled pro se litigant.

This distortion of Thorson ignores specific evidence, including Ouansafi’s admission (*docket #102-1*) of “illegal policies” which supports Thorson’s FHA and fraud claims.

VII. CONCLUSIONS

A. Summary of Intentional Distortions

These contradictions demonstrate a pattern where Appellees’ selectively distort statements by Thorson to suggest confusion, exaggeration, or lack of evidence, aiming to discredit Thorson’s claims and justify summary judgment.

B. Investigation Source and Fraud Threats:

By misrepresenting Thorson's statements about HUD's role, Appellees shift blame to HUD, implying Thorson is confused or mistaken, which undermines Thorson's retaliation claim, by disconnecting actions from Thorson's policy disputes.

C. Live-in Aide Residency:

Appellees claim Thorson's admission of receiving overnight care only when needed, justified HPHA's actions as routine, ignoring evidence of retaliatory prerequisites applied only to Thorson, which is Appellees attempt to discredit Thorson's discrimination claim.

D. Policy and Fraud Allegations:

Appellees attempt to dismiss Thorson's fraud claims as speculative, ignoring her detailed evidence, portraying Thorson as an unreliable confused litigant. This pattern of behavior by Appellees prejudices Thorson by leading the court to overlook genuine issues of material fact, particularly regarding retaliation (42 U.S.C. § 3617) and discrimination (42 U.S.C. § 3604(f)).

As a pro se litigant, Thorson's pleadings and evidence deserve liberal construction (*Haines v. Kerner*, 404 U.S. 519, 520 (1972)). Appellees distortions exacerbate the district court's errors in granting summary judgment.

E. Summary of Misrepresentations of Thorson’s Statements

Appellees distort Thorson’s statements to discredit her as a pro se litigant. Appellees claim Thorson admitted her live-in aide provided overnight care only when needed, justifying noncompliance and review as routine (*docket 5.1 at 11-13, 35-40; docket #24 at 5-6*). Thorson’s Opposition never concedes this, instead details HPHA’s retaliatory prerequisites applied only to her *after* her policy disputes (*docket #113 at 4-5*).

Similarly, Appellees misrepresent Thorson’s fraud allegations as “speculative” (*docket 5.1 at 24-25*), ignoring her Fraud Charts (*docket #113 at 3-4, Attachments A-C*). These distortions, contradicting the Answer’s neutral denials (*docket #24 at 2*), are intentional to portray Thorson as confused and misunderstanding, prejudicing her claims.

In closing,

According to FRCP 56 (a) “..The court shall grant summary judgment if the movant shows that there is *no* genuine dispute as to any material fact..” Thorson provides a substantial amount of evidence to prove facts exist.

The district court erred by misapplying sovereign and qualified immunity, overlooking HPHA’s noncompliant policies, denying Thorson’s motions to amend, denying adequate notice and opportunity to cure, and failing to liberally construe Thorson’s pro se pleadings.

For these reasons, Thorson requests this Court reverse the district court's rulings, remand the case for trial to ensure adjudication of claims, and reinstate Thorson's accommodations to prevent irreparable harm (*Winter v. Natural Res. Def. Council, Inc.*, 555 U.S. 7, 20 (2008)).

Respectfully submitted,

Dated: August 26, 2025

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Attachments:

Certificate of Service

Certificate of Compliance

No. 25-3663

IN THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

LAURIE THORSON
pro se Plaintiff-Appellant

v.

HAWAII PUBLIC HOUSING AUTHORITY (HPHA)
HAKIM OUANSAFI, HPHA EXECUTIVE DIRECTOR
RYAN AKAMINE, HPHA CHIEF COMPLIANCE OFFICER
LYLE MATSUURA, HPHA SUPERVISOR IV
Defendants-Appellees

On Appeal from the United States District Court
for the District of Hawaii
Honorable Micah W.J. Smith, United States District Judge
(Civil Case No. 1:23-CV-00412-MWJS-WRP)

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on August 26, 2025, I served a true and correct copy of the document titled: **REPLY BRIEF** via CM/ECF court system at the address of record upon counsel for Defendants/Appellees.

Respectfully submitted,

Dated: August 26, 2025

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UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

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No. 25-3663

**IN THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT**

LAURIE THORSON,

Plaintiff-Appellant,

v.

HAWAII PUBLIC HOUSING AUTHORITY aka HPHA, HAKIM OUANSAFI,
HPHA EXECUTIVE DIRECTOR; RYAN AKAMINE, HPHA CHIEF
COMPLIANCE OFR; AND LYLE MATSUURA, HPHA SUPERVISOR IV,

Defendants-Appellees.

On Appeal from the United States District Court for the District of Hawai'i
Honorable Micah W.J. Smith, United States District Judge
(Civil No. 1:23-cv-00412-MWJS-WRP)

**ANSWERING BRIEF OF DEFENDANTS-APPELLEES HAWAII PUBLIC
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DEFENDANTS-APPELLEES' ANSWERING BRIEF

I. INTRODUCTION

Thorson filed suit against Defendant-Appellees Hawaii Public Housing Authority (HPHA) and its officials (collectively, “Appellees”) alleging Fair Housing Act discrimination and retaliation claims. On three separate occasions, Thorson sought leave to file an amended complaint to include a criminal fraud claim and add an HPHA official as a defendant to that claim.

The district court acted well within its discretion by denying Thorson’s motions for leave to file an amended complaint, and its rulings should be upheld.¹ Thorson’s motions for leave were properly denied because she filed one motion after the deadline without good cause justifying modification of the scheduling order, and her proposed claims were deemed to be futile as she was raising a criminal fraud claim in a civil complaint.

The district court also granted summary judgment in favor of Appellees on Thorson’s discrimination and retaliation claims because portions of these claims were legally precluded by the doctrines of sovereign immunity and qualified immunity. As to the rest of the claims, there were no genuine issues of material fact that precluded judgment as a matter of law.

¹ Thorson is only appealing the denials of two of her three motions for leave to file an amended complaint.

Thorson's attempts to overturn the district court's grant of summary judgment cannot be sustained because she failed to come forward with sworn statements and admissible evidence showing there was a genuine issue for trial. Appellees, by contrast, met their burden under Fed. R. Civ. P. Rule 56 by demonstrating the absence of any genuine issue of material fact. As such, summary judgment was proper.

This Court should therefore affirm the decisions of the district court below.

II. COUNTERSTATEMENT OF JURISDICTION

Appellees do not dispute that this Court has jurisdiction under 28 U.S.C. § 1291 to review the district court's grant of summary judgment in their favor and against Thorson.

Although not addressed by Thorson, Appellees also recognize that the district court's denial of Thorson's second and third motions for leave to file an amended complaint can also be reviewed in this appeal because the interlocutory orders denying those motions became appealable when the Final Judgment was entered. *See Am. Ironworks & Erectors, Inc. v. N. Am. Constr. Corp.*, 248 F.3d 892, 897 (9th Cir. 2001) ("A necessary corollary to the final judgment rule is that a party may appeal interlocutory orders after entry of final judgment because those orders merge into that final judgment." (citations omitted)). Any orders not specifically appealed from and any issues not distinctly raised in Thorson's

opening brief should be deemed waived. *See* Fed. R. Civ. P. 4(a)(1) (notice of appeal must be filed within 30 days after entry of the judgment appealed from); *Padgett v. Wright*, 587 F.3d 983, 985 n.2 (9th Cir. 2009) (indicating the court will not “consider matters on appeal that are not specifically and distinctly raised and argued in appellant’s opening brief.” (citation omitted)).

III. COUNTERSTATEMENT OF ISSUES PRESENTED

Thorson appears to raise two issues in this appeal:

A. Whether the district court abused its discretion by denying her second and third motions for leave to file an amended complaint.

B. Whether the district court properly granted summary judgment in favor of Appellees.

IV. CONCISE COUNTERSTATEMENT OF THE CASE

A. Statutory and Regulatory Background

The Housing Choice Voucher (“HCV”) Program provides federally funded rental assistance to individuals in need. The program, which is administered by the United States Department of Housing and Urban Development (“HUD”), extends federal funds to subsidize eligible individuals’ rent in the private housing market. *See* 42 U.S.C. § 1437f(o); 24 C.F.R. § 982.1 (2023). The federal funds are administered by state or local public housing agencies. 24 C.F.R. § 982.1(a).

HPHA is the state agency that administers these funds in Hawai‘i.² *See* Hawai‘i Administrative Rules (“HAR”) § 17-2031-1 (eff. 2022). Within the constraints of HUD regulations and requirements, 24 C.F.R. § 982.52(a), HPHA must direct and distribute federal funds – through subsidies known as housing choice vouchers – by deciding which individuals are eligible for rental assistance and how much rental assistance they should receive. *See* 24 C.F.R. § 982.52.

Once HPHA determines that a participant is eligible, HPHA will issue the individual a voucher and they can start their search for qualifying privately-owned housing. 24 C.F.R. §§ 982.202, 982.302. When a voucher holder finds a qualifying unit, HPHA will determine whether the monthly gross rent proposed by the unit owner passes two benchmarks (among others): (1) if the gross rent for the unit is above the “payment standard,”³ which is a reflection of the fair market rent in the local housing market, the individual’s share of the rent must not exceed 40

² HPHA is headed by its Board of Directors, which (among other things) adopts policies under which HPHA conducts business. *See* Hawaii Revised Statutes (“HRS”) § 356D-3 (“The authority shall be headed by the board.”); HRS § 356D-4 (indicating that the HPHA, through its Board, may adopt bylaws and rules in accordance with HRS chapter 91 to carry into effect its purposes, powers, and programs). HPHA executive director Defendant Hakim Ouansafi reports to the Board and works with his staff to carry out the Board’s adopted policies, including the HPHA Administrative Plan. *See* HPHA Administrative Plan at PDF 1-2.

³ “Payment standard” is defined as “[t]he maximum monthly subsidy payment for a family . . . set by [HPHA] between ninety per cent and one hundred ten per cent of the HUD determined small area fair market rent.” HAR § 17-2031-55.

percent of their monthly adjusted income; and (2) the requested rent for the unit passes the rent reasonableness test. 24 C.F.R. §§ 982.1(a)(3), 982.305(a)(4), 982.305(a)(5), 982.507 (a)(1), 982.508.

As the district court succinctly explained:

Under the “rent reasonableness” test, HPHA compares the requested rent with that for similar, non-Section 8 units on the market; the charged rent for the proposed Section 8 unit may not exceed that for the comparable units. [24 C.F.R.] § 982.4 (defining “reasonable rent” as a rent “that is not more than rent charged: (1) [f]or comparable units in the private unassisted market; and (2) [f]or comparable unassisted units in the premises”). Comparable units are selected considering “location, quality, size, unit type, and age of the contract unit,” as well as “[a]ny amenities, housing services, maintenance and utilities to be provided by the owner.” *Id.* § 982.507(b). Under the HPHA administrative plan, at least three comparable units are used for each rent determination, including at least two “high comparables” (units whose rent exceeds that of the proposed unit). HPHA Admin. Plan, ch. 8, pt. III.D., at 8-17 (May 16, 2024).[⁴]

1-SER-0006. HUD, however, “does not prescribe the way in which [public housing authorities] should arrive at their rent reasonableness determinations” – the primary goal is to reflect market rent. *Rent Reasonableness*, Housing Choice Voucher Program Guidebook, at 6 (Sept. 2020).⁵

⁴ The HPHA Administrative Plan is available at: https://cdn.prod.website-files.com/61d64d5f9d24da33de8c58ab/665141a10e2121224453711c_240516%20Administrative%20Plan.pdf.

⁵ This Rent Reasonableness Guidebook is available at: https://www.hud.gov/sites/dfiles/PIH/documents/HCV_Guidebook_Rent_Reasonableness.pdf.

Upon satisfaction of the rent reasonableness test and following a physical inspection of the unit, HPHA and the unit owner will execute a housing assistance payment (“HAP”) contract. The HAP contract specifies the maximum monthly rent the unit owner may charge. 42 U.S.C. § 1437f(c). HPHA, under the HAP contract, will pay a portion of the individual’s rent directly to the unit owner. 24 C.F.R. § 982.451(b). Under Part B of the HAP contract,⁶ HPHA must never pay the owner rent in an amount that exceeds the rent it determines to be reasonable for the contract unit. *Housing Assistance Payments (HAP) Contracts*, Housing Choice Voucher Program Guidebook, at 12 (July 2021).⁷ The HCV participant – Thorson in this case – is not a party to, or even a third-party beneficiary of, Part B of the HAP contract and therefore cannot enforce any provision of Part B and cannot take action against HPHA under Part B. *Id.* at 14; *see* 5-SER-0881.

⁶ Part B of the HAP contract in this case provides, in relevant part:

d. During the HAP contract term, the rent to owner may at no time exceed the reasonable rent for the contract unit as most recently determined or redetermined by the PHA in accordance with HUD requirements.

5-SER-0880.

⁷ This HAP Contract Guidebook is available at https://www.hud.gov/sites/dfiles/PIH/documents/HAP%20Contracts%20HCV%20Guidebook%20Chapter_revised_april_2023.pdf.

The HCV participant must contribute 30 percent of their monthly adjusted income, or 10 percent of their monthly gross income, whichever is greater. 24 C.F.R. § 5.628. However, HPHA cannot approve a tenancy if the tenant's share of the gross rent (rent plus utilities) would exceed 40 percent of their monthly adjusted income. 24 C.F.R. § 982.305(a)(5).

HPHA is also tasked with approving reasonable accommodations for individuals with disabilities so that federal rental assistance might be realistically available to them. For example, if an individual needs assistance of a live-in aide – someone who resides with them, is not obligated to support them, provides them essential care, and would not be living with them were it not to provide that care – then HPHA would authorize a voucher for a rental with two bedrooms, rather than one or zero, to allow the live-in aide to reside in the rental unit. *See* 24 C.F.R. § 982.316(a); 24 C.F.R. § 5.403 (defining live-in aide); Exhibit D to HAR chap. 17-2031 (HPHA's subsidy standards). Additionally, HPHA may authorize assistance of up to 120 percent of the ordinary fair market rent, to acknowledge the fact that the individual's ability to find a unit will be more limited given their needs (also called a "120 percent payment standard exception"). 24 C.F.R. § 982.503(d)(5); HAR § 17-2031-54(a).

B. Factual and Procedural Background

For purposes of this Court’s review of the district court’s grant of summary judgment, it is important to note that Thorson failed to comply with the requirements set forth in Rule 56.1 of the Local Rules of Practice for the United States District Court for the District of Hawaii (“Local Rules” or “LR”). Specifically, Thorson was required to submit a concise statement of facts with additional facts to be considered in a separate section. LR56.1(e). Because Thorson failed to file the separate concise statement when opposing Appellees’ Motion for Summary Judgment, “the material facts set forth in [Appellees’] concise statement will be deemed admitted[.]” LR56.1(g).

1. First Voucher

Before moving to Hawai‘i, Thorson received federally subsidized housing through the HCV Program in Oregon. 5-SER-0806. In 2017, when she moved to Hawai‘i, she rented a unit in Kailua. 5-SER-0807. At that time, Thorson requested, and HPHA approved, two reasonable accommodations: (1) for a two-bedroom voucher so her son Ryan Thorson could serve as her live-in aide; and (2) for a 120 percent payment standard exception because her doctor-certified disabilities precluded her from living in a high-rise or near busy streets. 5-SER-0806-0807. Thorson was able to use her HCV to rent the Kailua unit.

2. Second Voucher

On or about March 4, 2022, Thorson requested, and HPHA issued her, a second two-bedroom voucher to use in her search for a new unit. 5-SER-0807. She identified a two-bedroom rental unit located in Hawai‘i Kai at 6125 B Summer St., Honolulu, Hawai‘i 96821. *Id.* The Hawai‘i Kai unit Landlord proposed rent in the amount of \$4,000. *Id.*

HPHA Public Housing Supervisor IV of the Section 8 Subsidy Program Branch, Defendant Lyle Matsuura, informed Thorson that the Landlord “would need to come down on rent” because the proposed gross rent – the \$4,000 rent plus \$207 in utility allowance – exceeded the applicable payment standard, even with the 120 percent payment standard exception. 5-SER-0807. Because Thorson’s share of the rent could not exceed 40 percent of her monthly adjusted income, Matsuura made clear: “The max she can pay . . . is \$4031. So, there is still a \$176 difference. . . . This does not mean that any unit under \$4031 is automatically approved. It must still pass the affordability test.” 5-SER-0807-0808. For the affordability test (also known as the rent reasonableness test) the inspector takes the average of 2 high and 1 low comparables to determine the reasonable rent. 5-SER-0808.

The Section 8 Housing Quality Standards (“HQS”) Inspection Section conducts HPHA’s rent reasonableness determinations. 5-SER-0808. HQS

inspector Gary Shinde conducted three rent reasonableness tests between March 23, 2022 and March 29, 2022 for Thorson. *Id.* The average of the three comparables in the first rent reasonableness test was \$2,854.33. Because the proposed rent exceeded this amount, this first rent reasonableness test failed. *Id.* Thorson challenged the result of the first rent reasonableness test, purportedly on the Landlord's behalf. *Id.* Thorson sent HPHA what she believed were "four comparables [that] meet the market analysis requirements." *Id.* Shinde concluded that these four comparables could not be used in the rent reasonableness test. *Id.*

Shinde, however, performed a second rent reasonableness test to further assist Thorson. 5-SER-0808. The average of the three comparables in the second rent reasonableness test was \$3,114. Since the proposed rent still exceeded this amount, the second rent reasonableness test failed. 5-SER-0808-0809. Thorson, through her son, challenged the results of the second rent reasonableness test. 5-SER-0809. He sent HPHA four more proposed comparables; Shinde used one in the third rent reasonableness test. *Id.*

The average of the three comparables in the third rent reasonableness test was \$3,480.67; still less than the proposed rent, so the third rent reasonableness test failed. 5-SER-0809. When Matsuura informed Thorson that the third rent reasonableness test failed, he offered them the following options: (1) lower the proposed rent to \$3,273; (2) make rent \$3,480 with all utilities included; or (3)

decline the unit. *Id.*

On April 5, 2022, Thorson informed Matsuura that the Landlord agreed to lower the monthly rent to \$3,273 (her counsel from Legal Aid Society of Hawai‘i (“LASH”) was copied on the email). 5-SER-0809. The Hawai‘i Kai unit was then certified as passing the third rent reasonableness test. *Id.* The physical inspection of the Hawai‘i Kai unit was completed on April 13, 2022, and the HAP contract was fully executed on May 10, 2022. *Id.*

3. Thorson’s Notice to HPHA and Subsequent Questions About Her Live-in Aide Arrangement

On April 4, 2022, Thorson’s counsel notified HPHA that Thorson would be filing a complaint with HUD if HPHA did not modify its rent reasonableness determinations. 5-SER-0809-0810.

The next day, HPHA’s executive director, Defendant Hakim Ouansafi, instructed HPHA staff to conduct a complete review of Thorson’s files to look into and respond to Thorson’s complaints. 5-SER-0810. Ouansafi notified LASH that HPHA’s chief compliance officer, Defendant Ryan Akamine, would take the lead on the matter. *Id.*

On April 6, 2022, Akamine emailed LASH to explain how HPHA had reached its rent reasonableness determinations. 5-SER-0810. He also noted that the Landlord had agreed to rent Thorson the unit using HPHA’s third rent reasonableness determination. *Id.*

While reviewing Thorson's files, Akamine flagged a new concern. 5-SER-0810. Thorson's communications with HPHA staff mentioned that her son would go to her unit at certain times. 5-SER-0810-0811. In addition, emails in Thorson's file sent by her son indicated that he was working as a "Site Safety Health Officer" and "Project Supervisor" for a construction company. 5-SER-0810. This led Akamine to question whether Thorson required a live-in aide and a second bedroom subsidy for her son who was not living with her in the Kailua unit. 5-SER-0811.

As a result of discovering this information, Akamine asked LASH: "[H]ow many hours a day (or per week) does Ms. Thorson's son visit[] her unit to provide the necessary supportive services previously certified?" 5-SER-0811. In a follow up email, Akamine clarified that he was "asking about Ms. Thorson's son's status because his status is pertinent and consequential to the size of the voucher that [Thorson] receives." *Id.*

LASH responded that they believed Thorson's son's live-in aide status "was addressed years ago." LASH asserted that HPHA's "sudden 'investigation'" was a "pretext[,] " and that it was "hard to fathom why you, personally, and HPHA have chosen to exacerbate an already unfortunate situation." 5-SER-0811. LASH did not address any of the questions about the residential status of Thorson's son. *Id.*

Despite LASH's lack of substantive response, Thorson directly emailed Ouansafi on April 8, 2022, responding to the questions about the residential status of her son. 5-SER-0811. She explained that her "son is and always will be my live-in aide," and that "[i]n the past, on numerous occasions, Ryan has moved in permanently to give me round the clock care when I am experiencing seizures on a daily basis, which is the case now. As soon as you allow my new rental to be inspected, my son will be moving in with me as my permanent live-in aide." *Id.*

Based on Thorson's April 8, 2022 email, on April 12, 2022, Akamine sent an email directly to Thorson (since LASH had withdrawn its representation of Thorson), asking Thorson to provide answers to a series of questions about her son. 5-SER-0811-0812. Thorson answered these questions by email that same day. 5-SER-0812.

