

INTERMEDIATE COURT OF APPEALS OF THE STATE OF HAWAI‘I

Lewis v. Hawaiian Homes Commission

Lewis · No. CAAP-XX-XXXXXXX · Decided December 15, 2025

SUMMARY

The Hawai‘i Intermediate Court of Appeals affirmed the circuit court's judgment upholding the Hawaiian Homes Commission's cancellation of Heidi Lewis's interest in a Hawaiian homestead lease. The court held that the Department of Hawaiian Home Lands met the preponderance-of-the-evidence standard by showing Lewis knowingly permitted gambling activity on the homestead and that the agency and circuit court did not clearly err in considering partially redacted police reports.

CASE DETAILS

COURT	Intermediate Court of Appeals of the State of Hawai‘i
WRITING FOR THE COURT	Karen T. Nakasone, Chief Judge; Keith K. Hiraoka, Associate Judge; Sonja M.P. McCullen, Associate Judge
JURISDICTION	Intermediate Court of Appeals of the State of Hawai‘i
DECIDED	December 15, 2025
DOCKET	CAAP-XX-XXXXXXX
DISPOSITION	affirmed
PROCEDURAL POSTURE	Secondary appeal from the circuit court's affirmance of the Hawaiian Homes Commission's decision canceling Lewis's interest in a Hawaiian homestead lease and denying reconsideration.
STANDARD OF REVIEW	On judicial review of the agency appeal, the court is confined to the administrative record and reviews the agency's findings of fact for clear error. The court reviews the applicable burden of proof and legal standards de novo to the extent necessary to resolve the appeal.
PRECEDENTIAL VALUE	unpublished and nonprecedential
PARTIES	Heidi Lewis v. Hawaiian Homes Commission, Department of Hawaiian Home Lands, Caprice Ayau

TOPICS

- agency adjudication
- judicial review of agency action
- administrative law
- gambling
- evidence

PRACTICE AREAS

administrative law

appellate procedure

real estate

gambling

evidence

QUESTIONS PRESENTED

1. Whether the Commission and circuit court properly applied the preponderance-of-the-evidence standard rather than a clear-and-convincing-evidence standard in determining whether Lewis violated the lease through alleged quasi-criminal gambling conduct.
2. Whether the Commission and circuit court improperly relied on partially redacted police incident reports in finding that Lewis violated the lease.
3. Whether the Commission was authorized under section 210 of the Hawaiian Homes Commission Act to cancel Lewis's lease interest after finding a lease-condition violation.

HOLDINGS

1. The Commission properly applied the preponderance-of-the-evidence standard. Under HRS § 91-10(5), the Department bore the burdens of production and persuasion by a preponderance of the evidence, and no heightened clear-and-convincing standard applied.
2. The Commission was entitled to cancel Lewis's lease interest because her testimony established by a preponderance of the evidence that she knowingly advanced illegal gambling activity on the homestead, violating both HRS § 712-1222 and the lease's requirement that she comply with applicable laws.
3. The Commission and circuit court did not clearly err by considering partially redacted police incident reports because the reports were not shown to be irrelevant or unreliable and Lewis's own testimony independently supported the finding that she knowingly advanced gambling activity.

KEY QUOTATIONS

“A party proves something under the preponderance of evidence standard when the existence of the contested fact is more probable than its nonexistence.” (at 8)

“The review shall be conducted by the appropriate court without a jury and shall be confined to the record” (at 10)

FACTUAL BACKGROUND

Lewis and her sister held a Hawaiian Homes Commission residence lot lease as tenants in common, although Lewis alone occupied the homestead. The Department received complaints that Lewis was operating an illegal game room, and a police incident report identified the property as a game room and depicted gaming machines. Lewis testified that she controlled access to the homestead, knew gaming operations were occurring there, and permitted them to continue until she received the Department's violation notice. After a contested case hearing, the Commission found that Lewis knowingly advanced or profited from gambling activity, canceled her lease interest, and preserved her sister's interest.

PROCEDURAL HISTORY

The Hawaiian Homes Commission conducted a contested case hearing concerning cancellation of Lewis's homestead lease after allegations that she permitted illegal gambling activity on the property. The Commission found by a preponderance of the evidence that Lewis violated the lease and applicable gambling law, canceled her lease interest, and preserved her sister's interest. The circuit court affirmed the Commission's findings, conclusions, order, and denial of reconsideration. The Intermediate Court of Appeals affirmed the circuit court and its final judgment.

DISPOSITION

affirmed

CASES CITED

- Mauna Kea Power Co. v. Bd. of Land & Nat. Res., 76 Hawai'i 259, 262 n.2, 874 P.2d 1084, 1087 n.2 (1994)
- Borrson v. Weeks, 155 Hawai'i 490, 496, 567 P.3d 195, 201 (2025)
- DW Aina Le'a Dev., LLC v. Bridge Aina Le'a, LLC, 134 Hawai'i 187, 216, 339 P.3d 685, 714 (2014)
- In re Morrissey, 349 F.3d 1187, 1189 (9th Cir. 2003)
- Hussey v. Say, 139 Hawai'i 181, 191, 384 P.3d 1282, 1292 (2016)