

History of the Advanced Transit Association (ATRA) Year by Year

by J. Edward Anderson, first ATRA President.

2004 – The Twenty-Ninth Year.

The Annual Meeting to order at 8:00 pm on January 11, 2004 at the Washington Hilton by ATRA Secretary Jeral Poskey. He led the approval of the minutes of the 2003 Annual Meeting.

The following Reports were then given:

- a) President's Report by Catie Burke, President
- b) Treasurer's Report by Larry Fabian, Treasurer
- c) PRT Update Committee Report by Bob Dunning, PRT Update Committee Chair
- d) Education Committee Report by Ian Ford

Elections were held at 8:50 pm

- a) Jerry Kieffer, Nominating Committee Chair announced the Election Results for Board Members, President, Vice President, Treasure.
- b) Jerry Kieffer also announced the results of the election of the Board Chair and Secretary,

Unfinished Business (9:00)

- a) By-laws changes regarding membership (Jeral Poskey)
- b) ATRA/Cities21 Full Scale PRT Model Project (Steve Raney)
- c) ATRA/APA-TPD Airfront Workshop (Larry Fabian)
- d) State of the Art Report update (Bob Dunning)

New Business (9:15)

- a) Newsletter agreement review and renewal
- b) Summer meeting on West Coast
- c) Consideration of Education Committee recommendations
- d) Speaker's fund
- e) Special Recognition

Open Discussion (9:40)

- a) Short presentations of Members' Current Projects (Volunteers)

Meeting was Adjourned at 10:00

My work on PRT during 2004.

In the early months of 2004, we were busy with many matters including several presentations to engineering societies and many meetings with State Legislators, some of whom were working on a bill to provide funds for our full-scale test system. Minneapolis City Councilman

Dean Zimmerman developed his own presentation on a PRT plan he developed to take people from Lake Street to downtown Minneapolis and between Hennepin and Hiawatha Avenues. He invited us to a meeting with City Council people on March 26th for the purpose of educating them on PRT and its benefits. I recall very clearly that a short man in a black suit from the Minneapolis Mayor's Office, who attended, remarked very sternly that he was on a committee planning a "light rail" system between Minneapolis and St. Paul, and that too often someone brought up PRT, following which nothing was done. He clearly wished that the idea of PRT would go away.

Tony Potami, Assistants Vice President for Technology Transfer, whom I have mentioned many times in previous chapters, was living in Florida and was suffering from cancer. The previous June he had told me that he wanted to set up some meetings at a retirement village near Fort Myers. But his cancer got worse and he died in early June 2004. I attended his funeral on June 8th. Tony had been the prime mover at the University who got me a \$100,000 patent-development grant in June 1982, and he supported our work in every way he could for many years. He was only in his 50's when he died. His loss was tragic.

The most significant action that spring was the belief that we need a CEO with high-level business experience, with which I agreed completely. Wendell Maddox knew former Governor Arnie Carlson, called and asked him. He did not want to take on anything new but suggested his former Chief of Staff Morrie Anderson, who said that he would like to find out what this was all about. Wendell and I had lunch with him at the Calhoun Hotel on July 20th and I met him alone again Saturday morning July 24th at a restaurant in Forest Lake, which was south of his home in Lindstrom. Morrie's career had been in government service, leading to a term as Governor Carlson's Chief of Staff and then President of the Minnesota State College System. The fact that this experience was not in any business like ours didn't seem to bother us. He was a high-level guy and we appreciated that. I strongly endorsed his candidacy for our CEO and wrote a memo to the Board to that effect.

In August, our Board of Directors elected Morrie Anderson our CEO, and in mid-September he came to work at our Fridley office. The first instant I saw him then I sensed that something was wrong. I suspected that as the former CEO he didn't want me interfering with him. I cooperated as much as I could, but the feeling deepened. The company received an invitation to give a presentation at a meeting in Houston, set up by high officials there. They didn't want surface-level conventional rail, commonly by then called "light" rail, and wanted to consider new solutions. I was the logical person to give such a presentation, but Morrie asked another staff member to go. As a result, there was no follow up. That was his call, but it seemed that someone had substantially downgraded my role in developing the Taxi 2000 PRT system. Then we received an email from an engineering consultant working in Dubai, where they were interested in our PRT system. We now had travel money as well as sufficient funds to develop a first-class presentation. Morrie had that done without my involvement at all and took Jeral Poskey and Mike Lester with him to Dubai. The result was that the company received a \$1,800,000 contract.