Akamine's questions focused on whether Thorson's son would be living with her full time, the type of care he would provide, how many hours a day he would be providing this care, and whether Thorson's son would be working a full-time job. 5-SER-0811-0812. In response, Thorson stated her son would be providing her with "full-time care, 24 hours a day, with 1-on-1 daily help." 5-SER-0812. She also stated that he would be helping her with her seizures and that his care was "essential to [her] life" and that he would be working "a job with varying hours." *Id.*

After receiving these responses, Akamine sent a “Certification for Live-In Aide” form to Thorson’s primary care physician, Dr. Megan Bradham, to determine whether Thorson required a live-in aide. 5-SER-0812. Dr. Bradham certified that Thorson required “24 hr a day” care from her son, which included: “[C]ooking, cleaning, housekeeping, caring for patient, monitoring for seizures and monitors [sic] afterwards to avoid self-harm and keep her safe.” *Id.* This care, Dr. Bradham certified, is required “indefinitely” and is “essential for the care and well-being of [Thorson].” 5-SER-0813.

Thorson was approved to move into the Hawai‘i Kai unit with a two-bedroom voucher (that would allow her son to live with her as her live-in aide to provide the needed essential care) and a 120 percent payment standard exception. 5-SER-0813.

4. Thorson’s HUD Complaint

On November 22, 2022, Thorson submitted a complaint to HUD, asserting (among other things): (1) HPHA discriminated against her based on her disability, in violation of Sections 804(f)(2), 804(f)(3)(B), and 818 of the Fair Housing Act (“FHA”),⁸ by using allegedly inappropriate comparables in its rent reasonableness determinations; and (2) “retaliated against her[,]” in violation of Section 818 of the

⁸ The FHA is codified at 42 U.S.C. §§ 3601-19. Section 804 has been codified at 42 U.S.C. § 3604, and Section 18 at 42 U.S.C. § 3617.

FHA, by “conducting a review of her file, questioning her continued need for a live-in aide, and delaying the execution” of the HAP contract and payments to the Landlord. 5-SER-0940; 5-SER-0968-0971.

HPHA responded to the HUD complaint by maintaining that it had used appropriate comparables to conduct its rent reasonableness determinations. 5-SER-0941; 5-SER-0975-0979. It further asserted that it had properly conducted a full file review of Thorson’s case to address the concerns raised to HPHA and, during that review, information emerged that suggested Thorson’s son did not live with Thorson as her live-in aide. 5-SER-0979-0981. Because Thorson’s two-bedroom voucher depended on whether she had a live-in aide residing with her, HPHA asserted that it was required to confirm that Thorson’s son would be living with her full-time as a live-in aide before approving her selected unit. 5-SER-0981. HPHA also explained that HPHA uncovered additional evidence suggesting that at times, between 2017 and 2022, Thorson’s son had not been living with Thorson in her prior unit. *Id.*

On September 15, 2023, HUD issued its Determination of No Reasonable Cause and “Final Investigative Report[.]” 5-SER-0941; 5-SER-0987-0995. As detailed in these documents, HUD found there was no probable cause to support Thorson’s complaints under the FHA.

5. Thorson's Updated Housing Situation

On September 18, 2023, Thorson emailed Ouansafi, Akamine, and Matsuura, indicating that she no longer had a live-in aide. 5-SER-0813. Matsuura informed Thorson that the two-bedroom plus 120 percent payment standard exception voucher provided as a reasonable accommodation would remain in effect until her April 2024 Recertification was completed. *Id.* If no live-in aide was identified before the recertification, then a 0-bedroom voucher plus 120 percent payment standard exception would be applied. *Id.* Akamine confirmed that same information. *Id.*

Because Thorson did not identify a live-in aide before the April 2024 Recertification, HPHA notified Thorson that, effective April 1, 2024: (1) the contract rent would remain at \$3,273 a month; (2) the housing assistance payments would decrease to \$2,517 a month; and (3) her portion of the rent would be \$756 a month. 5-SER-0813-0814. These changes reflected the updated 0-bedroom voucher plus 120 percent payment standard exception which was necessary because HPHA could not knowingly continue to use HUD funds to subsidize a second bedroom when Thorson failed to identify a live-in aide.

On August 22, 2024, Thorson requested, and HPHA issued her, a 0-bedroom voucher so she could search for a new unit. 5-SER-0814. Thorson identified a 0-bedroom unit in Kailua on October 14, 2024. *Id.* Thorson has resided in this 0-

bedroom unit since November 1, 2024. *Id.*

C. Procedural History

On October 4, 2023, Thorson filed, *pro se*, her 67-page Complaint. 8-SER-1408-1474. The Complaint asserts FHA discrimination and retaliation claims identical to the ones raised in the HUD complaint. As relief for these alleged violations, Thorson sought monetary damages, declaratory relief, and injunctive relief. 8-SER-1464, 1467-1473. Appellees filed their Answer on January 21, 2024. 8-SER-1392-1407.

1. Motions for Leave to File an Amended Complaint

On August 9, 2024, Thorson filed her first motion for leave to file an amended complaint. ECF No. 71. The district court denied the motion because Thorson failed to comply with LR10.4 and include an analysis of the applicable legal standard. ECF No. 75.

Thorson filed her second motion for leave to file an amended complaint on August 23, 2024, seeking to add a new claim for fraud in violation of 18 U.S.C. § 666 and to add HPHA chief financial officer Bennett Liu as a defendant to that claim. 7-SER-1284. Her one-page motion, however, did not include an analysis of the applicable legal standard, as previously requested by the district court. *See id.* Appellees opposed this Motion. 6-SER-1266-1281. The district court denied Thorson's second motion because the proposed fraud claim was futile since the

fraud alleged was not perpetrated against Thorson and she could not assert a violation of a federal criminal statute. The district court further denied the motion because, without the addition of the proposed fraud claim, Mr. Liu could not be added as a defendant. 1-SER-0067-0076.

On December 16, 2024, Thorson moved, a third time, for leave to file an amended complaint. 6-SER-1112-1244. Thorson again sought to add a new claim for fraud under 18 U.S.C. § 666 and to add Mr. Liu as a defendant to that claim. *Id.* The district court denied this motion because Thorson was not diligent in seeking leave to add the fraud claim before the amendment deadline set forth in the Rule 16 Scheduling Order and the claim was futile. 1-SER-0056-0059. And since the court denied the addition of the proposed fraud claim, it also denied the request to add Mr. Liu as a defendant to that claim. 1-SER-0059-0060.

2. Motion for Summary Judgment

Appellees filed their Motion for Summary Judgment and Concise Statement of Material Facts on February 15, 2025. 5-SER-0745-0803, 5-SER-0804-1027. Appellees argued that they were entitled to prevail as a matter of law because Thorson's claims were legally precluded by Eleventh Amendment immunity, qualified immunity or both; and, even if neither Eleventh Amendment immunity nor qualified immunity applied, there were no genuine issues of material fact that

precluded Defendant HPHA and its officials (in both their official and individual capacities) from judgment as a matter of law. *See* 5-SER-0755, 0769-0799.

On March 12, 2025, Thorson filed her opposition. 2-SER-0098-0144. Her opposition, however, was not accompanied by the separate concise statement of facts required by Local Rule 56.1(e). Appellees filed their reply memorandum on March 27, 2025 (2-SER-0079-0097), in which they highlighted (among other things) Thorson's failure to file a separate concise statement under LR56.1(e) and the improper attachment of 73 unauthenticated exhibits (totaling 641 pages in length) to her opposition. 2-SER-0084-0085.

The district court entered its "Order Granting Defendants' Motion for Summary Judgment" on June 6, 2025. 1-SER-0004-0051. The court agreed with Appellees' arguments, concluding that: (1) all of Thorson's claims against Defendant HPHA and its officials, in their official capacities, except for the claims for prospective declaratory and injunctive relief, are barred by sovereign immunity; (2) Thorson's claims against HPHA's officials, in their individual capacities, are barred by qualified immunity; and (3) no reasonable jury could find in favor of Thorson on her FHA discrimination and retaliation claims, so Defendants are entitled to judgment as a matter of law. 1-SER-0004, 0024, 0028-0029, 0038, 0051.

Also on June 6, 2025, the district court entered its Final Judgment. 1-SER-0003. Thorson appealed on June 9, 2025. ECF No. 131; No. 25-3663 Dkt. 1.

V. SUMMARY OF THE ARGUMENT

This Court should uphold the district court's (A) denial of Thorson's second and third motions for leave to file an amended complaint and (B) grant of summary judgment in favor of Appellees for the following reasons:

First, the district court appropriately exercised its discretion in denying Thorson's second and third motions for leave to file an amended complaint because: (1) Thorson's proposed amendments were futile; and, as to the third motion, (2) Thorson failed to establish that there was good cause justifying modification of the Rule 16 Scheduling Order.

Second, the district court properly granted summary judgment in favor of Appellees because: (1) Appellees HPHA and its officials, in their official capacities, were entitled to Eleventh Amendment immunity; (2) Ouansafi, Akamine, and Matsuura, in their individual capacities, were shielded from Thorson's claims under qualified immunity; (3) even if Appellees were not protected from Thorson's claims under sovereign immunity or qualified immunity, there were no genuine issues of material fact that precluded Appellees from judgment as a matter of law; and (4) the district court was not required to provide

Thorson with notice of the summary judgment requirements and an opportunity to cure the deficiencies in her opposition before granting summary judgment.

VI. STANDARD OF REVIEW

A. Denial of Motions to Amend Complaint

“This Court reviews a denial of a motion to amend complaint for abuse of discretion.” *Californians for Renewable Energy v. Cal. Pub. Utilities Comm'n*, 922 F.3d 929, 935 (9th Cir. 2019) (cleaned up). The “district court does not err in denying leave to amend where the amendment would be futile, or where the amended complaint would be subject to dismissal.” *Id.* (citing *Saul v. United States*, 928 F.3d 829, 843 (9th Cir. 1991)). “If the district court is correct in making a finding that there was no possibility of stating a cause of action the dismissal would not be an abuse of discretion.” *Id.* (cleaned up).

B. Grant of Summary Judgment

Summary judgment is proper when there is no genuine issue of material fact, and the moving party is entitled to judgment as a matter of law. Fed. R. Civ. P. 56(a). “An issue is ‘genuine’ only if there is a sufficient evidentiary basis on which a reasonable fact finder could find for the nonmoving party, and a dispute is ‘material’ only if it could affect the outcome of the suit under the governing law.” *In re Barboza*, 545 F.3d 702, 707 (9th Cir. 2008) (citing *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986)).

“The moving party initially bears the burden of proving the absence of a genuine issue of material fact.” *In re Oracle Corp. Sec. Litig.*, 627 F.3d 376, 387 (9th Cir. 2010). Where the moving party does not have the ultimate burden of persuasion at trial, they nonetheless bear both the initial burden of production and the ultimate burden of persuasion on their motion for summary judgment.

Friedman v. Live Nation Merch., Inc., 833 F.3d 1180, 1188 (9th Cir. 2016) (citing *Nissan Fire & Marine Ins. Co.*, 210 F.3d 1099, 1102 (9th Cir. 2000)).

“When the moving party has carried its burden . . . its opponent must do more than simply show that there is some metaphysical doubt as to the material facts”; instead, the opponent must “come forward with specific facts showing that there is a genuine issue for trial.” *Matsushita Elec. Indus. Co. v. Zenith Radio Corp.*, 475 U.S. 574, 586–87 (1986) (cleaned up). “This burden is not a light one. The non-moving party must show more than the mere existence of a scintilla of evidence.” *In re Oracle*, 627 F.3d at 387 (citation omitted); *see also Anderson*, 477 U.S. at 248 (stating a party cannot “rest upon the mere allegations or denials of his pleading” in opposing summary judgment).

When considering a motion for summary judgment, the court views the facts and draws reasonable inferences in the light most favorable to the nonmovant. *Scott v. Harris*, 550 U.S. 372, 378 (2007). It “does not make credibility determinations or weigh conflicting evidence.” *Soremekun v. Thrifty Payless, Inc.*,

509 F.3d 978, 984 (9th Cir. 2007).

VII. ARGUMENT

A. **The District Court Appropriately Exercised its Discretion by Denying Thorson’s Motions for Leave to File an Amended Complaint**

Thorson argues that the district court abused its discretion by denying her second and third motions for leave to file an amended complaint. Opening Brief (“Op. Br.”) at 7, 19, 50-51.⁹ In these motions, Thorson sought to (among other things): (1) add a fraud claim under 18 U.S.C. § 666; and (2) add Mr. Liu as a defendant to the proposed fraud claim. *See* ECF No. 77-SER-1284, 7-SER-1285-1377, 6-SER-1112-1123, 6-SER-1124-1244.¹⁰

Leave to amend “shall be freely given when justice so requires.” Fed. R. Civ. P. 15(a). Contrary to Thorson’s assertions in her Opening Brief, the Court recognized that: “Where, as here, the plaintiff is proceeding pro se, the court has an obligation ‘to construe the pleadings liberally and to afford the [plaintiff] the benefit of the doubt.’” 1-SER-0068 (citing *Akhtar v. Mesa*, 698 F.3d 1202, 1212

⁹ Page citations to the Opening Brief refer to the PDF pages of the electronically filed brief.

¹⁰ Appellees do not address any other proposed amendments rejected by the district court because Thorson failed to challenge, or even mention, them in her opening brief. *Friends of Yosemite Valley v. Kempthorne*, 520 F.3d 1024, 1033 (9th Cir. 2008) (“Arguments not raised by a party in its opening brief are deemed waived.” (citations omitted)).

(9th Cir. 2012)); 1-SER-0056 (citing *Akhtar*, 698 F.3d at 1212). Granting a motion for leave to amend is within the district court’s discretion. *See Forman v. Davis*, 371 U.S. 178, 182 (1962).

The liberality in granting leave to amend is restrained by the court’s consideration of the following factors: “(1) bad faith; (2) undue delay; (3) prejudice to the opposing party; (4) futility of amendment; and (5) whether the plaintiff has previously amended [their] complaint.” *Nunes v. Ashcroft*, 375 F.3d 805, 808 (9th Cir. 2004). These factors, however, are not weighed equally.

“Futility of amendment can, by itself, justify the denial of a motion for leave to amend.” *United States ex rel. Lee v. SmithKline Beecham, Inc.*, 245 F.3d 1048, 1052 (9th Cir. 2001) (citation omitted). An amendment is futile if “no set of facts can be proved under the amendments to the pleadings that would constitute a valid and sufficient claim or defense.” *See Miller v. Sykoff-Sexton, Inc.*, 845 F.2d 209, 214 (9th Cir. 1988) (citations omitted).

1. **The Futility of Thorson’s Proposed Amendments Justified the District Court’s Denial of the Motions for Leave to File an Amended Complaint**

Futility arises in many contexts. Here, the district found on one occasion that Thorson had no good cause for failing to diligently amend her Complaint prior to the deadline set by the court. In other instances, the district court found Thorson lacked standing to pursue her proposed fraud claim.

The district court denied Thorson’s proposed amendments in the second and third motions for leave finding that Thorson’s proposed fraud claim and the addition of Mr. Liu as a defendant to that claim were futile. 1-SER-0075-0076; 1-SER-0059-0060. Specifically, the district court twice determined that Thorson lacked standing to assert a fraud claim under 18 U.S.C. § 666, and, as a result, the proposed fraud claim and the addition of Mr. Liu as a defendant to that claim were futile. 1-SER-0074-0076; 1-SER-0058-0060. This determination was correct.

18 U.S.C. § 666 is a federal criminal statute. *See United States v. Lonich*, 23 F.4th 881, 902 (9th Cir. 2022) (confirming 18 U.S.C. § 666 is a criminal statute), *overruled on other grounds by United States v. Lucas*, 101 F.4th 1158 (9th Cir. 2024). A civil complaint cannot state a claim for a violation of a criminal statute. *See Aldabe v. Aldabe*, 616 F.2d 1089, 1092 (9th Cir. 1980). This is because “criminal provisions . . . provide no basis for civil liability.” *Id.* Further, Thorson is unable to bring a criminal case as “federal criminal law [can] only be enforced by a federal prosecutor, *not by any private party.*” *DeAlcantara v. Shigemura*, Civ. No. 16-00586 JMS-KSC, 2016 WL 6518618, at *2 (D. Haw. 2016) (emphasis added); *see also Linda R.S. v. Richard D.*, 410 U.S. 614, 619 (1973) (“[I]n American jurisprudence . . . a private citizen lacks a judicially cognizable interest in the prosecution . . . of another.”). Because Thorson lacks standing to assert a violation of a criminal statute, the district court appropriately exercised its

discretion in finding the addition of the proposed fraud claim and the addition of Mr. Liu as a defendant to that claim would be futile.

Although Thorson claims that the district court “mischaracterized [her] civil fraud claim as criminal” and ignored her admitted attempt to clarify her intent for citing to 18 U.S.C. § 666 as the basis for her fraud claim (Op. Br. at 49), the district court accurately indicated that Thorson’s “[second motion for leave to file an amended complaint] and the proposed FAC repeatedly reference the criminal statute for fraud involving federal programs.” 1-SER-0074 (citing 7-SER-1284; 7-SER-1292, 1342, 1350, 1363). The proposed amended complaint attached to her third motion for leave to file an amended complaint likewise included repeated references to 18 U.S.C. § 666, despite her claims to the contrary. 6-SER-1131, 1210, 1224. Thus, such claims are without merit. The district court properly exercised its discretion in finding these proposed amendments, even construed with extreme liberality, to be futile.

2. Thorson Failed to Establish There was Good Cause to Justify Granting Her Third Motion for Leave to File an Amended Complaint

Thorson waited until three months after the September 24, 2024 deadline to file a motion to join additional parties or amend pleadings had expired to file her third motion for leave to file an amended complaint. *See* 7-SER-1378-1383; 6-SER-1112. Through this motion, she again requested to assert a fraud claim and to

add Mr. Liu as a defendant to that claim. 6-SER-1112-1123. When, as with Thorson's third motion, a party seeks to amend their complaint after the deadline specified in the Fed. R. Civ. P. Rule 16 scheduling order, they must first show there is good cause for the amendments under Fed. R. Civ. P. Rule 16(b). *See Johnson v. Mammoth Recreations, Inc.*, 975 F.2d 604, 608 (9th Cir. 1992). Rule 16(b)'s good cause standard "primarily considers the diligence of the party seeking the amendment." *Id.* at 609. "If [the moving] party was not diligent, the inquiry should end." *Id.* However, if good cause is shown, the party must demonstrate, as detailed above, that the amendment is proper under Fed. R. Civ. P. Rule 15 before any amendments to the complaint will be permitted. *See id.*

Here, Thorson delayed her third attempt to amend the complaint until more than three months after the deadline set by the district court in the Rule 16 scheduling order, despite her representation that she had known about the facts giving rise to a potential fraud claim since at least October 2023 when she filed the complaint. 1-SER-0058. She, however, has not explained the reason for her delay; instead, she excuses this delay by stating, "I am not an attorney, and I did not know." 6-SER-1037. Ignorance of court rules and the Rule 16 scheduling order deadlines "does not constitute excusable neglect, even if the party appears pro se." *Swimmers v. IRS*, 811 F.2d 1343, 1345 (9th Cir. 1987); LR81.1 ("Pro se litigants shall abide by all local, federal, and other applicable rules and/or statutes.").

Thorson’s “carelessness [is] not compatible with a finding of diligence and offers no reason for a grant of relief.” *Johnson*, 975 F.2d at 609. The district court appropriately exercised its discretion in applying Fed. R. Civ. P. Rule 16(b) and in determining that there was no good cause justifying modification of the Rule 16 scheduling order.

B. The District Court Properly Granted Summary Judgment in Favor of Appellees on All Claims Asserted by Thorson

Thorson argues that the district court improperly granted summary judgment in favor of Appellees. Op. Br. at 20-46. Specifically, she asserts that the district court erred by: (1) “misapply[ing] sovereign immunity by dismissing claims against HPHA and official-capacity defendants without addressing ongoing Fair Housing Act violations under *Ex parte Young*[.]”;¹¹ (2) “granting qualified immunity to individual defendants despite genuine issues of material fact[] regarding retaliatory conduct”; (3) failing to liberally construe her pro se pleadings and evidence when granting summary judgment, despite the existence of genuine issues of material fact; and (4) failing to provide her with adequate notice of the summary judgment requirements and an opportunity to cure the deficiencies in her opposition. Op. Br. at 7, 20-46.

Thorson’s arguments are each without merit. Contrary to her arguments, the

¹¹ *Ex parte Young*, 209 U.S. 123 (1908).

district court appropriately granted summary judgment in favor of Appellees on the discrimination and retaliation claims.

1. **The District Court Correctly Determined that Appellees HPHA and its Officials are Entitled to Sovereign Immunity Through the Eleventh Amendment**

Thorson contends that the district court “misappl[ied] sovereign immunity” by “fail[ing] to account for the ongoing nature of HPHA’s policy violations and the officials’ enforcement roles” under *Ex parte Young*. Op. Br. at 13, 28. In support of this contention, Thorson cites to *Ex parte Young* and its progeny to advocate for, what appears to be, the preservation of her claims for monetary damages, declaratory relief, and injunctive relief – not just prospective injunctive and declaratory relief – against Appellees to address the alleged ongoing FHA violations. Op. Br. at 27-28, 32.

