

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, LAW DIVISION

10813391

TOWNSHIP TRUSTEES OF SCHOOLS)	
TOWNSHIP 38 NORTH, RANGE 12 EAST,)	
)	No. 13 CH 23386
Plaintiff and Counter-Defendant,)	
)	
v.)	Hon. Jerry A. Esrig
)	
LYONS TOWNSHIP H.S. DISTRICT 204,)	Commercial Calendar S
)	
Defendant and Counter-Plaintiff.)	(Transferred to Law)

LT'S WITNESS LIST

LT will call the following witnesses at trial:

A. LT WITNESSES

A1. Todd Shapiro

Todd Shapiro served on LT's Board of Education from 1995-2007 and 2009-15. He will testify about LT's relationship with the TTO, the TTO's payment for the audits of LT and other districts, LT's performance of its own business services, LT's negotiations and agreement with the TTO on the payment of LT's business costs and the setoff against the pro rata invoice charges, the Finance Committee considerations and Board actions of LT on the agreement, the continuation and reaffirmation of the agreement in subsequent years, the TTO's payment of investment earnings to LT, the information that the TTO provided to LT about investment earnings, and his communications with the TTO.

A2. Dr. Lisa Beckwith

Dr. Lisa Beckwith was LT's Business Manager from 1996-2000. She will testify about LT's relationship with the TTO, the TTO's payment for the audits of LT and other districts, LT's reasons for using the auditor that the TTO selected, LT's performance of its own business services and the reasons it did not use the TTO's services, her negotiations with the TTO in 1999-2000 concerning the inequity of LT being charged for services of the TTO that LT did not use, the memo she prepared that contained the proposal of LT, the agreement that LT reached with the TTO on the payment for of the costs of LT's business services and the setoff against the pro rata invoice charges, the Board actions of LT and the TTO on the agreement, the TTO's payment of investment earnings to LT, the information that the TTO provided to LT about investment earnings, and her communications with the TTO.

A3. Harold Huang [evidence deposition]

Harold Huang was LT's Business Manager from 2000-03. He will testify about the matters covered in his evidence deposition.

A4. David Sellers

David Sellers was LT's Business Manager from 2003-14. He will testify about LT's relationship with the TTO, the TTO's payment for the audits of LT and other districts, the TTO's termination of this arrangement, LT's performance of its own business services, LT's negotiations and agreement with the TTO on the payment of LT's business costs and the setoff against the pro rata invoice charges, the continuation and reaffirmation of the agreement on the TTO's payment of LT's business costs, the TTO's eventual termination of the agreement when a new group came in to run the TTO, the TTO's payment of investment earnings to LT, the information that the TTO provided to LT about investment earnings, and his communications with the TTO.

A5. Dr. Dennis Kelly

Dr. Dennis Kelly was LT's Superintendent from 1992-2009. He will testify about LT's relationship with the TTO, the TTO's payment for the audits of LT and other districts, LT's performance of its own business services, LT's negotiations and agreement with the TTO on the payment of LT's business costs and the setoff against the pro rata invoice charges, the Board actions of LT on the agreement, the continuation and reaffirmation of the agreement in subsequent years, the TTO's payment of investment earnings to LT, and his communications with the TTO.

A6. Dr. Timothy Kilrea

Dr. Timothy Kilrea has been LT's Superintendent from 2009 to the present. He will testify about LT's relationship with the TTO, the TTO's payment for the audits of LT and other districts, the impact of the TTO's selection and payment of LT's auditor for the relevant time period, the TTO's termination of that arrangement, LT's performance of its own business services, the continuation and reaffirmation of the agreement on the payment of LT's business costs, the TTO's eventual termination of the agreement when a new group came in to run the TTO, his communications with the TTO, Healy's thefts of the school districts' funds, the insurance claims that the TTO filed on fidelity bonds for the Treasurer, the insurance proceeds that the TTO received on those claims, the failure of the TTO to distribute any of those proceeds to the districts, the justifications for LT's partial payment of the FY2013 pro rata invoice of the TTO, LT's requests for information from the TTO, the lack of an intergovernmental agreement for the TTO's use of the districts' funds to collateralize a loan made to West 40, the TTO's demands for payments from LT leading up the filing of this case, LT's nonpayment of certain pro rata expense charges of the TTO from FY2013 to FY 2019, the TTO's failure to credit LT with its full investment earnings, the TTO's attempt to charge LT for a share of the TTO's attorneys' fees and expenses in the LT-TTO litigation, the excessive and improper nature of the TTO's legal fees and

certain other expenses the TTO is attempting to charge to LT as pro rata expenses, the TTO's misuse of LT's funds as collateral in the West 40 loan deal, the TTO's deficit spending, TTO's threats to take money from LT's account, the TTO's payment of investment earnings to LT, the information that the TTO provided to LT about investment earnings, and LT's factual reasons for seeking the relief requested in LT's Counterclaim.

A7. Kathy Moran

Kathy Moran has worked in LT's business office from 2004 to the present and is LT's Purchasing and Accounting Manager. She will testify about her dealings with the TTO personnel, LT's lack of knowledge of Healy's thefts, her calculations of investment earnings that the TTO did not credit to LT, the TTO's claimed deficit, the manner in which LT authorizes the TTO to disburse money from LT's agency account, her reconciliation of LT's records to the TTO's records, the compilation of the TTO legal fees into a spreadsheet, and non-agreement between the TTO's and LT's accounting for LT's agency account.

