

Defendants in South Shore transit case gain ground

By Kathryn Reed

RENO – A federal judge on Monday dismissed the majority of the 16 complaints filed by MV Transportation against STATA, its board members and the organizations the individuals represent.

The Fairfield-based transit agency that once ran BlueGo, the bus system on the South Shore, sued the nonprofit South Tahoe Area Transit Authority last year on a number of issues. STATA then filed for bankruptcy and has since disbanded.



BlueGo buses keep rolling despite a federal lawsuit involving a former operator.

Photo/Kathryn Reed

The proceedings March 14 were in U.S. Bankruptcy Court in Reno because STATA was a Nevada entity.

Judge Gregg Zive throughout the nearly 3½-hour proceeding told the two attorneys representing MV that they had much to still

prove and that he wasn't convinced of most of their allegations.

"To me this looks like straight action with only one defendant – STATA. It's a contract action and you want to liquidate the claim," Zive said.

MV contends it is owed \$2 million from STATA. There is nearly \$700,000 sitting in an account being overseen by the Douglas County Sheriff's Office because MV was able to get a different judge to freeze the account. Zive ordered it put in the registry of the court so DCSO would no longer be part of the proceedings.

"The cause of action against STATA primarily remains. That was our argument all along. This is between MV and STATA," South Lake Tahoe City Attorney Patrick Enright told *Lake Tahoe News* outside of court. "I would call it significant progress for the city. It significantly narrows the scope of the issues. I think MV will struggle to put together a complaint to meet the federal standards."

The judge dismissed the breach of contract issue as it relates to the public entities, but is allowing MV to argue the point again in regards to the private companies.

All of the entities involved in the case were part of the hearing except for Douglas County, which was supposed to have its own court appearance in April. However, the judge decided to wrap the county into future proceedings.

Douglas County's attorney after the session was adjourned told Jessica Woelfel and Dale Campbell, MV's attorneys, his client never signed the operating agreement that other STATA members agreed to years ago so there would no basis to continue with their charges against Douglas County.

Several of the complaints by MV relate to the operating agreement.

Woelfel said an official quote was not possible without first speaking to her client.

About a dozen attorneys were in court representing the various defendants. Not all parties are named in each complaint. El Dorado County settled after mediation hearings in the fall.

The defendants are:

- STATA
- Tahoe Regional Planning Agency
- Douglas County
- South Lake Tahoe
- Heavenly Mountain Resort
- Tropicana Entertainment
- Harrah's Operating Company
- Harvey's Tahoe Management Company
- Lakeside Inn
- Michelle Bertgstrom
- Jerald Higgenson
- Nancy McDermid
- Troy McGregor
- Glenn Koehler
- Stacy Dingman
- Rick Angelocci
- Kathay Lovell

- Dan Garrison
- Casey Blann
- Andrew Strain
- Matt Krystofiak
- Norma Santiago
- Bruce Grego
- Horizon Casino
- Lake Tahoe Casino Realty
- Columbia Properties Tahoe
- Anna Hastie
- Ridge Tahoe Property Owners Association
- Tahoe Transportation District.

In the 11 motions South Lake Tahoe was named in, seven were dismissed without leave – meaning they no longer exist. The remaining issues were dismissed with leave – meaning MV can try again to convince the judge.

To whatever MV files next, Enright said the defendants will “have to file an answer to the complaint or another motion to dismiss.”

Enright estimates \$20,000 has been paid to Louis Bubala to have him represent South Lake Tahoe in this case.

MV attorneys have until April 22 to file their amendments. The defendants have until May 23 to respond.