This argument fails because the district court properly applied the *Ex parte Young* exception, which permits “private individuals [to] sue state officials in federal court for prospective relief from ongoing violations of federal law, *as opposed to money damages[.]*” *Koala v. Khosla*, 931 F.3d 887, 895 (9th Cir. 2019) (emphasis added) (citing *Va. Office of Prot. & Advocacy v. Stewart*, 563 U.S. 247, 254-55 (2011)); *see* 1-SER-0024-0028. Thorson even acknowledged in her opening brief that the district court found that “sovereign immunity barred all claims against HPHA and official-capacity [defendants’] money damage claims,

except for prospective relief under Ex parte Young[.]” Op. Br. at 12 (emphasis added).

This acknowledgement is consistent with the district court’s determination that “the *Ex parte Young* exception to sovereign immunity applies to Thorson’s request for declaratory and injunctive relief against Individual Defendants Ouansafi, Matsuura, and Akamine in their official capacities.” 1-SER-0028. In arriving at this determination, the district court found that “Thorson asserts an ongoing denial of her reasonable accommodations and ongoing retaliation in violation of the Fair Housing Act[.]” which “encompasses post-2022 conduct, including her most recent move in 2024.” 1-SER-0025-0026. The above determination and finding by the district court, along with Thorson’s acknowledgement that the district court conducted the *Ex parte Young* exception analysis, dismantles any contention that the district court misapplied sovereign immunity in this case.

2. The District Court Properly Protected Ouansafi, Akamine and Matsuura from Liability in their Personal Capacities Under Qualified Immunity

“Personal-capacity suits seek to impose personal liability upon a government official for actions [they] take[] under color of [the] law.” *Dittman v. California*, 191 F.3d 1020, 1027 (9th Cir. 1999) (citation omitted). A public official, however, is not subject to personal liability if they are entitled to qualified immunity.

To determine whether qualified immunity applies to an official's action, a court must consider: (1) whether they violated a statutory or constitutional right; and (2) whether the right was "clearly established" at the time of the violation. *Scott v. County of San Bernadino*, 903 F.3d 943, 948 (9th Cir. 2018) (citing *Saucier v. Katz*, 533 U.S. 194, 200 (2001)). Courts may "exercise their sound discretion in deciding which of the two prongs of the qualified immunity analysis should be addressed first in light of the circumstances in the particular case at hand." *Cnty. House, Inc. v. City of Boise*, 623 F.3d 945, 967 (9th Cir. 2010); see also *Pearson v. Callahan*, 555 U.S. 223, 236 (2009). Unless the facts show *both* a statutory or constitutional violation and that the right violated was clearly established, the government officials are entitled to qualified immunity. *Cnty. House, Inc.*, 623 F.3d at 967.

For the reasons set forth in the section below, neither Ouansafi, Akamine nor Matsuura violated any of Thorson's rights under the FHA. Without an established violation of the FHA in this case, Ouansafi, Akamine, and Matsuura are protected from liability in their personal capacities.

3. Thorson's Noncompliance with the Applicable Procedural Rules Did Not Preclude the District Court from Granting Summary Judgment in Favor of Appellees

Thorson argues that the district court "fail[ed] to liberally construe [her] prose pleadings and evidence when granting summary judgment[,]" as required by

Haines v. Kerner, 404 U.S. 519, 520 (1972) and *Erickson v. Pardus*, 551 U.S. 89, 94 (2007), thereby overlooking triable issues of discrimination and retaliation. Op. Br. at 7, 13. Notwithstanding the fact that *Haines* and *Erickson* involve the review of motions to dismiss under Fed. R. Civ. P. Rule 12(b) and not motions for summary judgment under Fed. R. Civ. P. Rule 56, Appellees acknowledge that pro se litigants should be treated with “great leniency” when evaluating their compliance with the technical rules of civil procedure. *Draper v. Coombs*, 792 F.2d 915, 924 (9th Cir. 1986) (citations omitted). However, they “*should not be treated more favorably than parties with attorneys of record[,]*” *Jacobson v. Filler*, 790 F.2d 1362, 1364 (9th Cir. 1986) (emphasis added), because they “*must [still] follow the same rules of procedure that govern other litigants[,]*” *King v. Atiyeh*, 814 F.2d 565, 567 (9th Cir. 1987) (citation omitted).

When considering a motion for summary judgment against a pro se plaintiff, the district court must consider as evidence the pro se party’s contentions offered in motions and pleadings, where such contentions are based on personal knowledge and set forth facts that would be admissible in evidence, and where the pro se party attested under penalty of perjury that the contents of the motions or pleadings are true and correct. *Jones v. Blanas*, 393 F.3d 918, 923 (9th Cir. 2004). As the party opposing the motion for summary judgment, the pro se plaintiff “*must ‘designate specific facts showing that there is a genuine issue for trial.’*” *Brinson*

v. Linda Rose Joint Venture, 53 F.3d 1044, 1048 (9th Cir. 1995) (quoting *Celotex Corp. v. Catrett*, 477 U.S. 317, 324 (1986)). They must “identify with reasonable particularity the evidence that precludes summary judgment.” *Keenan v. Allan*, 91 F.3d 1275, 1279 (9th Cir. 1996) (citations omitted). Such evidence may include affidavits or declarations, admissions, interrogatory answers, or other materials. Fed. R. Civ. P. 56(c)(1)(A).

Further, LR56.1 – which also applies in this Court’s *de novo* review of the district court’s grant of summary judgment – requires Thorson, as the opposing party, to file “a separate document containing a single concise statement that admits or disputes each fact set forth in the movant’s concise statement[,]” and to assert, in a separate section, any additional facts the district court should consider. LR56.1(e).

Thorson’s opposition to Appellees’ Motion for Summary Judgment failed to comply with these requirements. While she continues to maintain that she has provided evidence proving her Discrimination and Retaliation Claims, Thorson has not submitted a declaration attesting “under penalty of perjury that the contents of the motions and pleadings are true and correct.” *See Jones*, 393 F.3d at 923; *see also* 28 U.S.C. § 1746 (unsworn statements admissible if they are attested to under penalty of perjury). Without such attestations, Thorson’s unsworn factual assertions are not admissible for purposes of opposing summary judgment.

Thorson’s reliance on the exhibits attached to her opposition is also unavailing because of inadequate authentication. These exhibits, which Thorson believes prove her Discrimination and Retaliation claims, include (among other things): physician letters (2-SER-0249; 2-SER-0331-0337); correspondence with HUD (2-SER-0145-0146; 2-SER-0147-0148; 2-SER-0167-0168; 2-SER-0299);¹² text message with her former neighbor (2-SER-0297-0298); copies of HPHA’s alleged illegal policies (3-SER-0403-0414; 3-SER-0415-0423; 3-SER-0424-0452); and three self-created “fraud charts” that do not even relate to the claims raised in the Complaint (4-SER-0711-0731). However, Thorson has not attached any

¹² Thorson’s opening brief blatantly misrepresents the statements made by Stephanie Rabiner, the Enforcement Branch Chief of the Office of Fair Housing and Equal Opportunity, and Jesse Wu, Director of the HUD Office of Public Housing (Honolulu Field Office) in her exhibits.

First, she states that Ms. Rabiner “confirmed Akamine’s requirement that the live[-]in aide must reside in Thorson’s home as his primary and only residence was not supported by HUD.” Op. Br. at 23. To the contrary, Ms. Rabiner stated in the exhibit that: “I cannot find anything that refers to a live-in aide’s primary residence or HUD’s definition of a live in aides[’] primary residence.” 2-SER-0299. Ms. Rabiner requested that Thorson send her the source for the quote not identified in the exhibit to Milton Wong, the Equal Opportunity Specialist for the Office of Fair Housing and Equal Opportunity. *Id.* Ms. Rabiner, however, does not state that this requirement is not supported by HUD.

Next, Thorson represents that “Jesse Wu confirmed that HPHA’s policy – to use ‘low’ comparables against the ‘contract rent’ – is not in compliance with HUD Regulations[.]” Op. Br. at 25. Mr. Wu’s email only provides quoted language from the HCV Guidebook on Rent Reasonableness for comparability; the email is devoid of any statement that HPHA is not in compliance with HUD regulations. Although the district court previously highlighted this misrepresentation (1-SER-0033), Thorson continues it here.

affidavit or declaration through which these documents could be authenticated. The district court had even warned Thorson that declarations might be necessary to carry her burden in this case; yet, she ignored these warnings and failed to comply with the applicable summary judgment rules that only further undermine the evidentiary value of her opposition. *See, e.g.*, ECF No. 44 at PageID.2053; ECF No. 85 at PageID.2866-69.

Despite the defects with Thorson's opposition, the district court appropriately considered, and this Court can likewise consider, the undisputed material facts set forth in Appellees' Concise Statement, along with the attached declarations and exhibits, to support a grant of summary judgment in their favor. Thus, even assuming *arguendo* that Appellees were not entitled to either Eleventh Amendment immunity or qualified immunity (or both), they are, as demonstrated below, entitled to judgment as a matter of law on Thorson's discrimination and retaliation claims.

a. Discrimination Claim

Appellees argued that Thorson's discrimination claim cannot survive summary judgment because: (1) she does not have Article III standing to challenge the rent reasonableness test on behalf of her landlord; and (2) she cannot meet the elements of FHA disability discrimination on the merits. 5-SER-0788-0792. Thorson does not challenge the district court's determination that she lacks

standing to “recover damages for the difference between the rent actually paid and the requested rent of \$4,000 because she did not personally lose out on that difference in rent[.]” 1-SER-0031. The district court did, however, determine that Thorson has standing to raise the assertion that the “allegedly unlawful rent reasonableness test effectively denied Thorson her reasonable accommodation of 120 percent of the fair market rent by lessening the amount she could spend on rent for a particular unit.” *Id.*

To prevail on a claim under 42 U.S.C. § 3604(f)(3), Thorson must prove all of the following elements: (1) that she is handicapped within the meaning of 42 U.S.C. § 3602(h); (2) that Appellees knew or should reasonably be expected to know of the handicap; (3) that accommodation of the handicap may be necessary to afford the handicapped person an equal opportunity to use and enjoy the dwelling; (4) that the accommodation is reasonable; and (5) that Appellees refused to make the requested accommodation. *Dubois v. Ass’n of Apartment Owners of 2987 Kalakaua*, 453 F.3d 1175, 1179 (9th Cir. 2006) (citations omitted). It is clear from the undisputed material facts, which are deemed admitted under LR56.1(g), that Appellees did not refuse to make any of Thorson’s requested accommodations and Thorson’s discrimination claim necessarily fails.

HPHA undertook great efforts to ensure that a reasonable rent was paid for the Hawai‘i Kai unit, as required by federal law and the HPHA Administrative

Plan. *See* 42 U.S.C. § 1437f(o)(10)(A); 24 C.F.R. § 982.507(b); *see also* HPHA Administrative Plan § 8-III.A. at Page 8-15. Shinde not only conducted the required rent reasonableness test, but he went above and beyond his duties by conducting three separate rent reasonableness tests using nine different comparables to find a reasonable rent for the benefit of Thorson. 5-SER-0808. The rent reasonableness test, the district court indicated, “ensure[s] that landlords are paid a fair rent amount out of the federal Section 8 funds, *but no more than that.*” 1-SER-0034 (emphasis added). In the end, Shinde determined the maximum rent HPHA could pay was \$3,273. 5-SER-0809. Thorson confirmed the Landlord’s acceptance of this reduced amount by email and through the submission of a revised lease for the Hawai’i Kai unit. *Id.*

The district court correctly determined that “Defendants never rescinded Thorson’s 120 percent payment standard exception” and “she still benefits from [that accommodation] in her current housing arrangement.” 5-SER-0806-0807, 5-SER-0813. In fact, all of Thorson’s requested accommodations – even the live-in aide accommodation – were approved by Appellees. 5-SER-0806-0807, 5-SER-0813. And this fact alone is sufficient to preclude liability for the discrimination claim. *Dubois*, 453 F.3d at 1179 (holding the FHA discrimination claim fails

because defendant never refused to make the requested accommodation (citations omitted)).¹³

Even though Thorson only challenged the claimed rescission of her 120 percent payment standard exception accommodation, the district court liberally construed her opposition to also include argument relating to the denial of her once-approved live-in aide accommodation. But, consistent with the record, the district court confirmed that Thorson herself, not Appellees, cut off the use of that accommodation. 5-SER-0813; *see also* 5-SER-0827; 5-SER-0941.

Despite Thorson's removal of her own live-in aide, Appellees maintained that she was welcome to identify a new live-in aide to continue receiving the 2-bedroom voucher (plus 120 percent payment standard exception). 5-SER-0996. However, Thorson did not identify a live-in aide before the April 2024 Recertification, resulting in the issuance of a 0-bedroom voucher (plus the 120 percent payment standard exception) because HPHA could not knowingly continue to use HUD funds to subsidize a second bedroom. *See* HUD Notice PIH 2014-25

¹³ Thorson's reliance, in this appeal, on the illegality of the rent reasonableness test as a ground justifying reversal under *Loper Bright Enters. v. Raimondo*, 603 U.S. 369 (2024) is unavailing because Thorson failed to raise any argument relating to *Raimondo* before the district court. Op. Br. at 40-46. This Court should therefore not entertain this argument. *Pfingston v. Ronan Eng'g Co.*, 284 F.3d 999, 1004 (9th Cir. 2002) ("As an appellate court, we ordinarily do not review issues raised for the first time on appeal." (citations omitted)).

(HA) (setting forth the objective to reduce the amount of over-payment due to over subsidization).

Because the record confirms that Appellees did not refuse to make any of Thorson's requested accommodations, no reasonable jury – or the district court as the fact finder in this case – could find in favor of Thorson on the discrimination claim and summary judgment was properly entered in Appellees' favor.

In addition, the record confirms that the district court addressed Thorson's unsupported factual assertions and inadmissible exhibits, although not required to do so. In particular, the district court addressed argument as to: (1) an October 17, 2024 letter from Akamine, which Thorson maintained constituted a denial of her renewed request for her son to serve as her live-in aide (2-SER-0366); (2) a December 12, 2024 request for a live-in aide accommodation, which Thorson believed was denied as a result of Defendant's failure to respond to that request (2-SER-0126); and (3) a February 19, 2024 letter from Thorson's landlord requesting to convert the Hawai'i Kai unit to a 1-bedroom unit by blocking off the master bedroom (2-SER-0308-0309). 1-SER-0035-0038. The district court's review of the evidence that Thorson claimed supported her above-mentioned arguments, despite the factual assertions and exhibits not being admissible for summary judgment purposes, render any assertions relating to the district court's lack of

leniency on Thorson as a pro se litigant to be wholly without merit. *See* Op. Br. at 6, 38-40.

b. Retaliation Claim

The FHA forbids retaliation in response to a person having exercised a protected right. *See* 42 U.S.C. § 3617. To establish a prima facie case of retaliation, a plaintiff must establish the following elements: “(1) that she was engaged in a protected activity; (2) that she suffered an adverse action in the form of coercion, intimidation, threats, or interference that was causally linked to the protected activity; [and] (3) that she suffered some resulting damage as a result of the adverse action[.]” *Lazarus v. Ouansafi*, Civ. No. 21-00247-HG-RT, 2023 WL 6446422, at *4 (D. Haw. Oct. 3, 2023) (citing *San Pedro Hotel Co. v. City of Los Angeles*, 159 F.3d 470, 477 (9th Cir. 1998)). If the plaintiff presents a prima facie case, “the burden shifts to the defendant to articulate a legitimate nondiscriminatory reason for its decision.” *Walker v. City of Lakewood*, 272 F.3d 1114, 1128 (9th Cir. 2001). Finally, if the defendant “articulates such a reason, the plaintiff bears the ultimate burden of demonstrating that the reason was merely a pretext for a discriminatory motive. *Id.*

In this case, the district court concluded that “the brief two-day period between the protected activity” – Thorson’s filing of the complaint with HUD as to Appellees’ use of low cost comparables in their rent reasonableness determination

– “and the start of the alleged adverse action” – the April 2022 inquiry – “is sufficient to reasonably infer a causal connection between the two.” 1-SER-0040 (citing *Scoggins v. Falcon Ct.*, No. 24-cv-00188, 2025 WL 942819, at *2 (E.D. Cal. Mar. 28, 2025)).

Because the district court concluded that Thorson made an adequate showing that she could prevail on her prima facie case, the burden shifted to Appellees to articulate a “legitimate nondiscriminatory reason for [their] decision” for its action – initiating the April 2022 inquiry into Thorson’s live-in aide arrangement.

The undisputed material facts in this record show that LASH notified HPHA that Thorson would be filing a complaint with HUD, challenging the use of one low cost comparable in the rent reasonableness determinations for the Hawai‘i Kai unit. 5-SER-0809-0810. Akamine then conducted a review of Thorson’s file to ensure that HPHA was complying with relevant federal laws, regulations, and notices for the ultimate benefit of Thorson. 5-SER-0810; *accord* HPHA Administrative Plan chapter 1 (Introduction) at Page 1-1. However, the review of Thorson’s file indicated that Thorson’s son was *not* living with Thorson in the subsidized two-bedroom unit. 5-SER-0810-0811.

Live-in aides, like Thorson’s son, must “reside[]” in the rental unit of an HCV Program participant to provide “essential” care. 24 C.F.R. § 5.403. HUD

requires that the subsidized unit must be “the aide’s primary residence,” and that “[h]elpers who come and go during the day are considered guests or employees of the participant” and would not constitute live-in aides. Lisa Sloane, Emily Cooper & Ann O’Hara, *Live-In Aides and the Housing Choice Voucher Program Fact Sheet* at PDF 5 (August 2003).¹⁴ HUD Notice PIH 2014-25 (HA) further confirms that “[o]ccasional, intermittent, multiple or rotating care givers typically do not reside in the unit and would not qualify as live-in aides.” HUD Notice PIH 2014-25 (HA) at PDF 3. These restrictions are in place for a specific reason: “Since housing funds are limited and there are many eligible families on the [public housing authority, or PHA] waiting lists, PHAs must ensure that a live-in aide is necessary for the support of a person with a disability.” *Live-In Aides and the Housing Choice Voucher Program Fact Sheet* at PDF 6.

Akamine’s inquiries into Thorson’s live-in aide arrangement were not undertaken because of Thorson’s complaints or the submission of her HUD complaint. These inquiries were triggered by the information discovered by Akamine in his review of Thorson’s file that raised concerns as to whether HPHA’s subsidization of a second bedroom for Thorson’s son was appropriate. 5-SER-0810-0811. Akamine ensured, through his inquiries with Thorson and Dr.

¹⁴ This fact sheet, which was written under contract with HUD, is available at https://www.tacinc.org/wp-content/uploads/2020/08/Live-in_Aides.pdf.

Bradham, that Thorson's son, as Thorson's live-in aide, was necessary for the support of Thorson as a person with a disability. 5-SER-0811-0813. This is a legitimate nondiscriminatory reason for Akamine's inquiries into Thorson's live-in aide arrangement with her son, the peculiarities of which came distinctly to their attention only when Akamine looked into Thorson's file.

Thorson's unsupported factual assertions also do not support any inference that Appellees' legitimate nondiscriminatory reason for allegedly scrutinizing her live-in aide arrangement was pretextual. A plaintiff may prevail on this prong "either directly by persuading the court that a [retaliatory] reason more likely motivated the defendants or indirectly by showing that the defendant's proffered explanation is unworthy of credence" through circumstantial evidence." *Harris v. Itzhaki*, 183 F.3d 1043, 1051 (9th Cir. 1999) (cleaned up).

Thorson argues that Appellees are imposing illegal live-in aide requirements that do not conform with the term "reside"; however, all the circumstantial evidence upon which she relies are either unsupported factual assertions or inadmissible exhibits (or both) that cannot be considered for purposes of this summary judgment motion. There is no support in the summary judgment record to support a motivation other than one to ensure Appellees were not knowingly continuing to use HUD funds to subsidize a second bedroom, in violation of federal laws, regulations, and HUD notices.

Instead, Thorson admitted, through her allegations in the Complaint, that she essentially requested a second bedroom in her unit be subsidized for her live-in aide even though he would, at most, only be providing “[o]ccasional” or “intermittent” care.¹⁵ This was further confirmed in Thorson’s December 2024 request for a live-in aide that would provide “overnight care” only “when needed[,]” but would not “liv[e] in [her] home as their primary residence.” 2-SER-0366.

Because a live-in aide must be “essential to the care” of the voucher holder, *see* 24 C.F.R. § 5.403, Thorson’s son, or any other identified live-in aide, must reside in the unit for an amount of time sufficient to provide Thorson with the “24 hr a day” care that she represented, and which Dr. Bradham certified, is “essential for [Thorson’s] care and wellbeing.” 5-SER-0812-0813. And it was reasonable for HPHA to require Thorson’s son to reside with her full-time, given the following: (1) Dr. Bradham’s May 2022 certification that Thorson requires care “24 hours” a day, 5-SER-0812-0813; and (2) Thorson’s own representations to HPHA that her son would be “moving in with [her into the Hawai‘i Kai unit] as my permanent live-in aide,” that he would be living with her “full time,” and that

¹⁵ Even without this subsidized second bedroom, HPHA did not prevent (and Thorson has not alleged that HPHA had prevented) her son from visiting her while she was living in the Hawai‘i Kai unit to provide her with “[o]ccasional” or “intermittent” care.

he would be providing her with “24hr a day” care and “1-on-1 help on a daily basis.” 5-SER-0811. In light of this undisputed material evidence, it was neither pretextual nor bad faith for Appellees to make efforts to determine whether Thorson’s live-in aide arrangement comported with federal laws, regulations, and HUD notices – namely, the objective in HUD Notice PIH 2014-25, which aims to reduce the amount of over-payments due to over subsidization. HUD Notice PIH 2014-25 (HA) at PDF 1.

