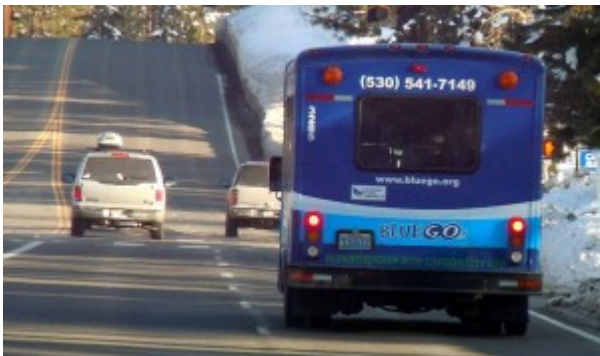


# South Shore transit case goes to mediation

By Kathryn Reed

It took the judge in the MV Transportation-STATA court case the entire day to finally tell all the parties they are going to mediation.

U.S. Bankruptcy Court Judge Gregg Zive on Jan. 17 also ruled on a slew of motions. All parties have until Feb. 19 to let Zive know who the mediator will be and when the sessions will begin.



“I’m hopeful for mediation. I think there are paths forward through that process,” Scott Lichtig, Tahoe Regional Planning Agency attorney, told *Lake Tahoe News*. “I would like to see it wrapped up in months and not years.”

TRPA is also represented by outside counsel.

South Lake Tahoe City Attorney Patrick Enright would not comment at this point on whether he believes mediation is a feasible resolution for the city.

Jessica Woelfel, who is representing MV, declined to comment for this story.

Fairfield-based MV Transportation used to run the South Shore bus system known as BlueGo. STATA – South Tahoe Area Transit Authority – was the overseer of the transit company. STATA was made up of public and private entities that had financially contributed to the bus system. STATA filed for bankruptcy; MV

in 2010 filed a complaint to be paid.

El Dorado County is the only member of STATA to settle with MV.

One of the things that has protracted this case is each defendant has legal counsel, so there are multiple filings on the same motion.

Zive's decision to send the case to mediation in part is because he recognizes the time and money that has been spent to date on the case.

However, if the parties cannot resolve their differences, litigation would be the next step.

In mediation it is likely the various parties will meet together and separately with MV and the mediator.

On Thursday the Reno judge denied:

- The motion by the private members of STATA (the casinos, Ridge Tahoe, Heavenly Mountain Resort) to dismiss the breach of contract/alter ego claim and the breach of the implied covenant of good faith and fair dealing claim.
- The motion to dismiss claim by all defendants regarding third party beneficiary, conspiracy and intentional interference with contractual relations.
- Tahoe Transportation District's motion to dismiss the successor liability claim on the basis that MV's allegation based on a fraud theory was plausible.

The only motion Zive dismissed was the negligent misrepresentation claim.

David Thompson, the federal bankruptcy trustee appointed by Zive, represents STATA – even though the agency doesn't exist because the members dissolved it. But the question of STATA's

assets is pertinent to the case, which is why it is represented in the proceedings.

The defendants also submitted a series of motions to dismiss STATA's cross claims. Zive denied all but the fraudulent transfer claims against the defendants except for TTD.