



August 4, 2010

Oregon Secretary of State  
Elections Division  
255 Capitol Street NE, Suite 501  
Salem, OR 97310

Dear Secretary Brown:

The purpose of this letter is to alert you to election law violations by Matt Wand, candidate for the Oregon House of Representatives in House District 49.

Enclosed is an August 3, 2010 press release from Mr. Wand's campaign entitled "Rep. Kahl's Key Campaign Worker Under Investigation by the FBI for Fraud." The press release makes a variety of allegations about Ms. Marni Zollinger. Ms. Zollinger, however, is not and never has been employed by Rep. Kahl's campaign, and is certainly not a "key campaign worker."

In addition to its false and misleading headline, Mr. Wand's press release asserts that "[Ms. Zollinger] has continued her campaign of retaliation against Councilor Wand in her capacity on the Kahl Campaign, spreading lies and republishing her baseless ethics allegations to independent groups."

By falsely asserting that Ms. Zollinger is acting for Rep. Kahl's campaign, Mr. Wand has accused Rep. Kahl of "spreading lies" and publishing "baseless ethics allegations." Rep. Kahl has never done anything of the sort and does not employ Ms. Zollinger. Whatever Ms. Zollinger may have done or not done to Mr. Wand, it has not been in any "capacity" for Rep. Kahl's campaign.

Mr. Wand's press release thereby violates ORS 260.532 by making a "false statement of material fact" about Rep. Kahl with "knowledge or reckless disregard" that the statement is false. Given the ease with which Mr. Wand could have verified that Ms. Zollinger is not an employee or agent of Mr. Kahl's campaign, it is clear that Mr. Wand acted, at a minimum, with reckless disregard as to the accuracy of his statement.

Thank you for your prompt attention to this matter.

Sincerely,

Trent Lutz  
Executive Director  
Democratic Party of Oregon

Enclosure

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FOR IMMEDIATE RELEASE

August 3, 2010

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**Rep. Kahl's Key Campaign Worker Under Investigation by the FBI for Fraud**

Fairview, Ore— The campaign of Nick Kahl (D-Gresham) is working with a woman under investigation by the Federal Bureau of Investigation for her involvement in a scam directed at the City of Troutdale. Marni Zollinger, a Troutdale resident, proposed that the City of Troutdale secure federal bonds and pledge them as collateral for a multi-million dollar loan, the proceeds of which would have been given to a company under Zollinger's control. The purpose of this transaction was to allow her to conduct research and development into a facility that would allegedly turn municipal solid waste into electricity.

Further research into Zollinger's other efforts reveal that she has peddled the same proposal in Florida and Mississippi, with no city taking any interest in it, and also that in 2006 she attempted to convince a Michigan city to invest \$1 million into her proposal to turn garbage into building materials. She came under an FBI investigation when she represented herself to Troutdale City officials as the "acting attorney" of Holly Springs, Mississippi, and the City Attorney of Holly Springs stated she had no authority to do so.

Councilor Matthew Wand, and others, quickly uncovered that such a transaction was not within the purview of the City of Troutdale, and further that such a facility is experimental at this time nor could Zollinger show that the proposed technology is in use anywhere else in the world. Zollinger threatened retaliation against Councilor Wand and others within the City of Troutdale and Metro, and has made good on her threat by filing frivolous ethics complaints against six persons and the public bodies they serve (in which she admits working with Kahl in February of this year), all of which have been dismissed. She has continued her campaign of retaliation against Councilor Wand in her capacity on the Kahl Campaign, spreading lies and republishing her baseless ethics allegations to independent groups.

"Apparently, Ms. Zollinger has taken her disappointment at losing millions of dollars in personal wealth and turned it into an effort to destroy me and my family," said Matt Wand. "I had suspicions about the viability of her project. She claimed to have bearer bonds issued by the country of Venezuela, and then when I attempted to speak with her "independent engineer" to determine whether the technology was real, he refused to return my call or email and Ms. Zollinger immediately went on the attack." Councilor Wand said that he knew at that time, when the so-called independent engineer would not speak with him, that the technology was either not as Zollinger claimed or that she was hiding key information that the Council would need in order to consider working with her.

"I saw no reason for the City of Troutdale to lend its good name to a project with a person who apparently has no science background, no evidence of current viable technology, no currently operating facility to visit, who refused to allow my independent effort at basic due diligence, and who claimed to have bonds from the government of Venezuela. Furthermore, nothing in the Troutdale Charter supports its entry into the electricity generation market, and the City has no expertise on staff or under contract to conduct the necessary due diligence into such a proposal," Wand said. "We need to focus on continuing to have an excellent police department, city streets, sewer, water and parks," Wand continued, "we don't need to be distracted by unproven and untested research and development that properly should be tested at private companies or universities."

"In a time of economic uncertainty, particularly surrounding energy, cities have to be wary of people peddling projects that are too good to be true. We call on Nick Kahl to denounce the baseless allegations maliciously spread by Ms. Zollinger, and to remove her from his campaign. There is no place for false personal attacks in East County politics. Let's get back to the issues people care about, like where they are going to get a job so that they can provide for their families," said Wand.