4. **The District Court was Not Required to Provide Thorson with Notice of the Summary Judgment Requirement and an Opportunity to Cure Deficiencies in her Opposition to Appellees’ Motion for Summary Judgment**

Thorson asserts that the grant of summary judgment should be reversed because the district court failed to provide her with fair notice of the summary judgment requirements and an opportunity to cure deficiencies in her opposition. She cites *Kingele v. Eikenberry*, 849 F.2d 409 (9th Cir. 1988), and *Eldridge v. Block*, 832 F.2d 1132 (9th Cir. 1987), for the proposition that the “Ninth Circuit mandates that pro se litigants . . . receive specific notice of summary judgment requirements and a chance to respond.” Op. Br. at 38. She also cites *Rand v. Rowland*, 154 F.3d 952 (9th Cir. 1998), which, she maintains “requires courts to advise pro se plaintiffs of the need for affidavits or other evidence” in responding to a motion for summary judgment. *Id.* Thorson, however, omits one key detail: the fair notice requirement to which she refers applies only to “pro se prisoner

plaintiffs[,]” not all pro se plaintiffs.

In *Kingele*, this Court held that “[d]istrict courts are obligated to advise prisoner pro per litigants of Rule 56 requirements.” 849 F.2d at 411-12. This rule was reaffirmed in *Rand*. 154 F.3d at 953. The Court recognized that “pro se prisoner litigants” face “unique handicaps of incarceration[,]” which include: limited access to legal materials; constraints on their abilities to obtain evidence needed to defeat a motion for summary judgment; and difficulties monitoring the progress of their case to ensure compliance with procedural deadlines. *Id.* at 958 (emphasis in original). These unique hardships require that affirmative steps be taken to ensure that “a prisoner’s access to the courts is adequate, effective, and meaningful.” *Id.* (citation omitted).

Thorson, however, is not a pro se prisoner and, as a result, she is not entitled to the requested *Rand* notice. Additionally, she does not face any of the above-mentioned infirmities that would require either the district court or Appellees to provide her with the *Rand* notice. Thorson, as evidenced by her numerous filings in this case and her consent to receive documents by email (ECF No. 6), can access legal materials and keep track of the case docket to ensure compliance with any procedural deadlines. It can also be inferred that Thorson most certainly does not have any issues accessing or obtaining evidence, given the almost 700 pages of exhibits attached to her opposition to Appellees’ motion for summary judgment.

2-SER-0145 - 4-SER-0731.

Although pro se litigants are held to less stringent standards than represented parties, *Jackson v. Carey*, 353 F.3d 750, 757 (9th Cir. 2003), Thorson must comply with the procedural and substantive rules of the court, *King*, 814 F.2d at 567. She was not entitled to special notice of the summary judgment requirements or the opportunity to cure her deficiencies.

VIII. CONCLUSION

For the foregoing reasons, this Court should affirm the district court's: (1) Final Judgment, filed on June 6, 2025 (1-SER-0003); (2) "Order Granting Defendants' Motion for Summary Judgment[,]" filed on June 6, 2025 (1-SER-0004-0051); (3) Order Denying Plaintiff's Second Request for Leave to File Amended Complaint[,]" filed on February 27, 2025 (1-SER-0052-0066); and (4) Order Denying Plaintiff's Motion for Leave to File Amended Complaint[,]" filed on October 2, 2024 (1-SER-0067-0076).

DATED: Honolulu, Hawai'i, August 19, 2025.

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**UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT**

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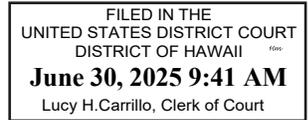
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No. 25-3663

IN THE UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

LAURIE THORSON
pro se Plaintiff-Appellant

v.

HAWAII PUBLIC HOUSING AUTHORITY (HPHA)
HAKIM OUANSAFI, HPHA EXECUTIVE DIRECTOR
RYAN AKAMINE, HPHA CHIEF COMPLIANCE OFFICER
LYLE MATSUURA, HPHA SUPERVISOR IV
Defendants-Appellees

On Appeal from the United States District Court
for the District of Hawaii
Honorable Micah W.J. Smith, United States District Judge
(Civil Case No. 1:23-CV-00412-MWJS-WRP)

APPELLANT'S OPENING BRIEF

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I. JURISDICTIONAL STATEMENT

This Court has jurisdiction under *28 U.S.C. §1291* and *28 U.S.C. §1332* over the appeal from the United States District Court for the District of Hawaii order (*docket #129*) granting Defendant-Appellees ‘Motion for Summary Judgment’ (*docket #101*) dated June 6, 2025 in Civil Case No. 1:23-CV-00412-MWJS-WRP. Plaintiff-Appellant Laurie Thorson, proceeding pro se, timely filed her Notice of Appeal on June 9, 2025 (*docket #131*).

The district court abused its discretion by granting summary judgment without a hearing, contrary to the interests of justice and Hawaii’s Local Rule 7.1(c), which permits oral argument at the court’s discretion. This decision prejudiced Thorson’s ability to address complex material facts, particularly given her pro se status and the need for procedural leniency for self-represented litigants, as recognized in *Morrison v. Hall*, *261 F.3d 896, 904 (9th Cir. 2001)*, and *Johnson v. State of California*, *207 F.3d 650, 656 (9th Circ. 2000)*.

Additionally, the district court erred by denying (*docket #91, #110*) Thorson’s motions to amend her complaint (*dockets #71, #94*). Thorson requests liberal construction of her pleadings and evidence, consistent with *Erickson v. Pardus*, *551 U.S. 89, 94 (2007)*.

II. STATEMENT OF ISSUES PRESENTED

- A. Did the district court err by failing to liberally construe Thorson's pro se pleadings and evidence when granting summary judgment?
- B. Did the district court misapply sovereign immunity by dismissing claims against HPHA and official-capacity defendants without addressing ongoing *Fair Housing Act* violations under *Ex parte Young*?
- C. Did the district court err in granting qualified immunity to individual defendants despite genuine issues of material facts regarding retaliatory conduct?
- D. Did the district court err by denying Thorson, a pro se litigant, adequate notice and opportunity to cure deficiencies in her summary judgment response?
- E. Did the district court err by failing to address HPHA's illegal policies as a material fact supporting Thorson's *Fair Housing Act* claims, discrimination, retaliation, and alleged fund misuse under *Loper Bright Enterprises v. Raimondo*, *144 S. Ct. 2244 (2024)*?
- F. Did the district court err by denying Thorson's motions to amend her complaint to add a fraud claim and defendant Bennett Liu as a defendant under *Foman v. Davis*, *371 U.S. 178 (1962)*?

III. STATEMENT OF THE CASE

Laurie Thorson (*hereinafter referred to as Thorson*), a 65-year-old disabled woman reliant on Social Security Disability Income, filed this pro se action in the U.S. District Court for the District of Hawaii (*Civil Case No. 1:23-CV-00412-MWJS-WRP*) against the Hawaii Public Housing Authority (*hereinafter referred to as HPHA*) and officials Hakim Ouansafi, Ryan Akamine, and Lyle Matsuura, alleging discrimination and retaliation under the *Fair Housing Act (42 U.S.C. §3604(f), 42 U.S.C. §3617)*.

Thorson, a disabled recipient of the Section 8 Housing Choice Voucher Program, challenged HPHA's policies - to use "low" comparables against the "contract rent" in all rent reasonableness determinations - which Thorson claims is not in compliance with *HUD Regulations* that mandates the methodology PHAs are required to use when determining rent reasonableness (*docket #113-22 - Attachment 20, HUD's methodology mandate*). Thorson contends that HPHA's noncompliant policy, as outlined in *HPHA Admin Plan 8-III.D* is noncompliant with *HUD Regulations*, and that HPHA refuses to ratify its Admin Plan into compliance with *HUD Regulations* as required in *24 C.F.R. §982.507*, *24 C.F.R. §982.52(a)* and *24 C.F.R. §982.54(b)*.

24 C.F.R. §982 governs the Section 8 Housing Choice Voucher Program and it is these federal rules that mandate how PHAs are to implement the program.

The Section 8 Housing Choice Voucher Program provides housing assistance in the form of vouchers that are issued to disabled, elderly, and low-income individuals. Each voucher holds a monetary value equal to the cost of living for a specific area, which is the amount of subsidy the PHA receives from HUD for that particular voucher. The amount of the voucher (aka: “payment standard” or “approved exception payment standard”) assists the recipient in searching for a rental unit. Once the recipient secures a rental, and the landlord is willing to accept the Section 8 voucher, the parties submit a signed Lease and RFTA (Request for Tenancy Approval) to the PHA who then is required to initiate an inspection of the unit within ten days. The PHA then conducts an inspection of the unit and also performs a rent reasonableness analysis to determine if the proposed amount is indeed reasonable in comparison to unassisted rentals in the same area. This ensures that the proposed rent does not exceed the market rent for unassisted rentals in the same market area.

The following summarizes the alleged fraud scheme initiated by the HPHA: What the HPHA does is to create ‘surplus grant funds’ through means of reducing the recipient’s payment standard, which is done by subverting policy. Immediately upon receiving the Lease and RFTA, before the inspection of the rental unit, the HPHA conducts the required rent reasonableness test and enforces their noncompliant policy - to use “low” comparables against the “contract rent” –

which effectively reduces the recipient's payment standard, while HPHA still receives the original subsidy amount from HUD. The landlord is either required to accept or reject the newly reduced rent, or the recipient can search for a different rental unit using the newly implemented reduced payment standard. Thorson alleges this process allows HPHA to divert the excess 'surplus grant funds' (aka: subsidies), claiming that the noncompliant policies only serves to benefit HPHA and is not in the best interest of the recipients or the landlords who participate in the Section 8 program.

After the HPHA applied its noncompliant policy, which caused Thorson's "approved exception payment standard" to be reduced, Thorson challenged HPHA's policies – to use "low" comparables against the "contract rent" – claiming it caused her "approved exception payment standard" to be reduced from \$4,207 to \$3,273, and caused the landlord's proposed rent to be reduced from \$4,000 to \$3,273, which allowed HPHA to divert the "excess grant funds" (aka: subsidies) from Thorson's voucher in the amount of \$934 each month.

Only after Thorson challenged HPHA's policies – to use "low" comparables against the "contract rent" – did HPHA allegedly retaliate by intentionally interfering with Thorson's reasonable accommodation to have a live in aide (which HPHA approved in 2017) by imposing stringent prerequisites, which resulted in the HPHA terminating Thorson's live-in aide, terminating her 2-bedroom voucher,

and then refused to allow her landlord to adjust the rental unit so Thorson could remain in the unit with her 0-bedroom voucher, which led to her eviction and homelessness in October 2024.

Despite Thorson submitting a voluminous amount of evidence to the district court to support her claims against HPHA; on June 6, 2025, the district court granted Defendants Motion for Summary Judgment, finding sovereign immunity barred claims against HPHA and qualified immunity shielded individual defendants. Thorson appeals, seeking reversal and remand for trial.

Thorson's 'Opposition to Defendants Motion for Summary Judgment' (*docket # 113*) includes extensive evidence: seven (7) physician letters confirming her need for a live-in aide, medical records, HUD correspondence debunking the defendants' policies as being noncompliant, proof of retaliatory investigations, and imposing stringent prerequisites on Thorson and her live in aide *and* threats of imprisonment for noncompliance which caused her son to quit as her aide.

Thorson provided the district court citations of federal regulations - including *24 C.F.R. §982.52(a)*, *24 C.F.R. §982.54(b)*, *24 C.F.R. §982.316*, ***FEDERAL REGISTER 98-10374*** (*docket #113-28 – Attachment 28*); ***HUD PIH NOTICE 2010-26*** (*docket #113-64 - Attachments 62*); and ***HUD PIH NOTICE 2014-25*** (*docket #113-65 - Attachment 63*), which prohibits PHAs from acting as gatekeepers and imposing unauthorized requirements to determine if a recipient is disabled and

to determine what support services a disabled recipient can receive to accommodate their disabilities.

Thorson's evidence proves that she was targeted only **after** she disputed HPHA's noncompliant policies are not being in compliance with federal rules and ***HUD Regulations*** that govern the Section 8 Housing Choice Voucher Program. Thorson's evidence also proves that HPHA received the ***HUD Regulations*** (mandate on how comparables are to be gathered) from Hawaii's HUD/PIH Director, Jesse Wu, so that HPHA could remedy their noncompliant policies, which HPHA refused.

The district court granted summary judgment on June 6, 2025, finding: (1) sovereign immunity barred all claims against HPHA and official-capacity money damage claims, except for prospective relief under '*Ex parte Young*'; and (2) qualified immunity shielded the individual defendants in their personal capacities, concluding no violation of Thorson's Fair Housing Act rights.

Thorson appeals the district court overlooked material facts warranting a trial, failed to honor her pro se status, and ignored the illegal policies altogether which is the basis of Thorson's retaliation claim; moreover, the court overlooked Hakim Ouansafi, admission in his Declaration (*docket #102-1*) that the HPHA board adopted the policies - to use "low" comparables against the "contract rent".

Thorson contends this policy deviates from HUD's mandate on the methodology PHAs are required to use when determining rent reasonableness (*docket #113-22 - Attachment 20*). Thorson further contends HPHA's policy - as outlined in **HPHA Admin Plan 8-III.D** - is noncompliant with **HUD Regulations** as required in **24 C.F.R. §982.507, 24 C.F.R. §982.52(a)** and **24 C.F.R. §982.54(b)**., and contributes to the alleged fraud schemes to divert federal funds from the Section 8 Housing Choice Voucher Program as outlined in Thorson's evidence - Fraud Charts created based on figures extracted from HUD data and HPHA financial statements. (*docket #113-73 – Attachment A – PHA:H1901 HPHA; docket #113-74 – Attachment B – PHA:H1003 CITY&COUNTY OF HONOLULU; docket #113-75 – Attachment C – PHA:H1005 KAUAI*)

IV. SUMMARY OF THE ARGUMENT

The district court erred in granting summary judgment by failing to liberally construe Thorson's pro se pleadings and evidence, as required by **Haines v. Kerner, 404 U.S. 519, 520 (1972)**, and **Erickson v. Pardus, 551 U.S. 89, 94 (2007)**, overlooking triable issues of retaliation and discrimination.

The district court misapplied sovereign immunity by dismissing claims against HPHA without fully addressing ongoing **Fair Housing Act** violations under **Ex parte Young, 209 U.S. 123, 159–60 (1908)**; and improperly granted qualified immunity to individual defendants despite evidence proving intentional misconduct.

The district court erred in failing to provide Thorson, a pro se litigant, adequate notice and opportunity to cure deficiencies, violating *Eldridge v. Block*, 832 F.2d 1132, 1137 (9th Cir. 1987).

The district court erred by ignoring HPHA's illegal policies - admitted by Hakim Ouansafi (docket #102-1) - as a material fact supporting Thorson's *Fair Housing Act* claims, discrimination, retaliation, and alleged fraud (fund misuse), contravening *Loper Bright Enterprises v. Raimondo*, 144 S. Ct. 2244 (2024).

The district court abused its discretion by denying (docket #91, #110) Thorson's motions to amend her complaint (dockets #71, #94) to add the claim of Fraud and to add Bennett Liu (Chief Financial Officer) as a defendant, contrary to *Foman v. Davis*, 371 U.S. 178 (1962). Reversal and remand for trial are necessary to protect Thorson's access to justice.

Defendant Hakim Ouansafi admits in his Declaration (docket #102-1), that the policies are indeed illegal, which is proof that the policies deviates from 24 C.F.R. §982.507, 24 C.F.R. §982.52(a) and 24 C.F.R. §982.54(b), proving the illegal policies facilitate an elaborate fraud scheme that allowed the defendants to divert millions from the Section 8 Housing Choice Voucher Program (since January 2015, and continue to divert over \$1M each month). Thorson provided evidence - HUD Charts and Fraud Charts (created from figures extracted from HUD data and HPHA financial records) - that detailed factual evidence to prove her alleged

claims, which warrants a trial. (*docket #113-73 – Attachment A; docket #113-74 – Attachment B; docket #113-75 - Attachments A-C*).

The district court erred in granting summary judgment by ignoring and failing to define the illegal policies is a genuine issue of material fact, specifically Thorson’s claim that the policies is the motivation factor behind the retaliation claim, by interfering with her live in aide and housing. Executive Director, Hakim Ouansafi, admits (*docket #102-1*) to implementing the illegal policies – to use “low” comparables against the “contract rent” in all rent reasonableness determinations, which policies violate **HUD Regulations** (*docket #113-22 - Attachment 20*), enabling defendants to divert subsidies from each and every voucher, which supports Thorson’s fraud claim alleging HPHA is intentionally misappropriating federal funds from the Section 8 program, and underpinning Thorson’s **Fair Housing Act (FHA)** claims under **42 U.S.C. §3604(f)**, **42 U.S.C. §3617**.

The illegal policies are the motivating factor behind Thorson’s retaliation claim, in which Thorson claims the HPHA intentionally interfered with her reasonable accommodation to have a live in aide and interfered with her voucher only **after** she disputed the illegal policies being applied to her voucher.

The district court erred by ignoring retaliation efforts by HPHA to intentionally interfere with Thorson’s reasonable accommodation to have a live in aide by fabricating strict prerequisites (*docket #113-50 – Attachment 48*) and demanding

compliance, even threatening Thorson and her live in aide of fraud prosecution for noncompliance. This retaliation effort to interfere with Thorson's live in aide allowed HPHA to interfere with Thorson's housing - by terminating her 2-bedroom voucher so she could no longer receive overnight care when needed, as required by Thorson's physicians (*docket #113-51 - Attachment 49*), which 'written verification' was in HPHA's possession since 2017 (*docket #113-7 - Attachment 5; docket #113-8 - Attachment 6*) which is the basis for approving Thorson's live in aide and issuing her a 2-bedroom voucher to accommodate a live in aide providing overnight care. Thorson was issued and received her 2-bedroomv voucher in 2017 (*docket #113-6 - Attachment 4*) and again in March 2022 (*docket #113-9 - Attachment 7*).

The district court erred in failing to define the policies as being noncompliant with **HUD Regulations**. Under ***Loper Bright Enterprises v. Raimondo, 144 S. Ct. 2244 (2024)***, the court's deference to HPHA's interpretation was error, warranting reversal and remand.

The court's failure to evaluate this policy's illegality, deferring to HPHA's claim of market accuracy, violates ***Loper Bright Enterprises v. Raimondo, 144 S. Ct. 2244, 2273 (2024)***, which mandates independent judicial review of agency actions. By ignoring Thorson's factual evidence (*docket #113*) and Ouansafi's admission of the illegal policies (*docket #102-1*), the court improperly

weighed factual evidence against a pro se plaintiff who is entitled to liberal construction (*Haines v. Kerner*, 404 U.S. 519, 520 (1972)).

A trier of facts could find that the HPHA’s illegal policies are noncompliance with established federal rules and HUD Regulations, restricted Thorson’s reasonable accommodations, and restricted her housing access; motivated by retaliatory adverse actions by HPHA, warranting reversal and remand under *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 255 (1986).

HPHA’s Illegal Policies Violates HUD Regulations and Enables Fund Misuse:

HUD Regulations require PHAs to perform rent reasonableness determinations to ensure Section 8 rents are reasonable and reflect “comparable units in the private unassisted market” (based on location, quality, size, unit type, age, and amenities) per *24 C.F.R. §982.507(b)*.

Executive Director, Hakim Ouansafi, admitted in his Declaration (*docket #102-1*) attached to Defendants Motion for Summary Judgment that *HPHA Admin Plan 8-III.D* (*docket #113 - Attachment 67*) is not in compliance with HUD Regulations - as required in *24 C.F.R. §982.52(a)* and *24 C.F.R. §982.54(b)*, which HUD provides the mandate on the methodology to be used in gathering comparables to determine rent reasonableness. The mandate is not to use “low” comparables against the “contract rent”, but rather to gather comparables that are

“20-25% above the payment standard” and in Thorson’s case the “approved exception payment standard” (*docket # 113-22 - Attachment 20*).

Thorson informed the HPHA of HUD’s legal methodology in gathering comparables by forwarding the email she received from HUD/PIH Director, Jesse Wu (*docket #113-21 - Attachment 19; docket #113-22 – HUD Regulation*). On 04.01.22, Lyle Matsuura received Jesse Wu’s email, and on 04.06.22, Hakim Ouansafi also received Jesse Wu’s email the same day he instructed Ryan Akamine to “review” Thorson’s file – which turned into an “investigation” into Thorson’s “need” for a live in aide and in determining what support services she could receive.