By mid-October, I was sufficiently exasperated that I took a day off and rode with my son Stan up to a Polaris plant on the Canadian border. While I was gone the Board of Directors met. Wendell and Chuck told me that at that meeting Sarah fumed that I had been responsible for her

father's death, that I had gotten rid of the first two Taxi 2000 CEOs, etc., etc. Where she got this information, I at that time had no idea. It was clear that I had made a huge mistake nominating her for the Board. She got the Board to agree to change the keys to the office so that I could not get in. On the evening of November 3rd, at a time that I did not know this, I met with Representative Mark Olson and a wealthy colleague at the next-door MacDonald's, following which I agreed to show the wealthy colleague our automatically controlled vehicle. We walked to the office, tried my key, and at that moment I found that the lock had been changed. I protested strongly enough that I was given a new key. From then on, I saw no future for me with the company and told Wendell and Chuck that I was thinking of resigning. They urged me not to do so. According to the ByLaws our one recourse was to call a Stockholders Meeting to elect the three of us as Directors. We prepared for such a meeting. It was held on January 12, 2005. The other side lobbied shareholders heavily. Feeling that most of the shareholders knew me and knew that I was essential to the success of Taxi 2000, I lobbied very little. Wendell and Chuck lobbied for me. It was necessary to get a majority of the Stockholders to attend in order to hold an official meeting. Because of strong efforts by Morrie and his colleagues to keep people away, and because the University of Minnesota would not participate, the attendance was 49.1%, below a quorum, so no meeting could be called. However, if it had been called, we would have had about 65% of the vote. The ByLaws permitted the chairman, who was at that time Wendell, to call a second meeting, which we did on January 24th. This time we lost the quorum by 0.6%, as a result of which I stood up and resigned from the company. Shortly afterwards, both Wendell and Chuck resigned, and shortly thereafter we formed PRT International, LLC, as a Minnesota company.

Immediately after we formed our new company, Morrie Anderson filed a lawsuit against us to prevent us from using any Taxi 2000 intellectual property. The cause of the breakup was primarily the death of Shef Lang, which left me with responsibility for both the engineering and fund raising. The events that occurred were bizarre beyond belief. For friends and relatives who bought stock, I deeply regret having to leave them behind, but they knew the risks of investing in a start-up company.

During the confrontation Representative Bruce Anderson, who had invited me to give several presentations, learned of the conflict and wrote the following letter to the Board of Directors. Unfortunately, it had no effect.

J EDWARD ANDERSON

From: "Bruce & Dottie" <rep-anderson@charter.net>
To: "J EDWARD ANDERSON" <JEANDERSON01@msn.com>
Sent: Friday, December 03, 2004 11:58 PM
Subject: FYI will mail to you & Maddox

3 December, 2004

To: Board of Directors Taxi 2000 Corporation & whom it may concern

From: Bruce D. Anderson, State Representative HD-19A

Subject: Undivided Legislative support for CEO J. Edward Anderson, Taxi 2000

Transportation in Minnesota has long needed someone to develop an alternative to today's everyday transportation models and that person is Dr. J. Edward Anderson. Ever since 1970, when the Legislature appropriated grant dollars to support the University of MN's Task Force on New Concepts in Urban Transportation, Dr. J. Edward Anderson has been at the focal point and taken the lead in developing and promoting the system called PRT (Personal Rapid Transit). Legislation to study PRT was directed toward the MTC (Metropolitan Transit Commission) but because, in the early '70's local PRT was in early development, the Commission chose to analyze a system in West Virginia that turned out to be not acceptable.

Dr. Anderson has, from the late 1960's, been constantly pouring himself into the PRT project or Skyweb Express as it has been renamed this past session. He has been challenged not only from the project itself but also the naysayers, special interest individuals/groups, the financial burdens, ever changing technological developments plus the futuristic dynamic which seemed to have individuals/groups look sideways at PRT's capability. In spite of all this Dr. Anderson has persevered! He worked tirelessly on this project, expended himself to the point of exhaustion and in spite of those past struggles, almost single-handedly brought about a world class transit system. This particular project has the potential to revolutionize the future of transportation so newcomers to the project may want to take credit for someone else's creativity and work.

Dr. J. Edward Anderson's introduction of a totally new creation of transporting people will by itself attract many more riders than the normal modes of conventional transit. Because Mr. Anderson has invested his time, financial resources, his life's work, it is only fitting that he remain CEO, Owner and have the majority say in the everyday operation of the Taxi 2000 Corporation.

Without Mr. Anderson at the helm of this company, be sure, legislators would look closely at how such a change occurred. I encourage the board of directors to quickly and unanimously vote a vote of confidence in supporting Dr. J. Edward

12/4/2004

Anderson as the present CEO & owner of the company. If this does not happen then I see a hostile environment developing requiring drastic measures to be taken.

I hope all will go well and that the reported rumors are just that, and nothing more. Thank you for considering my support for Dr. J. Edward Anderson, the man we refer to as the modern day Thomas Edison.

Respectfully,

Bruce Anderson

State Representative HD-19A

After all was over, Dr. Charles Roth of Cincinnati called me up and told me that he had called everyone he knew was involved including Joe Lampe, who we were forced to fire in August 2002. Lampe told Roth that he had been coaching Sarah Sponheim for the previous 18 months. So, this was where she received her information, and in this way he took out his revenge by destroying the company.