B. TTO WITNESSES

B1. Judge Russell Hartigan, Ret.

Judge Russell Hartigan served on the TTO's Board of Trustees from 1996-2004. He will testify about the TTO Trustees' knowledge and approval of the TTO paying for the audits of LT and the other districts, the Trustee's knowledge and approval of Robert Healy's negotiations with LT on the payment of LT's business costs, the Board action of the TTO to approve the agreement of the TTO to pay LT's business costs, the continuation and reaffirmation of the agreement on the payment of LT's business costs in subsequent years, his communications with Healy, the Trustees' responsibility to review and approve the records and expenses of the Treasurer, the actions the Trustees took to meet those responsibilities and approve those records and expenses, and the payment of investment earnings to LT.

B2. Robert Healy

Robert Healy was the TTO's Treasurer from 1988-2012. He will testify about his and the TTO Trustees' knowledge and approval of the TTO paying for the audits of LT and the other districts, his and the Trustee's knowledge and approval of Robert Healy's negotiations with LT on the payment of LT's business costs, the Board action of the TTO to approve the agreement of the TTO to pay LT's business costs and set them off against the pro rata invoice charges, the continuation and reaffirmation of the agreement on the payment of LT's business costs in subsequent years, his communications with the Trustees and LT, the Trustees' responsibility to review and approve the records and expenses of the Treasurer, the actions the Trustees took to meet those responsibilities, his departure from the TTO, the fidelity bonds covering his actions, the obligation of the TTO to credit LT for investment earnings, the current TTO's claim of improper invoicing of TTO expenses to the districts, the TTO's use of intergovernmental agreements, the TTO's credits of

investment earnings to LT and records of those credits, and the information that the TTO provided to LT about investment earnings.

B3. Michael Thiessen

Michael Thiessen has served on the TTO's Board of Trustees from 2012 to the present. He will testify about the TTO's knowledge of and investigation into the TTO's payment for the audits of LT and the other districts, the TTO's decision to terminate that arrangement, the TTO's knowledge of and investigation into the agreement on the payment of LT's business costs, the TTO's decision to terminate that arrangement, the TTO's pursuit of litigation against Healy and LT and the costs incurred in connection with those cases, Healy's thefts of the school districts' funds, the TTO's credits of investment earnings to LT, the insurance claims that the TTO filed on fidelity bonds for the Treasurer, the insurance proceeds that the TTO received on those claims, the failure of the TTO to distribute any of those funds to the districts, the justifications that the TTO provided for this, the disputes over the charges in the TTO's pro rata expense invoices to LT, the TTO's improper invoicing of expenses to the districts, the TTO's use of intergovernmental agreements, the lack of an intergovernmental agreement for the TTO's use of the districts' funds to collateralize a loan made to West 40, the TTO's misuse of LT's funds as collateral for the West 40 loan deal, the TTO's charging of expenses to the districts, the TTO's attempt to force LT to pay a share of the TTO's legal costs in this case, the TTO's threats to take money unilaterally from LT, the TTO's claimed deficit, the TTO not crediting the districts with their full investment earnings, the TTO retaining earnings that belong to the districts, and the TTO's revenue sources.

B4. Kenneth Getty

Kenneth Getty has been the Treasurer of the TTO from 2018 to the present. He will testify about the disputes over the charges in the TTO's pro rata expense invoices to LT, the TTO's improper invoicing of expenses to the districts, the TTO's use of intergovernmental agreements, the lack of an intergovernmental agreement for the TTO's use of the districts' funds to collateralize a loan made to West 40, the TTO's misuse of LT's funds as collateral for the West 40 loan deal, the TTO's charging of expenses to the districts, the TTO's attempt to force LT to pay a share of the TTO's legal costs in this case, the TTO's claimed deficit, the TTO not crediting the districts with their full investment earnings, the TTO retaining earnings that belong to the districts, and the TTO's revenue sources.

C. EXPERT WITNESS

C1. Martin Terpstra

Martin Terpstra is LT's accounting expert. LT provided the TTO with Rule 213 expert witness disclosures and a detailed written report that he prepared concerning the TTO's investment earnings claim, the TTO's analysis of that claim, and the positions of the TTO's accounting expert James Martin. The TTO took the deposition of Terpstra in this case. He

will testify at trial consistent with the facts and opinions disclosed in LT's Rule 213 expert witness disclosures, his expert report, and his deposition testimony.

D. THIRD-PARTY WITNESS

D1. Dr. Elise Grimes [evidence deposition]

Dr. Elise Grimes was the Superintendent of School District 106, one of the other districts in the TTO, from 1983 to 2002. She will testify about the matters covered in her evidence deposition.

LT reserves its right to call any witness listed on the TTO's witness list and to call rebuttal witnesses.

Respectfully submitted,

LYONS TOWNSHIP HIGH SCHOOL
DISTRICT 204

By s/Jay R. Hoffman
Its Attorney

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CERTIFICATE OF SERVICE

Jay R. Hoffman, an attorney, certifies that on October 16, 2020, he caused the foregoing pleading to be served by email and eService on the following attorneys:

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s/Jay R. Hoffman