HPHA enforces the noncompliant policies - to use “low” comparables against the “contract rent” - for the sole purpose of reducing the amount of subsidy paid out for each voucher, which increases the amount of subsidy that is diverted from the Section 8 program. This alone is the reason the defendants refuse to ratify the 2011 illegal policies (*docket #113-69 – Attachment 67, HPHA Admin. Plan 8-III.D at 8-17*), into compliance with **HUD Regulations** (*docket #113-22 – Attachment 20*) which Hakim Ouansafi admitted were illegal (*docket #102-1*), - noting that the policies are of no benefit to the recipients and the landlords of the Section 8 program, but only serve to benefit the alleged fraud scheme to allow HPHA to divert subsidies from every voucher.

Thorson provided the district court with sufficient evidence to prove the

policies implemented as part of an elaborate fraud scheme to divert federal funds from the Section 8 program. The district court erred by denying Thorson's motions to amend her complaint to add the claim of Fraud, which includes adding Bennet Liu, Chief Financial Officer, as a defendant, since it is Liu who is responsible for managing the federal funds entrusted to HPHA to implement the federal program: Section 8 Housing Choice Voucher Program.

V. STANDARD OF REVIEW

This Court reviews the district court's order granting summary judgment de novo, viewing the evidence in the light most favorable to Thorson as the non-moving party. *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 255 (1986); *Delta Savings Bank v. United States*, 265 F.3d 1017, 1021 (9th Cir. 2001).

For pro se litigants, pleadings and evidence are liberally construed, allowing for an opportunity to cure deficiencies. Summary judgment is improper if genuine issues of material facts exist. *Erickson v. Pardus*, 551 U.S. 89, 94 (2007); *Eldridge v. Block*, 832 F.2d 1132, 1137 (9th Cir. 1987); *Haines v. Kerner*, 404 U.S. 519, 520 (1972); *Hebbe v. Pliler*, 627 F.3d 338, 342 (9th Cir. 2010).

Questions of sovereign and qualified immunity are also reviewed de novo, assessing whether the court properly defined and applied legal standards to facts viewed in Thorson's favor. *Scott v. County of San Bernardino*, 903 F.3d 943, 947 (9th Cir. 2018); *Loper Bright Enterprises v. Raimondo*, 144 S. Ct. 2244 (2024).

VI. ARGUMENTS

A. The District Court Erred by Failing to Liberally Construe Thorson's Pro Se Pleadings and Evidence

Legal Standard: Courts must liberally construe pro se pleadings and evidence to ensure substantive justice, holding them to less stringent standards than attorney-drafted filings. *Haines v. Kerner*, 404 U.S. 519, 520 (1972); *Erickson v. Pardus*, 551 U.S. 89, 94 (2007). *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 255 (1986). This includes discerning viable claims from pro se filings and viewing evidence in the non-movant's favor at summary judgment. *Gomez v. Vernon*, 255 F.3d 1118, 1121 (9th Cir. 2001) – allows for reasonable allowances for pro se litigants' procedural errors, such as authentication issues with evidence; *Hebbe v. Pliler*, 627 F.3d 338, 342 (9th Cir. 2010) - emphasizes that pro se litigants are entitled to notice of deficiencies and an opportunity to amend, even after summary judgment is granted; *Balistreri v. Pacifica Police Dept*, 901 F.2d 696, 699 (9th Cir. 1988) reinforces that pro se pleadings must be held to less stringent standards, and courts have a duty to construe them liberally, especially where the plaintiff's claims involve civil rights violations, detailing that evidence (e.g., physician letters, HUD correspondence) should have prompted the court to develop Thorson's claims further.

Narrative: The district court failed to liberally construe Thorson’s pro se pleadings, violating *Haines v. Kerner, 404 U.S. 519, 520 (1972)*, and *Erickson v. Pardus, 551 U.S. 89, 94 (2007)*, which require courts to discern viable claims from pro se filings. Thorson’s 45-page opposition (*docket #113*) clearly alleges HPHA’s retaliation **after** she challenged the illegality of the HPHA noncompliant policies - to use “low” comparable against the “contract rent” in all rent reasonableness determinations - which violates *24 C.F.R. §982.52(a)* and *24 C.F.R. §982.54(b)*.

The court ignored triable issues of discrimination and retaliation:

Retaliatory Investigation: After Thorson disputed HPHA’s illegal policies, Ryan Akamine, acting under Hakim Ouansafi’s direction, initiated an unauthorized investigation into Thorson’s “need” for a live-in aide, and exercised self-imposed authority to determine what support services Thorson could receive to accommodate her disabilities, which HUD does not permit.

Ryan Akamine is authorized only to obtain ‘written verification’ from Thorson’s physicians, and is not permitted as a state employee to act as the gatekeeper - having precedence over the authority of Thorson’s physicians - to determine what support services Thorson can receive to accommodate her disabilities. *FEDERAL REGISTER 98-10374 (docket #113-28 – Attachment 28)*; *HUD PIH NOTICE 2010-26 (docket #113-64 - Attachments 62)*; and *HUD PIH NOTICE 2014-25 (docket #113-65 - Attachment 63)*.

Akamine also investigated Thorson's live in aide's "primary residence" despite that HUD does not define a live in aide's "primary residence" (*docket #113-40 - Attachment 38, HUD/FHEO Branch Chief Stephanie Rabiner's confirmation*).

Akamine imposed upon Thorson and her aide unlawful stringent prerequisites (*docket #113-50 - Attachment 48*) which allowed Akamine to terminate Thorson's live in aide (which HPHA approved in 2017). Akamine's fabricated prerequisites were applied only **after** Thorson disputed the illegal policies, with Akamine was now requiring that Thorson's live in aide must reside in Thorson's home as his primary and only residence, must sleep in Thorson's home 24/7 every night of the week, and must be **unemployed** (*docket #113-50 - Attachment 48*) - which lacks any basis in *HUD Regulations (24 C.F.R. §982.316)* - in order for Thorson to be approved to receive disability-related overnight care and be approved for a 2-bedroom voucher (both approved by HPHA in 2017).

Evidence of Misconduct: Akamine's stringent prerequisites were being applied for the first time since 2017 (when HPHA initially approved Thorson's live in aide), which only required the live in aide to sign a form to confirm he was not a convict and did not owe money to any PHA (*docket #113-7 – Attachment 5, page 2; docket #113-8 – Attachment 6, page 2*). HPHA approved Thorson's reasonable accommodation to have a live in aide in 2017.

At no time from 2017 to April 12, 2022 was Thorson and her live in aide aware of any rules that applied to determine if she qualified to receive support services from her live in aide. It was only **after** Thorson disputed the illegal policies, that Akamine contacted Thorson on April 12, 2017 and informed her that if she did not respond in 2 hours and 43 minutes and answer numerous questions about her live in aide, did he threaten to cancel the inspection scheduled the following morning on the new rental (*docket #113-29 - Attachment 27*).

Akamine knew full well that Thorson and her live in aide could not comply with his stringent prerequisites. Akamine's prerequisites and his threats of fraud prosecution implying imprisonment - which he communicated to third parties outside the agency (ex-neighbor and ex-landlord) and confirmed by HUD/FHEO Branch Chief, Stephanie Rabiner (*docket #113-3 - Attachment 1*) – is what caused Thorson's son to quit as her live in aide.

Thorson provided evidence to prove she made contact with the HUD/FHEO Branch Chief, Stephanie Rabiner to prove Akamine exceeded his authority in determining that Thorson's live in aide's "primary residence" must be Thorson's home (*docket #113-40 - Attachment 38*). FHEO Branch Chief, Stephanie Rabiner, confirmed Akamine's requirement that the live in aide must reside in Thorson's home as his primary and only residence was not supported by HUD.

Akamine's fabricated stringent prerequisites, that the live in aide is not permitted to have a separate residence, must reside in Thorson's home 24/7, and must be unemployed (*docket #113-50 – Attachment 48*) only applied to Thorson and not to all recipients of the Section 8 program, is not supported by any administrative rules, federal rules, or HUD Regulations.

Impact on Housing: Akamine's actions forced Thorson to accept a 0-bedroom voucher, after he terminated her live in aide and terminated her 2-bedroom voucher. Akamine knew that Thorson could not satisfy his strict prerequisites to have a live in aide, and never could afford to pay and care for a live-in aide - on her fixed income of SSDI in the amount of \$934 per month.

HPHA, through Lyle Matsuura, then blocked Thorson's landlord from reducing the size of his rental unit from a 2-bedrom rental to a 1-bedroom rental so that Thorson could remain as a tenant using her 0-voucher (*docket #113-43 – Attachment 41 to docket #113-48 - Attachments 41–46 AND docket #113-55 – Attachment 53 to docket #113-57 – Attachment 55*), which led to Thorson's eviction on August 4, 2024 (*docket #113-48 – Attachment 46*) and homelessness by October 1, 2024, despite the landlord's efforts to provide housing for Thorson (*docket #113-58 - Attachment 56, landlord's letter to Judge Micah W.J. Smith*).

Medical Evidence Ignored: Thorson provided seven physician letters and extensive medical records (*docket #113, Attachments 27–31, 49*) verifying her need for

a live-in aide, approved by HPHA in 2017 (*docket #113, Attachments 5–6*). The court disregarded this evidence, despite HUD Notices (*docket #113, Attachments 62–63, 66*) permitting disability-related overnight care.

The court’s summary conclusion of no *FHA* violation ignored Thorson’s evidence, which raises triable issues under *42 U.S.C. §3604(f)*, *42 U.S.C. §3617*, and HUD Regulations. By excluding record evidence without requesting affidavits, the court failed to honor Thorson’s pro se status, warranting reversal for trial.

Factual Basis: Thorson’s 45-page opposition (*docket #113*) detailed HPHA’s retaliation was initiated only **after** she challenged its policies – to use “low” comparables against the “contract rent” – and after she forwarded HUD Director Jesse Wu’s email to Supervisor Lyle Matsuura on April 1, 2022 (*docket #113-21 – Attachment 19*). Thorson’s evidence proved that the HPHA was aware of the HUD Regulations which mandated the correct methodology that is to be used in determining rent reasonableness and refused to comply.

Jesse Wu confirmed that HPHA’s policy - to use “low” comparables against the “contract rent” - is not in compliance with *HUD Regulations* (*docket #113-22 – Attachment 20*). This proves the HPHA’s 2011 ‘*HPHA Admin Plan 8-III.D*’ (*docket #113-69 – Attachment 67*) is noncompliant with *HUD Regulations*, and that HPHA refused to ratify their Admin Plan into compliance with the *HUD Regulations*, as

required in *24 C.F.R. §982.507*, *24 C.F.R. §982.52(a)* and *24 C.F.R. §982.54(b)*.

Thorson's factual evidence included seven physician letters verifying her need for a live-in aide (*docket #113-51 – Attachment 49*), HUD correspondence confirming HPHA's noncompliance from HUD Director Jesse Wu (*docket #113-21 – Attachment 19*), and proof of retaliatory actions, such as voucher termination, imposing stringent fabricated prerequisites to have a live in aide and threats of fraud prosecution for noncompliance which caused Thorson's son to quit as her aide. HPHA's continued retaliatory actions even led to her eviction and to her homelessness in October 2024.

Error by District Court: The district court failed to liberally construe Thorson's opposition (*docket #113*), summarily concluding no *Fair Housing Act (FHA)* violation occurred (*docket #129*).

The district court overlooked triable issues of retaliation and discrimination, such as HPHA's unauthorized investigation into Thorson's live-in aide and voucher reduction, despite HUD's confirmation that HPHA's policies lacked regulatory basis. By excluding evidence already in the record without requesting affidavits for authentication, the court violated *Gomez v. Vernon, 255 F.3d 1118, 1121 (9th Cir. 200)*'s mandate to develop pro se claims.

Relief Sought: This Court should reverse the summary judgment order and remand for trial to assess Thorson's evidence under liberal construction standards.

B. The District Court Misapplied Sovereign Immunity, Overlooking Ongoing FHA Violations Under *Ex parte Young*

Legal Standard: Sovereign immunity does not bar suits against state officials for ongoing federal law violations if they have a sufficient enforcement connection. *Ex parte Young*, 209 U.S. 123, 159–60 (1908); *Coal. to Def. Affirmative Action v. Brown*, 674 F.3d 1128, 1134 (9th Cir. 2012). Prospective relief is permissible to enjoin continuing violations, such as *FHA* noncompliance. *Doe v. Lawrence Livermore Nat'l Lab.*, 131 F.3d 836, 840 (9th Cir. 1997). *Verizon Md. Inc. v. Pub. Serv. Comm'n of Md.*, 535 U.S. 635, 645 (2002) - Supreme Court decision clarifies that *Ex parte Young* applies to state officials enforcing ongoing violations of federal law, even if the agency itself is immune. Hakim Ouansafi, Ryan Akamine, and Lyle Matsuura's continued enforcement of the illegal "low comparable" policy constitutes an ongoing *FHA* violation warranting injunctive relief. *Planned Parenthood of Idaho, Inc. v. Wasden*, 376 F.3d 908, 919 (9th Cir. 2004) - holds that sovereign immunity does not bar suits against state officials for prospective relief when they have a direct enforcement role. *Armstrong v. Exceptional Child Ctr., Inc.*, 575 U.S. 320, 326-27 (2015) - supports the notion that state agencies can be subject to federal oversight when they violate federal statutes, reinforcing Thorson's argument that HPHA's noncompliance with *HUD Regulations* (24 C.F.R. §§ 982.507, 24 C.F.R.

§982.52(a) and 24 C.F.R. §982.54(b)) waives immunity under Hawaii's "sue and be sued" statute, *HRS § 356D-4(a)(1)*.

The district court's limited application of *Ex parte Young* failed to account for the ongoing nature of HPHA's policy violations and the officials' enforcement roles, necessitating broader injunctive relief.

Narrative: The district court misapplied sovereign immunity by dismissing claims against HPHA, restricting *Ex parte Young* relief against individual defendants, and ignoring ongoing *FHA* violations post-2022. *Ex parte Young, 209 U.S. 123 (1908) and Coal. to Def. Affirmative Action v. Brown, 674 F.3d 1128, 1134 (9th Cir. 2012)* immunity does not shield officials enforcing unlawful policies.

Thorson's evidence demonstrates:

Ongoing Violations: After Thorson challenged HPHA's "low comparable" policy in March 2022, defendants reduced her "approved exception payment standard" which HPHA initially approved in 2017, and thereafter nullified after she challenged the "low" comparable. The policy - to use "low" comparables against the "contract rent" - was applied to Thorson's "approved exception payment standard" (*docket #113-22 - Attachment 20*) which reduced her "approved exception payment standard" and nullified her 120% reasonable accommodation.

After Thorson disputed the use of the policy - to use "low" comparables against the "contract rent" - the HPHA then retaliated by targeting Thorson's live

in aide, which terminated Thorson's reasonable accommodation to have a live in aide, and terminated Thorson's 2-bedroom voucher.

After Thorson was issued a 0-bedroom voucher, HPHA again acted in a retaliatory effort to interfere with Thorson remaining in her rental - by not allowing the landlord to reduce the size of his rental from a 2-bedroom unit to a 1-bedroom unit so that Thorson could remain as a tenant using her 0-bedroom voucher. This caused the landlord to issue Thorson a 'Notice to Vacate', causing Thorson to be homeless at 65 years old (*docket #113-16 - Attachments 14 to docket #113-18 – Attachment 16, docket #113-44 Attachment 42 to docket #113-48 – Attachment 46, and docket #113-55 – Attachment 53 to docket #113-58 – Attachment 56*).

Enforcement Roles: Hakim Ouansafi, as Executive Director, admitted HPHA's policies (*HPHA Admin Plan 8-III.D*) deviated from HUD mandates (*docket #102-1*) and admitted at a board meeting the noncompliant policies - to use "low" comparables against the "contract rent" - "...differs from the HUD mandate..." (*docket #113-72 – Attachment 70, page 147*).

Ryan Akamine, as the Chief Compliance Officer, enforced Hakim Ouansafi's illegal polices, imposed unauthorized strict prerequisites for Thorson's live in aide, threatened Thorson and her live in aide of fraud and imprisonment for noncompliance, terminated Thorson's reasonable accommodation to have a live in aide, terminated Thorson's 2-bedroom voucher, created obstacles for Thorson to

secure housing using her 0-bedroom voucher, caused Thorson to be homeless, and Thorson currently is without a live in aide because she is unable to satisfy Akamine's stringent prerequisites to warrant approval.

Lyle Matsuura, as the Supervisor (who is the direct contact between HPHA and all Section 8 recipients and landlords) enforces all of Hakim Ouansafi and Ryan Akamine's policies, interfered with Thorson's reasonable accommodation to have a live in aide, interfered with her housing, imposed restrictions upon the landlord so that Thorson could not remain in his rental unit, and the list goes on . The roles of these state employees, and their continued adverse actions against Thorson, establish the enforcement connection required for *Ex parte Young* relief.

State Waiver: Thorson argued HPHA's "sue and be sued" statute, *HRS §356D-4(a)(1)*, waives immunity (*docket #113, page 40*), which the court ignored.

Official Misconduct: Hakim Ouansafi's job description as the Executive Director (*docket #113-70 - Attachment 68*) requires managing his staff and enforcing compliance with all federal laws that govern the Section 8 Housing Choice Voucher Program, yet he chose to enforce noncompliant policies.

Ryan Akamine's role as Chief Compliance Officer (*docket #113-67 - Attachment 69*) obligated him to ensure HPHA was in compliance with federal laws that govern the Section 8 program, and report discrepancies to the Executive Director. Instead, Akamine enforced the illegal policies and imposed fabricated prerequisites

to enforce aide restrictions upon Thorson's aide thus allowing Akamine to terminate her aide and 2-bedroom voucher.

Lyle Matsuura, as a supervisor, implemented the illegal policies against the federal mandates (*docket #113-55 – Attachment 53 to docket #113-57 -, Attachments 55*), and created obstacles so that Thorson could not remain in her rental, causing her to be homeless at 65 years old.

The district court's limited relief (*docket #129, page 22*) failed to address Thorson's ongoing harm by misapplying *Doe v. Lawrence Livermore, 131 F.3d at 840*. Reversal is needed to expand injunctive relief and consider HPHA liability.

Factual Basis: Thorson's evidence showed post-2022 *FHA* violations, including HPHA's reduction of her "approved exception payment standard", termination of her live-in aide accommodation, termination of her 2-bedroom voucher, and refusal to allow the landlord to adjust the size of the rental unit so Thorson could remain as a tenant - resulting in her homelessness.

Hakim Ouansafi admitted to the illegal policies - Declaration attached to Motion for Summary Judgment (*docket #102-1*) - which he enforced as the Executive Director-alongside Ryan Akamine and Lyle Matsuura's actions to implement them.

Error by District Court: The district court allowed limited prospective relief under *Ex parte Young* but erred by dismissing all claims against HPHA and restricting relief against individual defendants (*docket #129*).

The district court failed to credit Thorson's evidence (*docket #113*) of ongoing physical damages, interference with her aide, interference with her housing, obstacles to prevent her from remaining in her home, causing her to be homeless, ignoring Hakim Ouansafi's enforcement role, which waives immunity under *Doe*.

The court also overlooked Hawaii's "sue and be sued" statute (*HRS §356D-4(a)(1)*), which Thorson argued waives HPHA's immunity.

Relief Sought: Reversal is warranted to expand injunctive relief against individual defendants and reconsider HPHA's liability, with remand for trial to evaluate ongoing violations.

C. The District Court Erred in Granting Qualified Immunity, Ignoring Genuine Issues of Material Fact Regarding Retaliatory Conduct

Legal Standard: Qualified immunity is unavailable if officials violate clearly established rights of which a reasonable person would know. *Pearson v. Callahan*, 555 U.S. 223, 231 (2009). Intentional misconduct, such as retaliatory actions violating *FHA* protections (*42 U.S.C. § 3617*) and *HUD Regulations* (*24 C.F.R. §982.316*), precludes immunity. *Hope v. Pelzer*, 536 U.S. 730, 739 (2002); *Harlow v. Fitzgerald*, 457 U.S. 800, 818 (1982).

Saucier v. Katz, 533 U.S. 194, 201 (2001) - establishes that qualified immunity does not apply if the facts, viewed in the plaintiff's favor, show a violation of clearly established statutory or constitutional rights. Defendants'

actions (e.g., Akamine's unauthorized aide requirements, voucher termination) violated *42 U.S.C. § 3617*, a well-established FHA protection; *Clement v. City of Glendale, 518 F.3d 1090, 1093-94 (9th Cir. 2008)* - holds that immunity is inappropriate when there are disputed facts about intent, such as retaliation.

The timing of HPHA's actions after Thorson's 2022 challenge (*docket #113, Attachments 18-19*) supports a triable issue of retaliatory intent; *Devereaux v. Abbey, 263 F.3d 1070, 1074-75 (9th Cir. 2001) (en banc)* - clarifies that immunity fails when officials fabricate evidence or engage in misconduct, which Thorson alleges with Akamine's threats of fraud prosecution (*docket #113, pages 19-21*).

Narrative: The district court erred by granting qualified immunity, ignoring genuine factual disputes about defendants' retaliatory conduct (*docket #129, pages 25-26*). Under *Pearson v. Callahan, 555 U.S. 223, 231 (2009)*, and *Hope v. Pelzer, 536 U.S. 730, 739 (2002)*, immunity fails when officials intentionally violate clearly established rights.

