

MV Transportation to receive nearly \$1.5 mil.

By Kathryn Reed

When all the settlement payments are made MV Transportation will get \$1,475,965.89.

The Fairfield-based transportation company sought \$3 million when it filed a lawsuit against the now defunct South Tahoe Area Transit Authority. The company contended it was owed \$2 million for services rendered and another \$1 million in lost revenue.

MV ran the South Shore bus service BlueGo starting in summer 2009. (Tahoe Transportation District has since taken over the operation of the bus service.) STATA severed the three-year contract after the first year. MV sued. STATA filed for bankruptcy. Settlements were officially reached in November.

The largest check is being written by Feldman McLaughlin Thiel LLP – for \$650,000. Mike McLaughlin, when the firm was Feldman Shaw, was the attorney for STATA before it filed for bankruptcy.

Neither McLaughlin nor Feldman would talk to *Lake Tahoe News* about the settlement because the details of the firm's negligent legal advice are under a federal seal.

The directors' insurance settlement is \$450,000. The suit against the individual board members of STATA was dropped. But collectively, because of their decisions to keep running the bus system without the funds to do so, the group is being held responsible. The STATA board never reduced service, racked up bills and ended up bankrupt. MV at the time was calling for a reduction in service.

The following are the settlement payments, according to court documents, that have been made to MV:

- MontBleu – \$48,500
- The Ridge – \$40,000
- Douglas County – \$100,000
- Tahoe Regional Planning Agency – \$25,000
- Lakeside Inn – \$16,652
- South Lake Tahoe – \$57,500
- Harrah's-Harveys – \$100,000
- Horizon – \$21,500
- Tahoe Transportation District – \$36,771.75
- Board of directors – \$50,000.

This totals \$495,923.75.

Others creditors besides MV will be receiving some money, too.