

CAUSE NO. C-2645-20-J

WYATT TRUSCHEIT,  
*Plaintiff*

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IN THE \_\_\_\_\_ JUDICIAL

V.

DISTRICT COURT

IDEA PUBLIC SCHOOLS  
*Defendant*

HIDALGO COUNTY, TEXAS

**PLAINTIFF’S ORIGINAL PETITION**

TO THE HONORABLE DISTRICT COURT JUDGE:

This is a lawsuit brought by Wyatt Truscheit (“TRUSCHEIT”) against IDEA Public Schools, a Texas Non-Profit Corporation (“IDEA”) based on the following allegations of fact and law:

**1. DISCOVERY CONTROL PLAN – LEVEL TWO**

All discovery in this suit will be conducted in accordance with and governed by Rule 190.3 of the Texas Rules of Civil Procedure.

**2. PARTIES**

A. TRUSCHEIT is a natural person who resides in Hidalgo County.

B. IDEA is a Texas Non-Profit Corporation. It may be served by delivering citation, along with a certified copy of this petition, to its registered agent at the following address:

Jo Ann Gama  
REGISTERED AGENT FOR SERVICE  
IDEA PUBLIC SCHOOLS  
2115 West Pike Blvd  
Weslaco, TX 78596

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**3. VENUE**

Venue is proper in Hidalgo County because of the following:

A. All or substantially all the events and occurrences which form the basis of the alleged causes of action occurred in Hidalgo County, Texas;

B. This suit is based on a written contract which is performable in Hidalgo County, Texas; and

C. IDEA has its principal place of business in Hidalgo County, Texas.

**4. FACTS**

A. On January 27, 2000 IDEA was formed as a Texas Non-Profit Corporation “to operate a charitable school to be operated as an open enrollment charter school under the applicable provisions of the Texas Education Code.” Originally, IDEA operated just one school in Donna, Texas. However, over the next two decades, IDEA enjoyed tremendous success and, through an ambitious expansion plan, now operates 96 schools across eight regions of the United States with yearly revenue in excess of \$660 million.

B. In April of 2009, Thomas Torkelson (“Torkelson”), then the CEO of IDEA, offered TRUSCHEIT the position of CFO for IDEA. TRUSCHEIT accepted the offer and began working for IDEA as an “at will” employee. In 2012, TRUSCHEIT received a very attractive job offer from an organization in Oakland, California. Not wanting to lose him, IDEA offered TRUSCHEIT a better deal to induce him to continue working as CFO of IDEA and not take the California job.

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C. The new employment agreement was memorialized in a written contract (the “Contract”) dated November 12, 2012 signed by TRUSCHEIT and Torkelson. A true and correct copy of the Contract and the amendments thereto is attached to this petition as **Exhibit “A.”** Under the terms of the Contract, TRUSCHEIT was to perform all the duties of CFO in exchange for a yearly salary plus benefits and performance bonuses. In addition, the Contract provided that TRUSCHEIT would be paid for “*actual and incidental costs incurred by the Chief Financial Officer related to the bi-weekly commuting to/from California and/or as otherwise necessary, and the reasonable living and transportation expenses while in the Rio Grande Valley performing his duties for IDEA.*”

D. The original term of the Contract was from November 12, 2012 through June 1, 2016. By written amendments to the Contract, the term of employment was extended through December 31, 2022. The existence of the Contract between TRUSCHEIT and IDEA was disclosed annually in IDEA’s Federal Form 990 filing with the IRS as well as official bond offering statements. The Board of Directors of IDEA was aware of and approved the Contract. Bond holders relied on the existence, validity and continuation of TRUSCHEIT’s long term contract when they purchased tax exempt bonds from IDEA given the outstanding financial performance under his tenure as CFO.

E. The Contract specifically provided that, if the Contract was terminated early, “*the balance of the compensation owed hereunder will be made in a single lump-sum payment.*” This provision was included in the contract to guaranty that

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TRUSHEIT would be compensated a sum certain for his decision to remain in the Rio Grande Valley and forego other lucrative job opportunities.

F. The Contract term was also tied to the continued employment of Torkelson as CEO of IDEA. Section C.4. of the Contract specifically provided that *“[u]pon termination of the employment or removal from the position of Chief Executive Officer of Thomas Torkelson, this employment contract will be terminated and all amounts remaining hereunder will be paid to the Chief Financial Officer in a lump-sum payment.”* Again, this provision was part of TRUSCHEIT’s compensation package intended to secure and retain him as CFO of IDEA.