Thorson's evidence proves:

FHA and HUD Violations: Defendants violated *24 C.F.R. §982.316* by denying Thorson support services from a live-in aide, despite seven (7) physician letters (*docket #113-51 - Attachment 49*) proving Thorson is disabled and requires support services from an aide when needed.

Defendants violated **24 C.F.R. §982.52(a)** and **24 C.F.R. §982.54(b)**, which requires that **HPHA Admin Plan 8-III.D** be in compliance with HUD Regulations. Thorson forwarded to HPHA the communications she received from HUD/PIH Director, Jesse Wu (*docket #113-22 – Attachment 20*) who provided the **HUD Regulations** that mandates the legal methodology on how comparables are gathered in determining rent reasonableness, but HPHA still chose to enforce the noncompliant policies – to use “low” comparables against the “contract rent” – and then immediately retaliated against Thorson by interfering with her live in aide which resulted in the defendants terminating her reasonable accommodation to have a live in aide by imposing stringent prerequisites, which then allowed the defendants to terminate Thorson’s live in aide and 2-bedroom voucher.

Defendants violated **42 U.S.C. §3617** by imposing fabricated stringent prerequisites (*docket #113-50 – Attachment 48*) as a mandate for Thorson to be approved to receive support services from a live in aide; then requiring compliance with the prerequisites by making threats of fraud prosecution. In addition, defendants then imposed obstacles so that Thorson’s landlord was not permitted to reduce the size of his rental unit from a 2-bedroom unit to a 1-bedroom unit so that Thorson could remain as a tenant using her 0-bedroom voucher.

(*docket #113-44 - Attachment 42; docket #113-45 – Attachment 43; docket #113-46 – Attachment 44; docket #113-47 – Attachment 45; docket #113-48 – Attachment 46; docket #113-55 – Attachment 53; docket #113-56 – Attachment 54; docket #113-57 – Attachment 55; docket #113-58 – Attachment 56*)

Retaliatory Intent: After Thorson challenged HPHA’s noncompliant policies in March 2022, Ryan Akamine’s investigation imposed strict unauthorized aide requirements (*docket #113-50 - Attachment 48*), refuted by HUD’s FHEO Branch Chief, Stehanie Rabiner (*docket #113-3 - Attachment 1; docket #113-40 - Attachment 38*). Ryan Akamine’s strict prerequisites and threats of fraud for noncompliance caused Thorson’s son to quit as her live in aide, disrupting the accommodations approved by HPHA in 2017 (*docket #113-5 – Attachment 3 to docket #113-8 - Attachments 6*).

Prior Approvals Ignored: HPHA approved Thorson’s 2-bedroom voucher, live-in aide, and 120% accommodation in 2017 - voucher transferred from Oregon (*docket #113-5 - Attachment 3*). Over five years later, only **after** Thorson disputed HPHA’s illegal policies – to use “low” comparables against the “contract rent” in all rent reasonableness determinations – that adversely affected Thorson, did HPHA intentionally interfere, evidencing retaliation.

The court’s failure to view facts in Thorson’s favor, required by *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 255 (1986), and *Harlow v. Fitzgerald*, 457 U.S. 800, 818 (1982) warrants reversal to allow a jury to assess liability.

Factual Basis: Thorson’s evidence showed defendants knowingly violated *24 C.F.R. §982.316* by imposing unauthorized live-in aide requirements (*docket #113-50 - Attachment 48*) by declaring self-imposed “authority” to have precedence over the authority of Thorson’s physicians who provided ‘written verification’

(docket #113-51 - Attachments 49) as required to prove that Thorson is disabled and requires support services from a live in aide to accommodate her disabilities.

The unauthorized live in aide requirements are not supported by any federal rules and is not supported by the *HPHA Admin Plan*, as required in *24 C.F.R. §982.52(a)* and *24 C.F.R. §982.54(b)*. There are now two instances where the HPHA is not in compliance with *24 C.F.R. §982.52(a)* and *24 C.F.R. §982.54(b)*: by (1) enforcing noncompliant policies to use “low” comparables against the “contract rent in all rent reasonableness determinations (ignoring *HUD Regulations* – docket #113-2 – Attachment 20), and (2) enforcing stringent prerequisites that applied only to Thorson’s live in aide; the latter being in retaliation for Thorson challenging HPHA’s noncompliant policies.

After Thorson challenged the noncompliant policies in March 2022, Hakim Ouansafi instructed Ryan Akamine to “review” Thorson’s file that turned into an investigation into her “need” for a live in aide and to determine what support services she could receive from her aide. Instead of ratifying the noncompliant policies into compliance with *HUD Regulations*, Akamine imposed stringent prerequisites in order for Thorson to continue to receive support services from her aide, which he demanded compliance by threatening fraud prosecution for noncompliance of his fabricated prerequisites. This is what caused Thorson’s son to quit as her aide.

The court ignored evidence that proves HUD allows an aide to provide disability-related overnight care when needed as a reasonable accommodation:

HUD Regulations / PIH Guidebook re live in aide, pg 13 (docket #113-68-Attachment 66)

HUD PIH NOTICE 2010-26 (docket #113-64 – Attachment 62)

HUD PIH NOTICE 2014-25 (docket #113-65 – Attachment 63)

FEDERAL REGISTER 98-10374 (docket #113-28 – Attachment 26)

Akamine disregarded HUD Regulations by intentionally imposing his own stringent prerequisites in order to terminate Thorson's live in aide and 2-bedroom voucher, knowing full well that Thorson's son is employed and could not rely on his mother to care for him on her fixed income. Ryan Akamine continued his thread of retaliation by then refusing to allow the landlord to adjust his rental so Thorson could remain as a tenant, which ultimately led to Thorson's eviction and homelessness. These retaliatory actions is what caused Thorson to no longer receive support services from an aide.

Error by District Court: The district court erred by granting qualified immunity, finding no ***FHA*** violation (docket #129). It ignored genuine factual disputes, such as Akamine's unauthorized requirements and Ouansafi's admission of policy noncompliance (docket #102-1), which violate clearly established law. By failing to view facts in Thorson's favor, the court contravened ***Anderson*** and ***Hope***, which bar immunity for intentional misconduct.

Relief Sought: This court should reverse the qualified immunity ruling and remand for a jury to determine defendants' liability based on retaliatory conduct.

D. The District Court Failed to Provide Thorson Adequate Notice and Opportunity to Cure as a Pro Se Litigant

Legal Standard: District courts must provide pro se litigants fair notice of summary judgment requirements and opportunities to cure deficiencies, particularly for complex claims. According to *Eldridge v. Block*, 832 F.2d 1132, 1137 (9th Cir. 1987); *Hebbe v. Pliler*, 627 F.3d 338, 342 (9th Cir. 2010); *Klinge v. Eikenberry*, 849 F.2d 409, 411 (9th Cir. 1988) – the Ninth Circuit mandates that pro se litigants are to receive specific notice of summary judgment requirements and a chance to respond.

Leniency is required unless deficiencies are incurable; *Rand v. Rowland*, 154 F.3d 952, 960 (9th Cir. 1998) (*en banc*) - requires courts to advise pro se plaintiffs of the need for affidavits or other evidence, which the district court failed to do, prejudicing Thorson’s case; *Watts v. United States*, 841 F.2d 275, 277 (9th Cir. 1988) - emphasizes that procedural errors harming pro se litigants, especially those with disabilities, warrants reversal.

The district court’s lack of notice and opportunity to allow Thorson to cure alleged deficiencies (e.g., authentication) violated Thorson’s due process rights, necessitating remand.

Narrative: The district court violated Ninth Circuit precedent by granting summary judgment without providing Thorson, a disabled pro se litigant, fair

notice or opportunity to cure deficiencies, as required per *Eldridge v. Block*, 832 F.2d 1132, 1137 (9th Cir. 1987), and *Hebbe v. Pliler*, 627 F.3d 338, 342 (9th Cir. 2010). Thorson's comprehensive opposition (docket #113) detailed complex **HUD Regulation** violations, yet the court's order (docket #129) lacked evidence of notice.

Key issues include:

Lack of Guidance: Thorson deserved guidance on amending her complaint or supplementing evidence, given her reliance on **HUD Regulations** (docket #113, pages 30–38). The court dismissed her claims on merits grounds without offering amendment, violating *Hebbe*'s leniency mandate.

Curable Claims: Thorson's evidence showed curable claims, including 2022–24 payment standard reductions, voucher size cuts, unauthorized aide requirements applied only to her, landlord restrictions, and threats of fraud prosecution (docket #113-29 - Attachments 27 to docket #113-33 – Attachment 31, docket #113-44 – Attachment 42 to docket #113-48 – Attachment 46, docket #113-55 – Attachment 53 to docket #113-58 – Attachment 56). These could have been clarified with court assistance, who abused its discretion by failing to guide Thorson, a pro se plaintiff.

The court's failure to protect Thorson's procedural rights prejudiced her case, necessitating reversal to ensure fair process.

Factual Basis: Thorson’s opposition relied on *HUD Regulations* and extensive evidence, but the district court’s order (*docket #129*) did not confirm she received notice of deficiencies, such as affidavit requirements for authentication. Her claims, including retaliation and discrimination, were curable with guidance, given her detailed submissions and disability-related vulnerabilities.

Error by District Court: The court violated *Eldridge* and *Klinge* by granting summary judgment without notifying Thorson of procedural requirements or allowing amendment of curable claims. Its dismissal on merits grounds, despite Thorson’s comprehensive opposition, ignored *Hebbe*’s mandate for leniency, prejudicing her ability to present her case.

Relief Sought: Reversal and remand are necessary to ensure Thorson’s procedural rights are protected, with instructions for the district court to provide adequate notice and amendment opportunities.

E. The District Court Erred by Failing to Address HPHA’s Illegal Policies as a Material Fact Supporting Thorson’s FHA Claims

Legal Standard: Courts must independently review agency actions without deferring to noncompliant interpretations, ensuring compliance with federal regulations. *Loper Bright Enterprises v. Raimondo*, 144 S. Ct. 2244, 2273 (2024). The district court erred by failing to address noncompliant policies under *Loper Bright*, causing housing instability support *FHA* claims for discrimination

(42 U.S.C. § 3604(f)) and retaliation (42 U.S.C. § 3617). *Gamble v. City of Escondido*, 104 F.3d 300, 305 (9th Cir. 1997); *Walker v. City of Lakewood*, 272 F.3d 1114, 1128 (9th Cir. 2001).

Michigan v. EPA, 576 U.S. 743, 752 (2015) - underscores that courts must ensure agency actions comply with statutory mandates, supporting Thorson’s argument that HPHA’s policy violates *HUD Regulations* (24 C.F.R. §982.507, 24 C.F.R. §982.52(a) and 24 C.F.R. §982.54(b)); *Encino Motorcars, LLC v. Navarro*, 579 U.S. 211, 221 (2016) - agency interpretations lacking reasoned justification are not entitled to deference, which applies to Ouansafi’s admitted noncompliance (docket #102-1); *Gundy v. United States*, 139 S. Ct. 2116, 2129 (2019) - highlights need for judicial oversight of agency overreach, aligning with Thorson’s claim that HPHA’s noncompliant policies enables fund misuse.

The district court failed to independently review HPHA’s illegal policies under *Loper Bright* prejudiced Thorson’s *FHA* claims, requiring remand for a factual determination.

Narrative: The district court erred by ignoring HPHA’s noncompliant policy – to use “low” comparables against the “contract rent” in all rent reasonableness determinations - a material fact underpinning Thorson’s *FHA* claims under 42 U.S.C. §3604(f), 42 U.S.C. §3617, as admitted by Hakim Ouansafi (docket #102-1).

Under *Loper Bright Enterprises v. Raimondo*, 144 S. Ct. 2244, 2273 (2024), courts must independently review and define agency actions, yet the court deferred to HPHA’s noncompliant policies (docket #129). Thorson’s evidence (docket #113) supports reversal.

Policy Noncompliance: HUD Regulations (24 C.F.R. §982.507(b), 24 C.F.R. §982.52(a) and 24 C.F.R. §982.54(b)) require rents to reflect market-comparable units, with comparables “20–25% above the payment standard” (docket #113-22 - Attachment 20). **HPHA Admin Plan 8-III.D** allows policy that are not in compliance with **HUD Requirements** in determining rent reasonableness – to use “low” comparables against the “contract rent” (docket #67, Admin Plan 8-III.D).

HPHA’s noncompliant policies - in **HPHA Admin Plan 8-III.D** - is determined as being illegal according to Executive Director Hakim Ouansafi’s Declaration. These illegal policies – to use “low” comparables against the “contract rent” - is what caused Thorson’s “approved exception payment standard” to be reduced from \$4,207 (docket #113-25 – Attachment 23, page 3) to \$3,273 and nullified her 120% reasonable accommodation approved to accommodate her disabilities. By the HPHA applying “low” comparables, especially the “low” comparable in the amount of \$1,500, 62% below the proposed contract rent (docket #113-16 - Attachments 14 to docket #113-17 – Attachment 15) and approximately 65% below Thorson’s “approved exception payment standard”.

HUD Director, Jesse Wu, confirmed HPHA's noncompliance and failure to adhere to the HUD's methodology in gathering comparables when determining rent reasonableness (*docket #113-21 - Attachment 19; docket #113-22 – Attachment 20*).

Discrimination: The illegal policies nullified Thorson's 2017 accommodations (2-bedroom voucher, live-in aide, 120% standard) approved to accommodate her disabilities – epilepsy, TEA: Transient Epileptic Amnesia, diabetes, physical injuries, blind in right eye, physical limitations, and other ailments (*docket #113*) - violating ***Dubois v. Ass'n of Apartment Owners, 453 F.3d 1175, 1179 (9th Cir. 2006)***. In addition to terminating Thorson's accommodations, HPHA's refused to allow her landlord to reduce the size of his rental unit from a 2-bedroom rental to a 1-bedroom rental so that Thorson could remain in the rental with her 0-bedroom voucher, causing her to be homeless at 65 years old (*docket #113-44 - Attachment 42 to docket #113-48 – Attachment 46; and docket #113-55 – Attachment 53 to docket #113-58 – Attachment 56*).

Retaliation: Thorson's March 2022 challenge of policy (*docket #113-20 - Attachment 18 to docket #113-21 -Attachment 19*) triggered Ryan Akamine's investigation into her live in aide, imposing unlawful aide requirements (*docket #113-50 - Attachment 48*) and fraud threats, causing her son to quit (*docket #113, pages 14–21*). HPHA's voucher termination then followed, violating ***42 U.S.C. §3617*** and ***Walker v. City of Lakewood, 272 F.3d 1114, 1128 (9th Cir. 2001)***.

Fund Misuse: The noncompliant policies allegedly are a part of an elaborate fraud scheme, which allowed the HPHA to allegedly divert approximately \$1 million monthly from the Section 8 Housing Choice Voucher Program, with only \$140,000 in reserves. Thorson presented factual evidence (Fraud Charts) to prove that the fraud scheme (which included the use of noncompliant policies, i.e., low comparables, used against the contract rent, applied to every voucher) allowed for excess subsidies to be accumulated from each and every voucher, and then diverted from the Section 8 program.

Thorson created her Fraud Charts extracting figures from HUD data and HPHA financial records - (*docket #113-73 – Attachment A – PHA:H1901 HPHA; docket #113-74 – Attachment B – PHA:H1003 CITY&COUNTY OF HONOLULU; docket #113-75 – Attachment C – PHA:H1005 KAUAI*) - which proves misappropriation of federal funds, mirroring *United States ex rel. Anti-Discrimination Ctr. v. Westchester County, 668 F. Supp. 2d 548 (S.D.N.Y. 2009)*. The court's denial (*docket #91, #110*) of Thorson's motions to amend her complaint (*dockets #71, #94*) to add the claim of Fraud violated *Foman v. Davis, 371 U.S. 178, 182 (1962)*.

The court's deference to HPHA's narrative and failure to construe Thorson's pleadings liberally (*Haines v. Kerner, 404 U.S. 519, 520 (1972)*) prejudiced her case, warranting trial to evaluate the policies impact.

Factual Basis: HPHA’s use of policy – to use “low” comparables against the “contract rent” - violated *24 C.F.R. §982.507* and *24 C.F.R. §982.52(a)* and *24 C.F.R. §982.54(b)*, which HUD official Jesse Wu confirmed is not in compliance with HUD’s mandate that provides the methodology in determining rent reasonableness (*docket #113-21 - Attachments 19; docket #113-22 – Attachment 20*).

The noncompliant policies were applied to Thorson’s rent reasonableness tests which caused her “approved exception payment standard” to be reduced, nullified her reasonable accommodations, triggered retaliation, including voucher termination and homelessness.

Thorson’s evidence - Fraud Charts, HUD data, HPHA financial records - prove HPHA noncompliance policies enabled fund misuse by intentionally diverting subsidies from the Section 8 Housing Choice Voucher Program.

Error by District Court: The district court erred by deferring to HPHA’s claim of market analysis accuracy, violating *Loper Bright*’s mandate for independent review (*docket #129*). The district court failed to address the policies noncompliance as a material fact supporting Thorson’s *FHA* claims, ignoring Ouansafi’s admission and HUD’s confirmation. By dismissing Thorson’s evidence without liberal construction, the court contravened *Haines* and *Anderson*, prejudicing her discrimination and retaliation claims.

Relief Sought: This court should reverse and remand for trial to evaluate HPHA’s policies and its illegal application to all rent reasonableness determinations, and its impact on Thorson’s *FHA* rights, including discrimination, retaliation, and fund misuse.

F. The District Court Erred by Denying Thorson’s Motions to Amend Her Complaint

Legal Standard: Thorson twice requested to amend her complaint (*docket* #71, #94) to add the claim of Fraud, and to add Bennet Liu (Chief Financial Officer) as a defendant. The district court abused its discretion under *Foman v. Davis*, 371 U.S. 178, 182 (1962), by denying Thorson’s motions to amend which the district should have freely granted absent undue delay, prejudice, or futility.

The district court abused its discretion by denying amendments without justifying reasons, especially considering Thorson is a pro se litigant. *Owens v. Kaiser Found. Health Plan, Inc.*, 244 F.3d 708, 712 (9th Cir. 2001) - holds that denial of amendment must be justified by undue delay, bad faith, or futility, none of which apply to Thorson’s timely motions (*dockets* #71, #94); *DCD Programs, Ltd. v. Leighton*, 833 F.2d 183, 186 (9th Cir. 1987) - supports allowing amendment to add claims based on newly discovered evidence, such as Thorson’s Fraud Charts showing fund misuse – noting that Thorson created her Fraud Charts after she filed her complaint and upon completion, immediately filed her motion to

amend; *Eminence Capital, LLC v. Aspeon, Inc.*, 316 F.3d 1048, 1052 (9th Cir. 2003) - emphasizes that pro se litigants deserve liberal amendment opportunities, which the court denied Thorson without adequate reasoning.

Noncompliant policies enabling fund misuse are material to civil claims. *United States ex rel. Anti-Discrimination Ctr. v. Westchester County*, 668 F. Supp. 2d 548, 559 (S.D.N.Y. 2009). The district court's rejection of Thorson's fraud claim and addition of Bennett Liu as a defendant, despite timely filing and supporting evidence, was an abuse of discretion, warranting reversal.

Narrative: The district court abused its discretion by denying (docket #91, #110) Thorson's motions to amend (dockets #71, #94), to add a claim of fraud, and add Bennett Liu as a defendant, violating *Foman v. Davis*, 371 U.S. 178, 182 (1962).

Thorson's evidence in the form of Fraud Charts - were created from figures extracted only from HUD data and HPHA financial statements - provides a detailed monthly accounting to proves HPHA, in addition to two other PHAs in Hawaii, intentionally divert federal funds from the Section 8 Housing Choice Voucher Program - (docket #113-73 – Attachment A – PHA:H1901 HPHA; docket #113-74 – Attachment B – PHA:H1003 CITY&COUNTY OF HONOLULU; docket #113-75 – Attachment C – PHA:H1005 KAUAI) - by enforcing policies that are noncompliant with **HUD Regulations** (docket #113-22 – Attachment 20) and by not issuing all the vouchers HUD issues to the PHAs.

Thorson's evidence proves the HPHA actually implements two fraud schemes for purpose of diverting federal funds from the Section 8 program:

(1) to reduce the amount of subsidies paid out on every voucher (by applying the noncompliant policy - to use "low" comparables against the "contract rent" - for every voucher), ensuring there is a consistent balance of unused subsidies that is then diverted; *and* (2) to alter the HPHA financial statements by falsely claiming that 100% of the federal funds received from HUD was used by providing false figures to HUD and to the HPHA Board of Directors; however, these false figures conflict with HUD data that confirms HPHA actually issues only 75% of the vouchers being issued, which again allows HPHA to divert the balance of unused subsidies from the unused vouchers. *Fact: HUD allocates to HPHA 100% subsidy for 100% vouchers to be issued.*

Thorson's Fraud Charts is sufficient evidence to support the fraud claim against the HPHA, and Thorson actually went above and beyond to prove that three of the five PHAs in Hawaii have adopted these fraud schemes that allows them to divert federal funds from the Section 8 Housing Choice Voucher Program, which equals approximately \$2,500,000 each month. Thorson is also able to prove that Hawaii is the only state in the country who altered their Admin Plan (***HPHA Admin Plan 8-III.D***) that is not in compliance with ***HUD Regulations***, as required in ***24 C.F.R. 982.52(a)*** and ***24 C.F.R. 982.54(b)***.

