

DEPARTMENT OF THE ATTORNEY GENERAL KA 'OIHANA O KA LOIO KUHINA

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STATE OF HAWAI'I PREVAILS ON APPEAL IN MULTIMILLION DOLLAR LAWSUIT CONCERNING PORTLOCK ACCRETED LAND

FOR IMMEDIATE RELEASE

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HONOLULU – The State of Hawai'i, as represented by the Department of the Attorney General, has prevailed in an inverse-condemnation lawsuit brought by beachfront landowners in the Portlock neighborhood of Hawai'i Kai who sought millions of dollars in compensation and unsuccessfully sought to certify a class action for monetary damages. The lawsuit concerned accreted land, which is new land formed on the shoreline as the result of natural processes.

The plaintiffs purchased three narrow parcels of beachfront land for \$3,000 total in 2005, and two weeks later, sued the state, alleging that Act 73 of 2003 had, in 2003, reclassified land accreted to those parcels as public lands. Act 73 of 2003 was later repealed by the Legislature in 2012.

During the pretrial proceedings, the trial court denied a motion to certify a statewide class action for monetary damages, which could have exposed the state to hundreds of millions of dollars in potential liability.

The plaintiffs sought an award that could have exceeded \$6 million for themselves, but following the trial, the circuit court awarded the plaintiffs \$0 and entered judgment in favor of the state.

In a published opinion today authored by Associate Judge Keith K. Hiraoka, the Hawai'i Intermediate Court of Appeals unanimously affirmed the judgment and the denial of class certification for damages.

"The plaintiffs in this case bought these strips of land for \$3,000. Even though the plaintiffs stipulated that the state never interfered with their use of these lots, they sought millions of dollars from the taxpayers of Hawai'i. The decision of the Intermediate Court of Appeals agreeing that plaintiffs should be awarded nothing is welcomed," said Dave Day, Special Assistant to the Attorney General, a former Deputy Solicitor General who led the defense of the state on appeal. "The Department of the Attorney General will vigorously defend against lawsuits that seek to obtain financial windfalls at the expense of taxpayers."

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The case is *Maunalua Bay Beach Ohana 28 v. State of Hawai'i*, CAAP-19-0000776. A copy of the Intermediate Court of Appeal's published opinion can be found <u>here</u>.

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