G. The Contract also contained a provision regarding termination of employment. Specifically, the Contract provided that *“IDEA may not dismiss the Chief Financial Officer during the term of this Contract; provided that, this Contract shall terminate upon conviction of the Chief Financial officer for any felony.”* Other than conviction for a felony, the Contract could not be terminated, Period. TRUSCHEIT has never been convicted of a felony.

H. From 2012 through 2020, TRUSCHEIT performed his duties as CFO in exemplary fashion. The success and growth of IDEA was supported by the sound fiscal policies enforced by TRUSCHEIT. IDEA, as a non-profit corporation with 501(c)(3) status was subject to strict financial scrutiny, including yearly audits. Throughout TRUSCHEIT’s tenure as CFO there was never any question that the finances of IDEA were properly accounted for and duly reported in Federal tax returns, certified audits and reports to private donors. In all respects TRUSCHEIT’s

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work for IDEA met or exceeded the standards established by the CEO, Board of Directors, the Finance Committee and the external auditors.

I. During the almost 8 years that TRUSCHEIT served as CFO he was paid the agreed upon salary plus bonuses. He was not the subject of any disciplinary action or negative performance review. With respect to the provision in the Contract providing for the payment of his living expenses for the time he resided in the RGV, at no time were any of his living expenses, neither the type nor amount, questioned as to reasonableness or appropriateness. He was never asked to reimburse IDEA for any payment of living expenses by the CEO, the Board of Directors, the Finance Committee or the external auditors.

J. In April of 2020 Torkelson resigned from his position as CEO of IDEA. As of the date of resignation, the Contract terminated and TRUSCHEIT was immediately entitled to a lump sum payment of the remaining salary and bonuses which would have been paid to him through December 31, 2020.

K. After the Contract terminated by its own terms, TRUSCHEIT continued to work for IDEA as CFO with the expectation that he would be paid the amounts due to him and with the intent to enter into a new employment contract with IDEA. However, on July 16, 2020, he was terminated without explanation.

L. To date, IDEA has failed to pay the lump sum due to TRUSCHEIT pursuant to the terms of the Contract. TRUSCHEIT has been forced to incur reasonable and necessary attorney's fees and costs to assert his rights under the Contract and prosecute this action.

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**5. CAUSE OF ACTION**

A. *Breach of Contract:* TRUSCHEIT now sues IDEA for breach of contract. In this connection, TRUSCHEIT would show that an agreement was made between TRUSCHEIT and IDEA for employment as CFO. That agreement was memorialized in a written contract signed by TRUSCHEIT and IDEA. The Contract specifically provided for the payment of a lump sum to TRUSCHEIT upon the occurrence of a specific event. That event occurred, but IDEA has failed and refused to comply with its obligation under the terms of the Contract. As such, IDEA has breached the Contract and caused TRUSCHEIT to sustain economic damages, for which he now sues.

B. *Attorney's fees:* TRUSCHEIT also seeks an award of his reasonable and necessary attorney's fees expended in prosecuting this action as allowed by law.

**6. TEX. R. CIV. P. 47(c) STATEMENT OF RELIEF SOUGHT**

The damages sought are within the jurisdictional limits of the court. TRUSCHEIT seeks monetary relief over \$200,000 but not more than \$1,000,000.

**7. CONDITIONS PRECEDENT**

All conditions precedent to the filing of this suit have occurred.

**8. PRAYER**

TRUSCHEIT prays that citation be issued and served on the defendant compelling it to appear in this lawsuit and answer these allegations. TRUSCHEIT further prays that this matter be set for trial at the first convenience of the Court and that, upon such trial, a judgment be entered in his favor and against IDEA for

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all of the relief requested above together with costs of Court and such other relief as the Court may deem appropriate.

DATED: August 3, 2020.

Respectfully submitted,

**RICKSCHELL™**

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By: 

**Richard D. Schell**

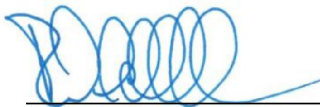
State Bar No. 17736780

**ATTORNEY FOR PLAINTIFF**

## **JURY DEMAND**

TO THE HONORABLE DISTRICT CLERK:

Plaintiff Wyatt Truscheit hereby demands a jury in this cause.



**Richard D. Schell**