HPHA's illegal policies – to use “low” comparables against the “contract rent” – is the basis to enable fraud, misuse of federal funds, and the motivating factor to retaliate and interfere with Thorson's accommodations.

Key points include:

Timely Motions: Thorson filed her first motion on August 8, 2024 (*docket #71*), and a second on December 16, 2024 (*docket #94*), based on new evidence (Fraud Charts and HUD data) to support a fraud claim. Filed during discovery, these caused no delay or prejudice.

Fraud Claim Viability: The illegal policies, admitted by Ouansafi as noncompliant (*docket #102-1*) allowed HPHA to divert approximately \$110M from the Section 8 program since January 2015, and continue to divert approximately \$1M each and every month (*docket #113, Fraud Charts A–C*), akin to *United States ex rel. Anti-Discrimination Ctr. v. Westchester County, 668 F. Supp. 2d 548 (S.D.N.Y. 2009)*. Adding Bennett Liu, HPHA's Chief Financial Officer, was justified given his management position and expertise in financial management.

Court Errors: The court mischaracterized Thorson's civil fraud claim as criminal (*docket #91*) and cited an expired deadline (*docket #110*), despite Thorson's timely first motion (*docket #74*). Thorson clarified her intent to cite *18 U.S.C. §666* for context (*docket #93*), but the court ignored this.

Retaliation Link: The noncompliance policies role in diverting funds motivated HPHA’s retaliation **after** Thorson’s March 2022 challenge to the noncompliant policies (*docket #113, Attachments 14–16*). This is the basis of her **FHA** claims (*24 C.F.R. §982.52, §982.54*).

The court’s refusal to allow amendment without justifying reasons prejudiced Thorson’s ability to address HPHA’s misconduct, warranting reversal.

Factual Basis: Thorson’s motions to amend (*dockets #71, #94*) sought to add a fraud claim and to add Bennett Liu (Chief Financial Officer) as a defendant, based on evidence showing HPHA’s noncompliant policies allowed for federal funds to be diverted from the Section 8 program. Filed during ongoing discovery, the motions caused no delay or prejudice.

The fraud claim was viable, supported by Ouansafi’s admission and Thorson’s evidence - in the form of Fraud Charts created from figures extracted from HUD data and HPHA financial statements. (*docket #113-73 – Attachment A – PHA:H1901 HPHA; docket #113-74 – Attachment B – PHA:H1003 CITY&COUNTY OF HONOLULU; docket #113-75 – Attachment C – PHA:H1005 KAUAI*)

Error by District Court: The district court abused its discretion by denying Thorson’s motions (*dockets #91, #110*), citing expired deadlines and mischaracterizing her fraud claim as criminal (*docket #91*). It failed to apply the liberal standard required in *Foman v. Davis, 371 U.S. 178, 182 (1962)*, failed to

apply liberal standard or consider the merit of Thorson's claims, and ignored evidence of fund misuse material to Thorson's retaliation claims. This prejudiced her ability to address HPHA's misconduct fully.

Relief Sought: Reversal and remand are warranted, with instructions to grant Thorson's motions to amend and allow her fraud claim to proceed to trial.

VII. CONCLUSION

Laurie Thorson, a disabled pro se litigant, presented compelling triable evidence of retaliation and discrimination by the defendants. The district court prematurely granted summary judgment, failing to honor Thorson's status under *Haines v. Kerner*, 404 U.S. 519, 520 (1972), *Erickson v. Pardus*, 551 U.S. 89, 94 (2007), *Eldridge v. Block*, 832 F.2d 1132, 1137 (9th Cir. 1987); *Hebbe v. Pliler*, 627 F.3d 338, 342 (9th Cir. 2010).

Most importantly, as a pretext to the retaliation and discrimination claims, the district court failed to define the noncompliant policies – as required in *Loper Bright Enterprises v. Raimondo*, 144 S. Ct. 2244, 2273 (2024) - to evaluate the policies noncompliance with *HUD Regulations* as the pretext to Thorson's fraud claim that the illegal policies are enforced for the purpose of diverting federal funds from the Section 8 Housing Choice Voucher Program.

Thorson appreciates this court's attention in reviewing the district court's abuse of discretion by denying several attempts by Thorson to seek assistance by filing several motions (i.e., restraining orders, injunctions) which the district court denied them all. An example: the court's denial to grant Thorson's emergency motion for an injunction (*docket #28*), noting that defendants succeeded in interfering with Thorson's reasonable accommodation to have a live in aide which caused her to no longer receive support services to accommodate her disabilities because she is unable to satisfy HPHA's stringent prerequisites, that apply only to Thorson and not to all recipients of the Section 8 program.

To prove the actions of the defendants were not in line with federal rules and ***HUD Regulations***, Thorson provided the district court with an extensive ***Memorandum of Law*** (*docket #28-4*) and ***FEDERAL REGISTER 98-10373*** (*docket #113-28 – Attachment 28*) to prove the actions of the defendants were retaliatory and not in compliance with federal rules that govern how PHAs are to implement the Section 8 Housing Choice Voucher Program..

The district court abused its discretion by denying all of Thorson's motions - in an attempt to help herself - noting the court denied her emergency motion for an injunction (*docket #44*) with the court's only justification for denial being: "Thorson has not carried her burden of showing that she is likely to succeed on the merits of a claim for which she has also shown a likelihood of irreparable injury".

After Thorson filed her Opposition to Defendants Motion for Summary Judgment (*docket #113*), she filed an ‘Errata’ to correct Attachment 61 (*docket #118 – Attachment 61, page 29*), which is evidence to prove Thorson continues to suffer irreparable physical injuries because she is no longer receives support services from a live in aide to accommodate her disabilities, as determined by her physicians (*docket #113-51 – Attachment 49*), subjecting Thorson to irreparable physical injuries as was the case before she moved to Hawaii when she did not have a live in aide, nor did she know anyone who could help her for free.

Thorson provided HPHA with evidence to support that they were fully aware that their actions to interfere and terminate her live in aide would cause her irreparable injuries, as was the case in the past when she did not have a live in aide. (*docket #113-29 – Attachment 27; docket #113-30 – Attachment 28; docket #113-32 – Attachment 30; docket #113-33 – Attachment 31*).

The district court erred by failing to construe Thorson’s pro se filings liberally, misapplying sovereign and qualified immunities, overlooking triable facts, failing to act in Thorson’s best interest to keep her safe and to ensure she received the same benefits provided to all recipients of the Section 8 program, ignoring HPHAs noncompliant policies and failing to define its compliance with **HUD Regulations** under **Loper Bright**, denying adequate notice, and improperly denying amendment under **Foman**. These errors denied Thorson her day in court.

Thorson, a vulnerable plaintiff challenging systemic misconduct, respectfully requests that this Court please reverse the summary judgment order, and remand for trial to ensure justice and uphold Thorson's constitutional rights for due process.

Date: June 27, 2025

Respectfully submitted,

/s/ Laurie Thorson

Laurie Thorson, pro se

P.O. Box 1409

Kailua, Hawaii 96734

Lthorson7@gmail.com

(808) 222-5885

Attachments:

Certificate of Service

Certificate of Compliance

WRITTEN TESTIMONY #2

by
Laurie Thorson

08.28.25 HPHA BOARD MEETING

TO: HPHA Board of Directors

cc: Governor Josh Green, PIH Director Jesse Wu, HUD Director Jason Pu, U.S. AG Ken Sorenson, FBI David Porter, HUD Secty Scott Turner, and DHS Ryan Akamine (who is also a board member)

Re: **Proof of continued misuse and diversion of Section 8 federal funds.**
Proof of HPHA is reporting to HUD false information.
Proof HPHA is providing false figures in HPHA financials.

Attached is a copy of the following documents, which provides facts to prove that state employees of the Hawaii Public Housing Authority continue to divert federal funds from the Section 8 program and report false information to HUD, and are providing false figures in their financials.

HPHA Financial Statements (randomly selected from HPHA Agendas)

- April 30, 2025 HPHA Financial Statement
- June 30, 2025 HPHA Financial Statement

HUD Data for HPHA – and a few pages for City and County of Honolulu (which proves that this PHA is also providing false information to HUD and diverting funds (printouts from HUD Dashboard))

I am providing facts to the board members to prove that the HPHA continues to divert federal funds from the Section 8 program. You are welcome to contact me if you do not understand how to read the HUD Data information. In a brief summary, this is what these documents prove:

- HPHA financial records and HUD data (from HUD dashboard) proves that HPHA state employees continue to steal federal funds from the Section 8 Program.

- HPHA is reporting to HUD they used approximately 83% of the subsidy they received from HUD, but report in their financial statements that they used over 100% of the subsidy they received from HUD.
- HPHA is reporting that they used 100% of the subsidy, but are only issuing 73% of the vouchers they received from HUD.
- HPHA is reporting false information to HUD and is documenting in their the HPHA financial statements false figures. There's no way 100% of the subsidy (HPHA financials), or 83% of the subsidy (reports to HUD) can be used to issue only 73% of the vouchers. The subsidy is used based on the payment standards for each voucher, which is determined on how much HAP payments are made.
- HPHA is reporting in their financial records that they paid out over 100% in **HAP** payments, which amounts exceed the amount of subsidy they received from HUD. This is obviously false information.
- There is no accounting for the missing subsidy not used.
- There is no accounting for the missing vouchers not used.
- HPHA reported to HUD that they currently have only \$44 in Reserves This is not accurate, considering only 73% of the vouchers were issued, so there should be 27% of subsidy in Reserves (approximately, minimum of \$1.3M per month).
- HUD dashboard confirms that 4,379 Section 8 vouchers are issued to HPHA each month, and since the vouchers belong to HUD, not HPHA (verified by the HAP contacts), it is a fact that only 3,193 were issued (=73%).
- The information that the HPHA is “reporting” to HUD is different than the amounts HPHA is “reporting” in their financials.

HAWAII PUBLIC HOUSING AUTHORITY
Housing Assistance Voucher Programs
Actual vs Budget Comparison

For the Month of April 2025, and the 10 Months ended April 30, 2025
(Amounts in Full Dollars)

HUD Issued subsidy falsely claims it used 100%?

	Month of April 2025		
	Budget	Variance	%
Actual		Amount	
5,446,787	5,601,114	(154,327)	0%
(0)	(0)	(0)	-3%
-	-	-	-100%
-	-	-	0%
-	-	-	0%
-	-	-	0%
60,790	1,960	58,830	>100%
\$ 5,507,577	5,603,074	(95,497)	-2%

100%?

	Year To Date ended April 30, 2025		
	Budget	Variance	%
Actual		Amount	
56,094,537	56,011,139	83,398	0%
536,491	-	536,491	100%
-	-	-	0%
-	-	-	0%
430,000	-	430,000	100%
368,453	19,602	348,851	>100%
57,429,480	56,030,740	1,398,740	2%
55,726,911	1,702,569	3%	

REVENUES

Dwelling Rental Income	-	-	0%
HUD Operating Grants	56,094,537	83,398	0%
CFP Grant Income	536,491	-	100%
COCC Fee Income	-	-	0%
State CIP Fund	-	-	0%
Grant Income	430,000	-	100%
Other Income	368,453	19,602	>100%

Total Revenues

57,429,480	56,030,740	1,398,740	2%
-------------------	-------------------	------------------	-----------

EXPENSES

Administrative	2,410,872	2,093,576	317,296	15%
Asset Management Fees	-	-	-	0%
Management Fees	954,560	1,021,312	(66,752)	-7%
Bookkeeping Fees	265,789	281,400	(15,611)	-6%
Housing Assistance Payments	52,802,028	50,832,746	1,969,282	4%
Tenant Services	271	1,266	(995)	-79%
Utilities	30,370	38,872	(8,502)	-22%
Maintenance	16,002	9,846	6,156	63%
Protective Services	6,349	8,274	(1,925)	-23%
Insurance	9,664	14,373	(4,709)	-33%
Depreciation Expense	44,986	-	44,986	100%
Bad Debt Expense	-	-	-	0%
General Expenses	936,358	121,425	814,933	>100%

Total Expenses

57,477,250	54,423,091	3,054,159	-6%
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Net Income(Loss)

(47,769)	1,607,649	(1,655,419)	<-100%
-----------------	------------------	--------------------	------------------

CASH BASIS:

Net Income(loss) per Above	(47,769)	1,607,649	(1,655,419)	<-100%
Add back non cash items:				
Depreciation Expense	44,986	-	44,986	100%
Bad Debt Expense	-	-	-	0%
\$ (370,055)	1,607,649	(1,610,433)	<-100%	

256,971	205,807	51,165	25%
89,197	102,131	(12,934)	-13%
25,611	28,140	(2,529)	-9%
5,397,850	5,083,275	314,575	6%
67	127	(60)	-47%
687	3,887	(3,200)	-82%
5,980	981	4,999	>100%
859	827	32	4%
966	1,437	(471)	-33%
4,309	-	4,309	100%
99,443	12,143	87,301	>100%
5,881,941	5,438,755	443,186	8%
\$ (374,364)	164,319	(538,683)	<-100%

(374,364)	164,319	(538,683)	<-100%
4,309	-	4,309	100%
-	-	-	0%
\$ (370,055)	164,319	(534,374)	<-100%

HAWAII PUBLIC HOUSING AUTHORITY
Housing Assistance Voucher Programs
Actual vs Budget Comparison

For the Month of June 2025, and the 12 Months ended June 30, 2025
(Amounts in Full Dollars)

	Month of June 2025		Variance Amount	%
	Actual	Budget		
	5,544,377	5,601,114	(56,737)	-1%
	(0)	-	(0)	-100%
	-	-	-	0%
	-	-	-	0%
	-	-	-	0%
	61,390	1,960	59,430	>100%
Total Revenues	5,605,767	5,603,074	2,693	0%

	Year To Date ended June 30, 2025			
	Actual	Budget	Variance Amount	%
	67,120,537	67,213,366	(92,829)	0%
	536,491	-	536,491	>100%
	-	-	-	0%
	430,000	-	430,000	100%
	488,119	23,522	464,597	>100%
Total Revenues	68,575,147	67,236,888	1,338,258	2%

EXPENSES

Administrative	2,938,837	2,505,190	433,647	17%	2,410,734	528,103	22%
Asset Management Fees	-	-	-	0%	-	-	0%
Management Fees	1,134,985	1,225,574	(90,589)	-7%	1,242,567	(107,582)	-9%
Bookkeeping Fees	316,894	337,680	(20,786)	-6%	335,890	(18,996)	-6%
Housing Assistance Payments	61,982,642	60,999,295	983,347	2%	61,731,523	251,119	0%
Tenant Services	1,266	1,519	(253)	-17%	57,167	(55,901)	-98%
Utilities	38,120	46,647	(8,527)	-18%	39,431	(1,311)	-3%
Maintenance	19,389	11,808	7,581	64%	20,690	(1,301)	-6%
Protective Services	8,010	9,929	(1,919)	-19%	8,896	(886)	-10%
Insurance	11,597	17,248	(5,651)	-33%	17,248	(5,651)	-33%
Depreciation Expense	53,604	-	53,604	100%	57,396	(3,792)	-7%
Bad Debt Expense	-	-	-	0%	-	-	0%
General Expenses	2,445,341	145,710	2,299,631	>100%	573,291	1,872,050	>100%
Total Expenses	68,950,685	65,300,600	3,650,085	-6%	66,494,833	2,455,852	4%
Net Income(Loss)	(375,538)	1,936,288	(2,311,827)	<-100%	(76,204)	(299,334)	<-100%

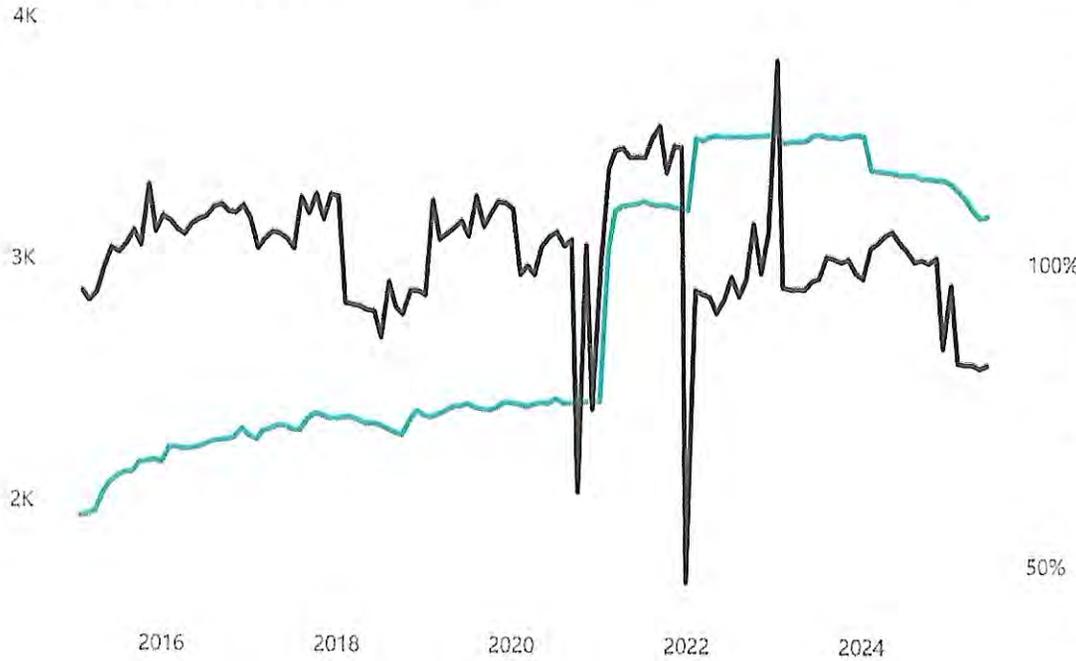
CASH BASIS:

Net Income(loss) per Above	(116,909)	164,319	(281,228)	<-100%	(76,204)	(299,334)	<-100%
Add back non cash items:							
Depreciation Expense	4,309	-	4,309	100%	57,396	(3,792)	-7%
Bad Debt Expense	-	-	-	0%	-	-	0%
Total	(112,600)	164,319	(276,919)	<-100%	(18,808)	(305,126)	<-100%

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VOUCHERS LEASED AND BUDGET UTILIZATION SINCE 2015

● Vouchers Leased ● % Budget Utilization



MonthDate	Vouchers Leased	% Budget Utilization
Tuesday, October 31, 2023	3,522	100.00%
Thursday, November 30, 2023	3,527	98.35%
Sunday, December 31, 2023	3,521	97.38%
Wednesday, January 31, 2024	3,380	102.47%
Thursday, February 29, 2024	3,375	103.21%
Sunday, March 31, 2024	3,373	104.57%
Tuesday, April 30, 2024	3,367	105.22%
Friday, May 31, 2024	3,359	103.39%
Sunday, June 30, 2024	3,363	102.09%
Wednesday, July 31, 2024	3,359	100.22%
Saturday, August 31, 2024	3,346	100.54%
Monday, September 30, 2024	3,346	100.01%
Thursday, October 31, 2024	3,341	100.88%
Saturday, November 30, 2024	3,340	85.93%
Tuesday, December 31, 2024	3,321	96.40%
Friday, January 31, 2025	3,295	83.49%
Friday, February 28, 2025	3,266	83.31%
Monday, March 31, 2025	3,216	83.25%
Wednesday, April 30, 2025	3,185	82.62%
Saturday, May 31, 2025	3,193	83.16%

