

MEMORANDUM

Date: June 24, 2013

To: TRPA Governing Board

From: General Counsel, John Marshall; Associate General Counsel Scott Lichtig

Subject: Approval of Proposed Settlement Agreement in *MV Transportation, Inc. v. South Tahoe Area Transit Authority (STATA), et al.* [United States Bankruptcy Court for the District of Nevada, Case No. BK-N-10-53666-GWZ]

Requested Action: Tahoe Regional Planning Agency (TRPA) Governing Board approval of the proposed terms of a settlement agreement in the above referenced litigation.

Staff Recommendation: Staff recommends that the Governing Board accept the terms of the proposed settlement agreement.

Required Motion: In order to approve the proposed settlement terms, the Board must make the following motion, based on this staff summary and the evidence in the record:

A motion to approve the terms of the settlement agreement as set forth in this memorandum.

In order for the motion to pass, an affirmative vote of any 8 members of the Board is required.

Terms of Settlement: On May 20 & 21, 2013, TRPA participated in a settlement conference attended by all parties in the above referenced matter. TRPA's Governing Board had previously authorized Offers of Judgment totaling \$20,000 to ultimately settle this litigation. While no settlement was reached at the conference between MV Transportation, the STATA Liquidating Agent and TRPA, subsequent settlement discussions were fruitful, and a settlement in principle has been reached to ultimately resolve all parties' claims against the Agency. The terms of the proposed settlement are as follows:

1. The Liquidating Agent will remit \$34,396.36 to TRPA. This amount is due to TRPA pursuant to the Second Amended Chapter 11 Plan (Order entered November 14, 2012), which requires that the STATA Liquidating Agent distribute 25% of the claims made against STATA by Class 3 creditors. TRPA has an outstanding trade debt claim against STATA totaling \$137, 585.46, and, as a Class 3 creditor, is entitled to \$34,396.36.
2. TRPA will relinquish any rights to the remaining unguaranteed trade debt claim against STATA (\$103,189.10).
3. TRPA will remit \$50,000 jointly to MV Transportation and the STATA Liquidating Agent. The difference between the \$50,000 payment from TRPA and the \$34,396.36 distribution to TRPA is \$15,603.64.
4. MV Transportation and the STATA Liquidating Agent will release all claims against TRPA, and the parties will request that the Court issue an Order establishing that the settlement is in good faith pursuant to the applicable Nevada and California laws, thereby barring any further claims against TRPA.

If you have any questions, please contact General Counsel John Marshall at jmarshall@trpa.org or Associate General Counsel Scott Lichtig at slichtig@trpa.org.