

# STATA board members dropped from transit lawsuit

By Kathryn Reed

The parties being sued by MV Transportation have until next week to file motions to dismiss.

They all intend to.

MV is suing the agencies that made up the now bankrupt South Tahoe Area Transit Authority. After a March hearing in Reno bankruptcy court much of the Fairfield company's case was dismissed, while other aspects were allowed to be amended. MV now has four cases of action against the member agencies.

Individual board members had been named in the original lawsuit. In MV's amended complaint filed May 20 that aspect of the suit has been dropped.

"In general they are rehashing the same allegations as before," South Lake Tahoe City Attorney Patrick Enright said of the amended complaint. This complaint, though, tries to say the member agencies of STATA are responsible for former transit administrator John Andoh's fiscal actions or inactions. Andoh is not named in the suit.

With STATA's main asset being the nearly \$700,000 in a court ordered frozen bank account, MV wants to recoup the nearly \$2 million it believes it is owed via the member agencies.

But the contention of STATA members is it was a legitimate nonprofit that should be held responsible and not the member agencies.

Those member agencies that are defendants in the lawsuit are now asking the bankruptcy judge to convert the matter from a Chapter 11 filing to Chapter 7.

Enright said this is so the court will liquidate the assets and pay the creditors. MV is owed the largest sum, with attorney Mike McLaughlin (STATA attorney) and TRPA (for office rent) owed significant sums. South Lake Tahoe is owed about \$30,000 by STATA for rent of the bus garage. If Chapter 7 is granted, it's likely all creditors would be paid a percentage of the assets.

The defendants have until June 23 to file the motion to dismiss. After that, the bankruptcy judge is expected to hear the latest round of arguments in August.