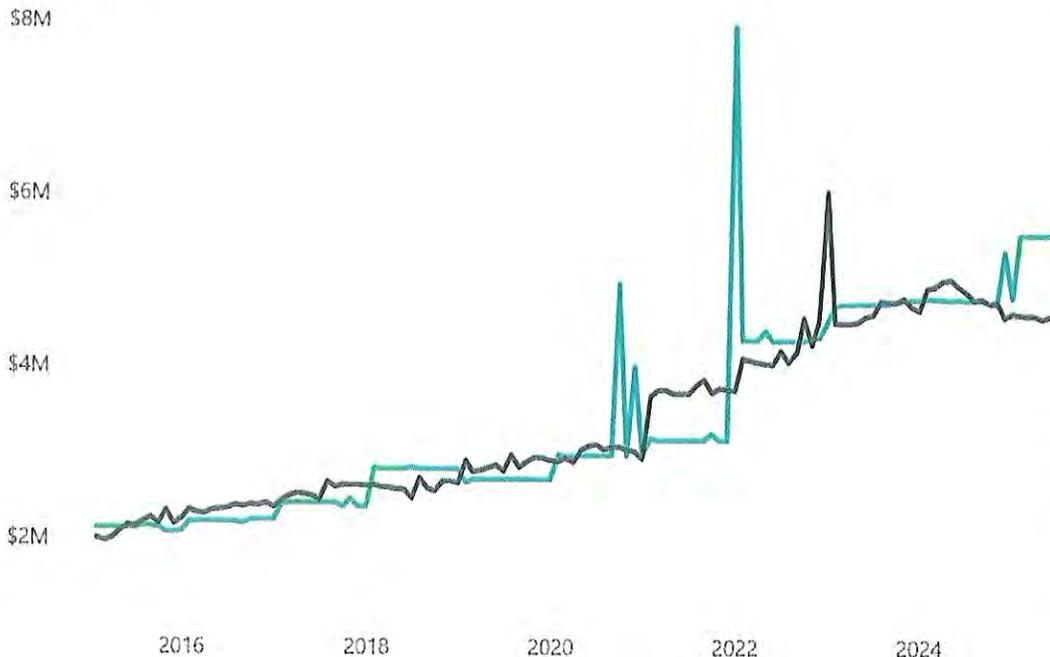
Received 4,379

Reports 100% on HPHA Financials

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HOUSING ASSISTANCE PAYMENTS COMPARED TO BUDGET AUTHORITY SINCE 2015

● BA ● HAP



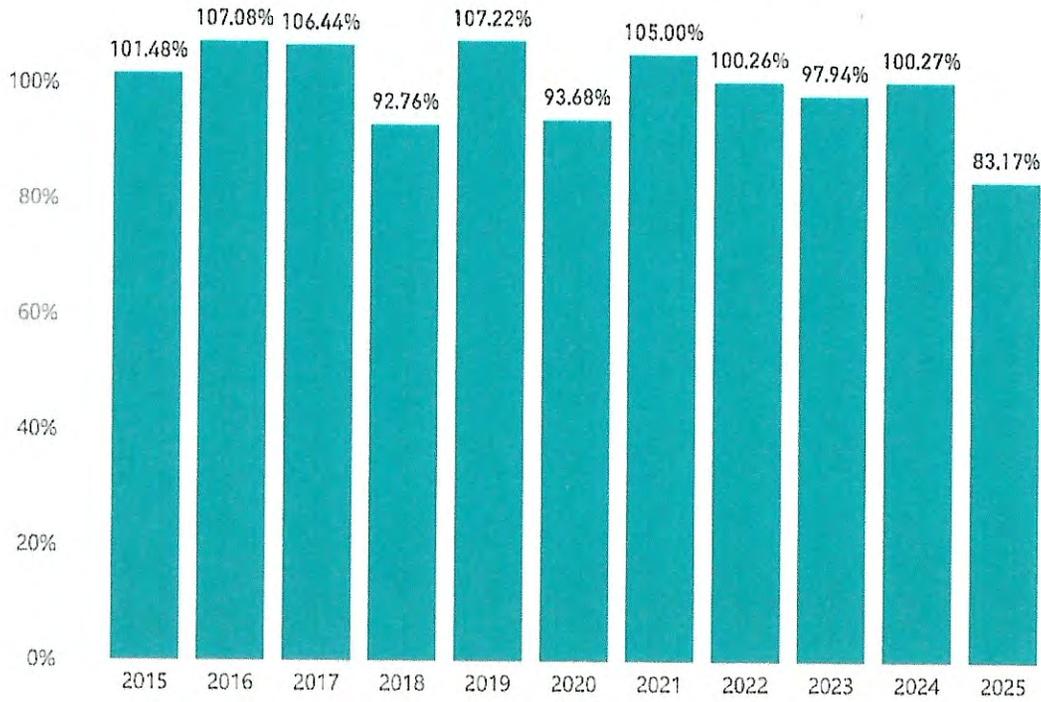
MonthDate

	BUDGET		SPENT	
	BA	HAP	BA	HAP
Tuesday, October 31, 2023	\$4,770,195	\$4,799,029		
Thursday, November 30, 2023	\$4,779,483	\$4,700,666		
Sunday, December 31, 2023	\$4,779,483	\$4,654,048		
Wednesday, January 31, 2024	\$4,792,046	\$4,910,268		
Thursday, February 29, 2024	\$4,782,859	\$4,936,301		
Sunday, March 31, 2024	\$4,782,859	\$5,001,460		
Tuesday, April 30, 2024	\$4,772,962	\$5,022,167		
Friday, May 31, 2024	\$4,784,161	\$4,946,118		
Sunday, June 30, 2024	\$4,772,962	\$4,872,663		
Wednesday, July 31, 2024	\$4,772,962	\$4,783,226		
Saturday, August 31, 2024	\$4,772,962	\$4,798,785		
Monday, September 30, 2024	\$4,747,360	\$4,747,784		
Thursday, October 31, 2024	\$4,721,563	\$4,763,203		
Saturday, November 30, 2024	\$5,335,117	\$4,584,465		
Tuesday, December 31, 2024	\$4,797,035	\$4,624,308		
Friday, January 31, 2025	\$5,527,214	\$4,614,869		
Friday, February 28, 2025	\$5,527,214	\$4,604,988		
Monday, March 31, 2025	\$5,527,214	\$4,601,442		
Wednesday, April 30, 2025	\$5,527,214	\$4,566,671		
Saturday, May 31, 2025	\$5,527,214	\$4,596,494		

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BUDGET UTILIZATION SPENT YEAR OVER YEAR

SPENT



Year	% Budget Utilization Measure
2015	101.48%
2016	107.08%
2017	106.44%
2018	92.76%
2019	107.22%
2020	93.68%
2021	105.00%
2022	100.26%
2023	97.94%
2024	100.27%
2025	<u>83.17%</u>

Housing Choice Voucher - Leasing Changes

Select a State: Select a Public Housing Authority: MTW?: Clear All Filters:

Data is current as of May 2025.

HI

HI901 - Hawaii Public Housing Authority

All

Vouchers Issued

Vouchers Used

Current Units under ACC

4,379

Current Reported Leasing

3,193

2025 YTD Leasing Percentage

73.78%

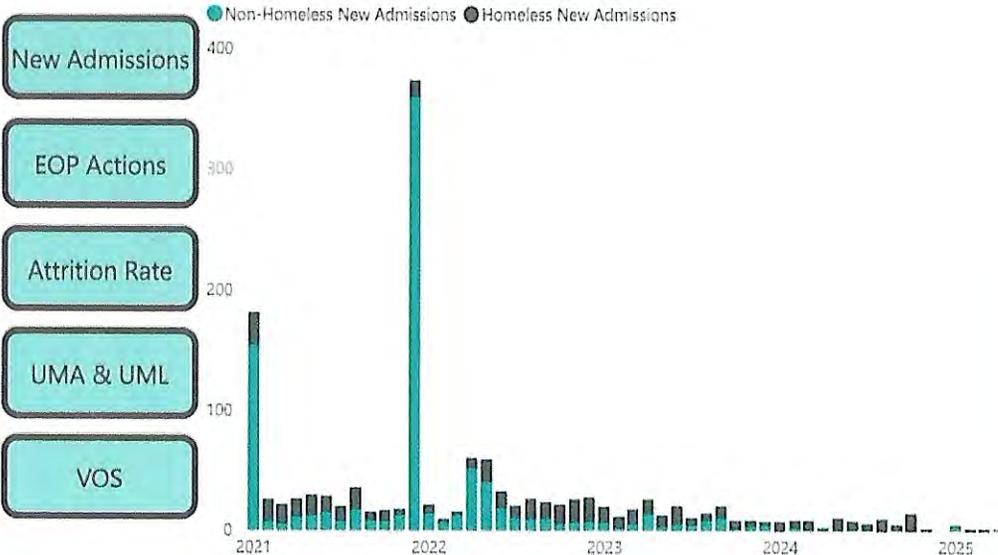
Largest Reductions

Largest Increases

Top PHAs with Largest Reductions in Units Leased since December 2024

PHA Code	PHA Name	Previous Year UML	Current UML	UML Difference	% Difference in UMLs
HI901	Hawaii Public Housing Authority	3321	3,193	-128	-3.85%

New Admissions Trend



Note: PHAs that had a difference in UMLs of 5 or less have been eliminated from this chart to focus on larger HCV programs.

HCV - Special Purpose Vouchers

Current Special Purpose Voucher Utilization as of May 2025. Special Purpose Vouchers are included in the ACC of a Public Housing Authority with the exception of Mainstream.

Select a State: HI Select a Public Housing Authority: HI901 - Hawaii Public Housing Authority MTW?: All Clear All Filters: Data is current as of May 2025.

Mainstream Vouchers

PHA Name	PHA Code	MS Total Effective Awards	MS Total Leased	MS % Leasing
Hawaii Public Housing Authority	HI901	78	60	76.92%
Total		78	60	76.92%

18 not used

Family Unification Program Vouchers (FUP)

PHA Name	PHA Code	FUP Total Effective Awards	FUP Total Leased	FUP % Leasing
Hawaii Public Housing Authority	HI901	4	0	0.00%
Total		4	0	0.00%

4 not used

Non-Elderly Disabled Vouchers (NEDs)

PHA Name	PHA Code	Total NED Awards	Total NED Leased	NED Leasing %
Hawaii Public Housing Authority	HI901	175	172	98.29%
Total		175	172	98.29%

3 Not used

Veterans Affairs Supportive Housing Vouchers (HUD VASH)

PHA Name	PHA Code	VASH Total Effective Awards	VASH Total Leased	VASH Leasing %
Hawaii Public Housing Authority	HI901	643	432	67.19%
Total		643	432	67.19%

211 NOT USED

Housing Choice Voucher Comparison

Data is current as of May 2025.

Clear All Filter

Comparison Page - Budget & Reserves:

On this page you can compare HCV programs across states, within states or by HCV program size. Please select the State, Public Housing Authority or HCV program size you are interested in viewing using the dropdown menus below. Once selected the data will adjust to reflect your selection and comparisons.

To examine PHAs within a select size please use the dropdown menu for HCV Program Size first before making selections below to compare States and Public Housing Authorities.

Select PHA Size:
All

Select a State: HI
Select a Public Housing Authority: HI901 - Hawaii Public Housing Authority
MTW?: All

2025 YTD Spending as a % of Annual BA

83.17%

Reserves as % of Budget Authority

0.00%

HCV Total Reserves as of 12/31/24

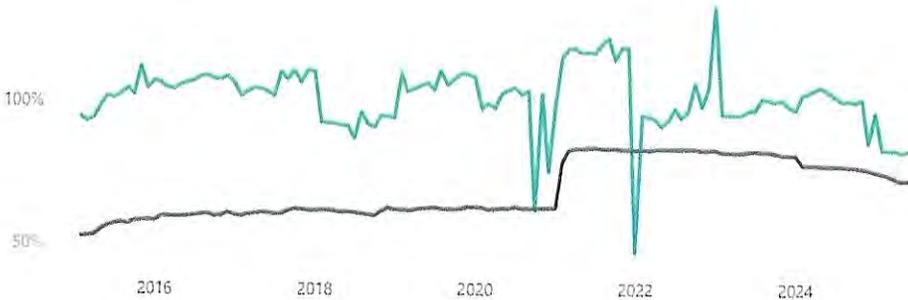
\$44

2025 Total Budget Authority for HCV Program

\$66,163,047

Budget and Unit Utilization since 2015

% Budget Utilization % Leasing Utilization



Select a State: HI
Select a Public Housing Authority: HI003 - City And County of Honolulu
MTW?: All

2025 YTD Spending as a % of Annual BA

88.90%

Reserves as % of Budget Authority

0.92%

HCV Total Reserves as of 12/31/24

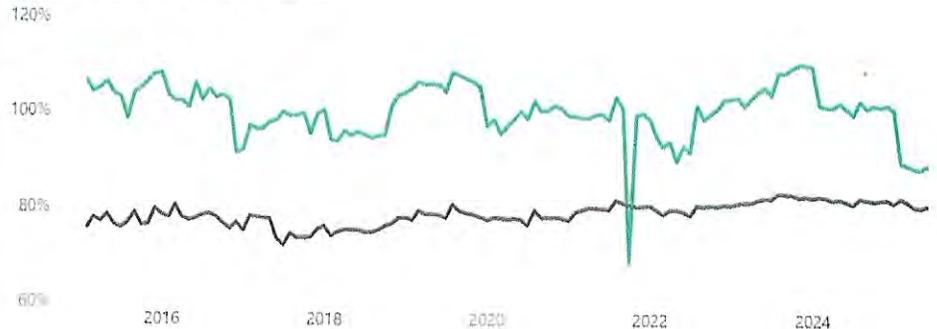
\$745,200

2025 Total Budget Authority for HCV Program

\$81,275,568

Budget and Unit Utilization since 2015

% Budget Utilization % Leasing Utilization

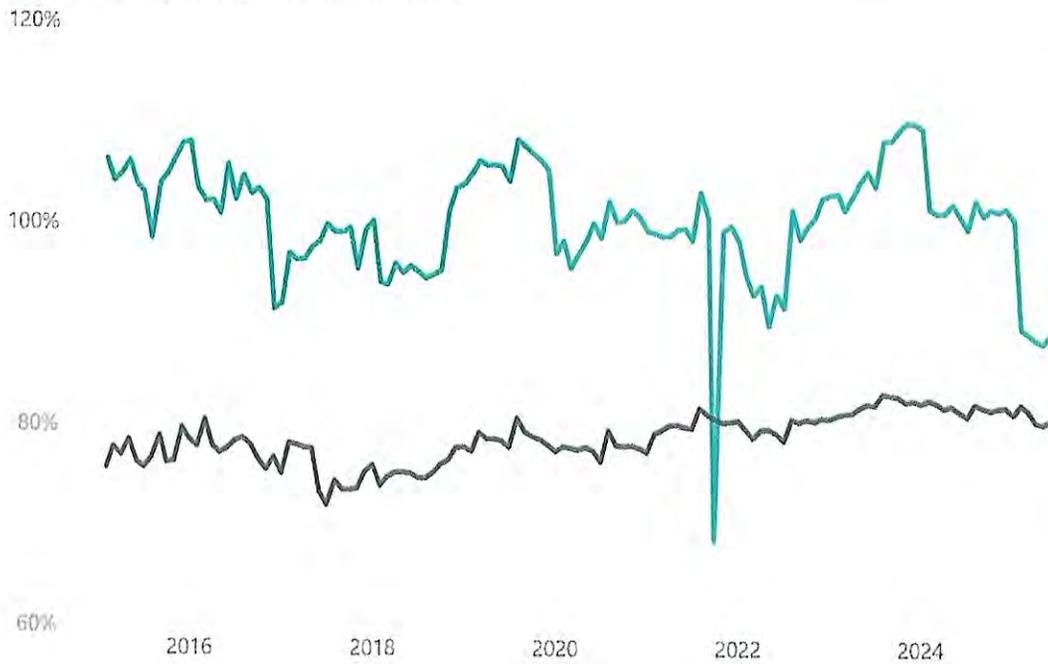


City

Subsidy Vouchers

< Back to report BUDGET AND UNIT UTILIZATION SINCE 2015

● % Budget Utilization ● % Leasing Utilization



MonthDate	% Budget Utilization	% Leasing Utilization
Tuesday, October 31, 2023	110.07%	82.41%
Thursday, November 30, 2023	110.02%	82.53%
Sunday, December 31, 2023	109.47%	82.25%
Wednesday, January 31, 2024	101.52%	82.59%
Thursday, February 29, 2024	101.09%	82.33%
Sunday, March 31, 2024	101.05%	81.82%
Tuesday, April 30, 2024	101.99%	82.02%
Friday, May 31, 2024	100.86%	81.49%
Sunday, June 30, 2024	99.54%	80.98%
Wednesday, July 31, 2024	102.37%	82.23%
Saturday, August 31, 2024	100.84%	81.90%
Monday, September 30, 2024	101.51%	81.63%
Thursday, October 31, 2024	101.24%	81.84%
Saturday, November 30, 2024	101.60%	81.96%
Tuesday, December 31, 2024	100.51%	81.27%
Friday, January 31, 2025	89.67%	82.23%
Friday, February 28, 2025	89.16%	81.61%
Monday, March 31, 2025	88.47%	80.49%
Wednesday, April 30, 2025	88.16%	80.25%
Saturday, May 31, 2025	89.05%	80.59%

Housing Choice Voucher Comparison

Data is current as of May 2025.

Clear All Filter

Comparison Page - Leasing & Per Unit Cost:

On this page you can compare HCV programs across states, within states or by HCV program size. Please select the State, Public Housing Authority or HCV program size you are interested in viewing using the dropdown menus below. Once selected the data will adjust to reflect your selection and comparisons.

To examine PHAs within a select size please use the dropdown menu for HCV Program Size first before making selections below to compare States and Public Housing Authorities.

Select PHA Size:

All

Select a State:

HI

Select a Public Housing Authority:

HI901 - Hawaii Public Housing Authority

MTW?:

All

2025 YTD Leasing Percentage

12 Month Attrition Rate as of 2/28/25

USES ONLY → **73.78%**

3.23%

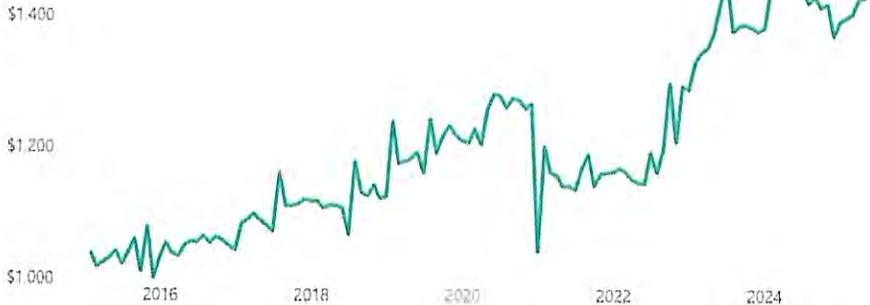
Current Units under ACC

Current Vouchers on the Street

4,379

189

Average Per Unit Cost since 2015 *



Select a State:

HI

Select a Public Housing Authority:

HI003 - City And County of Honolulu

MTW?:

All

2025 YTD Leasing Percentage

12 Month Attrition Rate as of 2/28/25

81.03%

6.73%

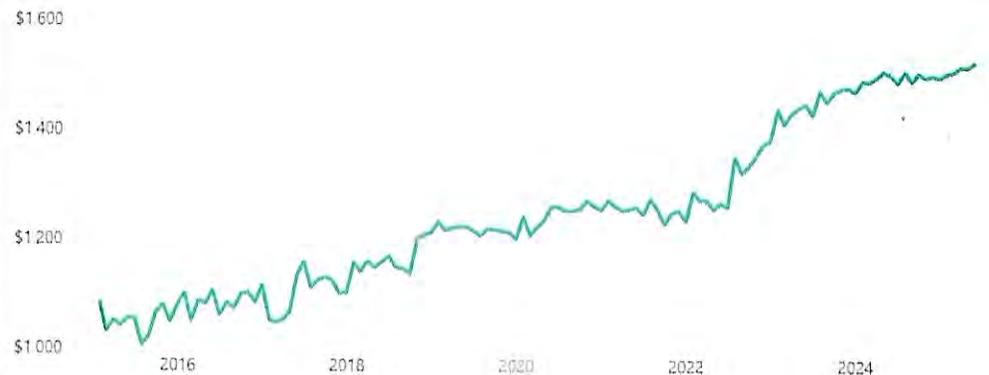
Current Units under ACC

Current Vouchers on the Street

4,911

57

Average Per Unit Cost since 2015 *



VERBAL TESTIMONY AT THE BOARD MEETING ~ 08.28.25

by Laurie Thorson

Written Testimony #1

I am updating the board members of my lawsuit against HPHA, Hakim Ouansafi, Ryan Akamine, and Lyle Matsuura, who retaliated against me AFTER I caught them using illegal policies as part of a fraud scheme to divert over \$110M from the Section 8 program.

Actually, I caught 3 of the 5 PHAs in Hawaii who have diverted over \$500M from the Section 8 program since January 2015.

I provided the board members a copy of the most recent filings at the appellate court. If you are not on the board and you want to read these court documents, they are available on my website.

I recommend you read my Reply Brief first, which is my response to HPHA's Answering Brief. My Reply Brief confirms that their only defense to my claims is that I am "confused" about the facts, but never do they deny diverting over 100 million dollars from the Section 8 program.

The board of directors should know that Hakim Ouansafi submitted his declaration to the court, inputting liability to the board of directors for enforcing the illegal policies to commit fraud. This is a serious accusation. If the board does not agree with Hakim Ouansafi that they are liable for fraud, they should terminate him today.

Written testimony #2

I am providing proof to the HPHA financials and HUD data proves, that as of today, HPHA continues to divert from the Section program over \$1M every month.

• HPHA is reporting to HUD they used approximately 83% of the subsidy they received from HUD, but report in their financial statements that they used over 100% of the subsidy.

- The subsidy actually used is determined on how much HAP payments are made.
- HPHA is reporting in their financial records that they paid out over 100% subsidy in HAP payments, which amounts exceed 100% of the subsidy they received from HUD, but HPHA is only issuing 73% of the vouchers..
- There is no accounting for the missing subsidy not used.
- There is no accounting for the missing vouchers not used.
- HPHA reported to HUD that they currently have only \$44 in Reserves.

only 73% of the vouchers were issued, so there should be 27% of subsidy in Reserves (approximately, \$1.3M per month).

- HUD dashboard confirms that HPHA received 4,379 Section 8 vouchers each month, but are only issuing 3,193 vouchers (=73%).
- The information that the HPHA is “reporting” to HUD is different than the information it is “reporting” in their financials.

That's all I have for now.

Thank you for listening.

Laurie