



DEPARTMENT OF THE ATTORNEY GENERAL

DAVID Y. IGE
GOVERNOR

DOUGLAS S. CHIN
ATTORNEY GENERAL

For Immediate Release
November 22, 2017

News Release 2017-163

**COURT GREEN LIGHTS NEW CLAIMS BY STATE AGAINST
DCK PACIFIC IN AIRPORT HANGAR LAWSUIT**

HONOLULU – Today state circuit Judge Gary W.B. Chang granted the State of Hawaii, Department of Transportation (HDOT)'s motion to amend the State's cross-claim against dck pacific construction, LLC ("dck pacific") and Terrace Pacific. Judge Chang also allowed the State to file an additional third-party complaint against dck worldwide, LLC, the parent company of dck pacific.

dck worldwide is being added to the complaint because of new evidence discovered by the State during the course of the existing lawsuit. The evidence suggests that dck worldwide directed how dck pacific handled payments to subcontractors. The evidence also suggested that dck worldwide directed how Terrace Pacific Insurance handled certain types of insurance claims. In addition to the new claims against dck worldwide, the existing claims against dck pacific and Terrace Pacific Insurance are also being further developed.

Attorney General Chin said, "the State is making sure that those responsible for the problems that occurred during the construction of this state facility are held accountable."

HDOT contracted with dck pacific to build the Hawaiian Airlines Terminal Maintenance and Cargo Facility. The project fell behind schedule. HDOT learned subcontractors were not sending employees to the job because dck was not paying the subcontractors. HDOT provided dck time to remedy the situation. When dck failed to do so, HDOT terminated the general contractor for cause. HDOT learned that dck had kept more than \$3 million that should have been paid to suppliers and subcontractors up to that point. For the past several months, HDOT has settled claims with subcontractors who did work on the facility, but who were never paid by the general contractor. These payments were made possible when the state legislature appropriated the funds earlier this year.

A copy of the order is attached.

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Department of the Attorney General

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STATE OF HAWAII, DEPARTMENT OF
TRANSPORTATION,)

Third-Party Plaintiff,)

vs.)

TERRACE PACIFIC INSURANCE, LTD.
and DOE DEFENDANTS 1-10;)

Third-Party Defendants.)

TERRACE PACIFIC INSURANCE, LTD.,)

Fourth-Party Plaintiff,)

vs.)

WESLEY R. SEGAWA & ASSOCIATES,)

Fourth-Party Defendant.)

**ORDER GRANTING DEFENDANT STATE OF HAWAII, DEPARTMENT OF
TRANSPORTATION'S MOTION FOR LEAVE TO FILE FIRST AMENDED CROSS-
CLAIM AND ADDITIONAL THIRD-PARTY COMPLAINT FILED ON 08/30/2017**

Defendant STATE OF HAWAII, DEPARTMENT OF TRANSPORTATION's ("STATE") Motion for Leave to File First Amended Cross-Claim and Additional Third-Party Complaint having been filed herein on August 30, 2017 ("Subject Motion"), Plaintiff HELIX ELECTRIC, INC. having filed a Statement of No Position to the Subject Motion on September 8, 2017, Defendant DCK PACIFIC CONSTRUCTION, LLC and Third-Party Defendant TERRACE PACIFIC INSURANCE, LTD. having filed a Memorandum in Opposition to the Subject Motion on September 8, 2017, and the STATE having filed a Reply Memorandum in Support of the Subject Motion on September 13, 2017, and the Court having reviewed the Subject Motion, the

memoranda filed in connection with the Subject Motion, being duly advised of the record and file herein, and for good cause appearing therefor,

IT IS HEREBY ORDERED that Defendant STATE's Motion for Leave to File First Amended Cross-Claim and Additional Third-Party Complaint be and hereby is GRANTED.

IT IS HEREBY FURTHER ORDERED that Defendant STATE shall file its First Amended Cross-Claim and Additional Third-Party Complaint within five business days after the order granting the Subject Motion is filed.

DATED: Honolulu, Hawaii, NOV 21 2017

GARY W. B. CHANG



JUDGE OF THE ABOVE-ENTITLED COURT

APPROVED AS TO FORM:

A handwritten signature in black ink, appearing to read "R. Schmitt".

RANDALL K. SCHMITT
MARGUERITE S.N. FUJIE
Attorneys for Plaintiff
HELIX ELECTRIC, INC.

CID H. INOUE
KELVIN H. KANESHIRO
CECILY D.M. KAYA
Attorneys for Defendant DCK PACIFIC CONSTRUCTION,
LLC and Third-Party Defendant and Fourth-Party
Plaintiff TERRACE PACIFIC INSURANCE, LTD.

memoranda filed in connection with the Subject Motion, being duly advised of the record and file herein, and for good cause appearing therefor,

IT IS HEREBY ORDERED that Defendant STATE's Motion for Leave to File First Amended Cross-Claim and Additional Third-Party Complaint be and hereby is GRANTED.

IT IS HEREBY FURTHER ORDERED that Defendant STATE shall file its First Amended Cross-Claim and Additional Third-Party Complaint within five business days after the order granting the Subject Motion is filed.

DATED: Honolulu, Hawaii, _____.


JUDGE OF THE ABOVE-ENTITLED COURT

APPROVED AS TO FORM:

RANDALL K. SCHMITT
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ARTHUR H. KUWAHARA
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WESLEY R. SEGAWA & ASSOCIATES, INC.

Helix Electric, Inc. vs. DCK Pacific Construction, LLC, et al.; Civil No. 16-1-1090-06 (GWBC); Order Granting Defendant State of Hawaii, Department of Transportation's Motion for Leave to File First Amended Cross-Claim and Additional Third-Party Complaint Filed on 08/30/2017.