

The Huntsville Item, Huntsville, TX

October 2, 2010

Chamber trial begins next week

By *Matthew Jackson*
Staff Reporter

HUNTSVILLE — A motion for continuance filed by attorneys for the Huntsville-Walker County Chamber of Commerce was denied by 278th Judicial District Judge Kenneth H. Keeling on Friday, setting the stage for a trial begin next week in the City of Huntsville's lawsuit against the Chamber.

Keeling also entertained a motion from City Attorney Leonard Schneider and attorney Bennie D. Rush to sever defendants Todd Armstrong and Stephen Everett, both former Chamber board chairmen, from the trial in an effort to streamline the proceedings.

If Keeling approved the motion, both Armstrong and Everett will be considered separate defendants, though former Chamber CEO Dee Everett would still be attached to the civil case.

Chamber attorneys Levi McCathern and Jeff Wright voiced their objection to the motion, but Keeling did not immediately rule.

During the pre-trial conference proceedings at the Walker County Courthouse Friday, Keeling repeatedly expressed his desire to bring the case to some conclusion, even if that should mean moving proceedings to another county in the 278th Judicial District.

"I am resolved to get this controversy over with," he said. "We're going to pick a jury at nine o'clock Monday morning, and if we can't get a jury here, we're going to one of the other counties in this district. It's been a year now. I'm not rushing anybody to trial here."

The city filed suit against the Chamber for misapplied hotel occupancy tax (HOT) funds in September of last year. The initial result of a three year financial analysis done by accountant Teri Wylie of Alvarez and Marsal Dispute Analysis and Forensic Services reported \$174,000 in misapplied HOT funds, but a subsequent analysis of 10 years of chamber documents raised the number to approximately \$756,000. A judgment in favor of the city, including attorney fees, could be in seven figures.

A counterclaim filed by the chamber against the city alleging breach of contract was severed by Keeling last month. Barring a settlement or other action, the trial will begin with jury selection at the Walker County Courthouse Monday at 9 a.m.