



DEPARTMENT OF THE ATTORNEY GENERAL

DAVID Y. IGE
GOVERNOR

DOUGLAS S. CHIN
ATTORNEY GENERAL

For Immediate Release
July 20, 2017

News Release 2017-94

CIBER LAWSUIT TO REMAIN IN HAWAII

HONOLULU – A federal bankruptcy court ordered yesterday that *Ciber, Inc. v. Hawaii* will be heard in Hawaii state court, despite mainland-based Ciber’s attempts to move Hawaii’s claims to Delaware. The case began in September 2015 when Ciber sued the Hawaii Department of Transportation (HDOT) regarding a project to implement new software for the HDOT’s Highway Division. Hawaii counterclaimed, alleging that the consulting firm defrauded the State, staffed the project with incompetent consultants, and engaged in other misconduct on the project. Hawaii alleged that Ciber pulled a “bait and switch” by misrepresenting its capabilities to win a contract with HDOT, and that the fraud continued once Ciber had the contract.

First Deputy Attorney General Russell Suzuki said, “Keeping the case in Hawaii is a victory for the state and for common sense. The witnesses are here and the fraud occurred here. Litigating in Delaware would have been illogical and only served to disadvantage the State.”

This is the latest court loss for Ciber. In February 2016, the state circuit court rejected Ciber’s attempts to dismiss many of HDOT’s claims. If Ciber had succeeded in its attempts to transfer the case to Delaware, Hawaii would have been forced to litigate in court thousands of miles away at great expense. With yesterday’s order, while Ciber’s bankruptcy will remain in federal court, Hawaii’s underlying fraud claims against Ciber will be tried in Hawaii state circuit court.

A copy of the order is attached.

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For more information, contact:

Joshua A. Wisch

Special Assistant to the Attorney General

Phone: (808) 586-1284

Email: Joshua.A.Wisch@hawaii.gov

Web: <http://ag.hawaii.gov>

Twitter: @ATGHlgov

Date Signed:
July 19, 2017



SO ORDERED.

A handwritten signature in black ink, appearing to read "R. Faris", written over a horizontal line.

Robert J. Faris
United States Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF HAWAII

IN RE:

CIBER, INC., *et al.*

CIBER, INC., a Delaware Corporation,

Plaintiff,

v.

STATE OF HAWAII, DEPARTMENT OF
TRANSPORTATION; JOHN DOES 1-10; JANE
DOES 1-10; DOE CORPORATIONS 1-10; and
DOE ENTITIES 1-10,

Defendants.

Bankruptcy Case No. 17-10772 (BLS)
(United States Bankruptcy Court for the
District of Delaware)

Adv. Proc. No. 17-90010 (RJF)

RJF

~~PROPOSED~~ ORDER GRANTING
STATE OF HAWAII, DEPARTMENT
OF TRANSPORTATION'S MOTION
FOR AN ORDER REMANDING THIS
ACTION TO STATE COURT, AND
DENYING CIBER, INC.'S MOTION
TO TRANSFER

Removed from the Circuit Court for the
First Circuit of the State of Hawaii Case
No. 15-1-1881-09

Hearing: July 14, 2017 at 10:00 a.m.

Related Docket Nos.: 6, 24, 27, 33,
34 & 35

~~PROPOSED~~ ORDER

RJF

Upon (i) Defendant and Counterclaimant State of Hawaii, Department Of
Transportation's ("DOT") Motion for an Order Remanding this Action to State Court or
Abstaining from Asserting Jurisdiction [Dkt. No. 24] (the "Remand Motion"), and (ii) Ciber

Inc.'s ("Ciber") Motion to Transfer [Dkt. No. 6] (the "Transfer Motion"); and the Court having reviewed and considered the papers on both motions submitted by the parties and the arguments of counsel at the hearing held on July 14, 2017 (the "Hearing"); and proper and adequate notice of the motions and the hearing having been given and no further notice being necessary; and the Court having determined that the relief granted herein is appropriate under the circumstances; and good and sufficient cause having been shown; for the reasons stated on the record at the Hearing, pursuant to Rule 7052 of the Federal Rules of Bankruptcy Procedure, it is hereby:

ORDERED that DOT's Remand Motion is **GRANTED**, and this case is hereby remanded to the Circuit Court of the First Circuit of the State of Hawai'i; and it is further

ORDERED that Ciber's Transfer Motion is **DENIED**.

DATED: Honolulu, Hawai'i

END OF ORDER

Submitted by:
JASON S. TAKENOUCI (admitted *pro hac vice*)
KASOWITZ BENSON TORRES LLP
101 California Street, Suite 2300
San Francisco, California 94111
Telephone: (415) 421-6140
Facsimile: (415) 398-5030
jtakenouchi@kasowitz.com

Attorney for Defendant and Counterclaimant State of Hawai'i, Department of Transportation