

HonFed abandons court bid to seal suit documents

Honolulu Federal Savings and Loan Association yesterday withdrew its request that a court seal all documents in a lawsuit filed against it, but asked a federal judge to block public access to some business records in the suit.

Federal District Judge Harold Fong delayed ruling on that request until he decides whether to send the lawsuit back to state court where it began.

The suit was filed in January by David Lacy, a former HonFed executive who alleged that the institution hired him in 1985 without disclosing the true nature of its financial condition. Lacy also alleged that he was "constructively discharged" by HonFed and that his career prospects were damaged

as a result.

Lacy filed the suit in state court, but HonFed asked that it be moved to federal court, arguing that since the savings and loan is federally regulated, the suit belonged in federal court.

Fong said he would issue a written ruling on the matter later.

HonFed attorney Jared Jossem and William Swope, attorney for HonFed President Kenneth Fujinaka, said yesterday that they had withdrawn a motion to seal virtually all the records in the case. Instead, they will ask the court only to bar public access to certain "confidential" business records necessary for the day-to-day operation of the business, they said.