

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF OBTAINING THE
APPROVAL OF COUNCIL TO WRITE OFF
CERTAIN ACCOUNTS RECEIVABLE

) RESOLUTION NO. 99-2743
)
) Introduced by Mike Burton
) Executive Officer

WHEREAS, The Metro Code, Section 5.02.06(h) provides that the Executive Officer may end pursuit of accounts receivable consistent with prudent credit practices, when the likelihood of collection does not justify future collection costs. Such actions will be reported to Council in writing on a monthly basis when the amount exceeds \$500, and amounts over \$10,000 will require council approval.

WHEREAS, invoice # 53814, issued to ASSOCIATED MARKETING REOURCES is over \$10,000 and does not justify further collection efforts or cost.

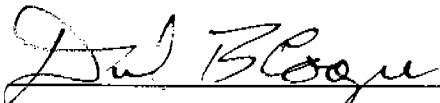
BE IT RESOLVED, that invoice # 53814 issued to Associated Marketing Resources in the amount of \$28,506 is approved for accounting write-off as a bad debt.

ADOPTED by the Metro Council this 4th day of February, 1999.



Rod Monroe, Presiding Officer

Approved as to Form:



Daniel B. Cooper, General Counsel

STAFF REPORT

RESOLUTION 99-2743 FOR THE PURPOSE OF RECOGNIZING A BAD DEBT WRITE-OFF RELATED TO INVOICE # 53814, ISSUED TO ASSOCIATED MARKETING RESOURCES.

Date: January 8, 1999

Presented by: Kerry Gilbreth and Dick Bolen

Purpose of the Report

As required by generally accepted accounting principles, it is necessary to periodically review the overdue accounts to identify those for which there is no likelihood of recovery. The accounts so identified are "written off" or removed as accounts receivable.

Code Requirements

Metro Code 5.02.060(h) states that the executive officer may end pursuit of an account receivable consistent with prudent credit practices, when the likelihood of collecting does not justify further collection cost. Such action shall be reported to the council in writing on a monthly basis when the amount exceeds \$500, and amounts over \$10,000 shall require Council approval.

Background

The purpose of this report is to request approval to write off invoice # 53814 dated July, 16, 1996 in the amount of \$28,506. This invoice was billed to Associated Marketing Resources, (AMR) 6700 SW 105th, Beaverton, OR 97005-5404. (Attachment A) In August 1995, DRC entered into Personal Services Agreement, Contract # 904463 with Associated Marketing Resources. Under the agreement, Metro agreed to provide AMR with copies of the vacant land atlases, and AMR agreed to sell up to sixteen sets of the atlases and provide customer support. Additionally, AMR agreed to reimburse Metro for 70% of the retail price of each vacant land atlas sold. Subsequently AMR provided documentation to Metro advising that as of March 31, 1996, AMR had sold a total of 9 single atlases and 14 atlas sets. Accordingly there was a total owing to Metro, which was invoiced, in the amount of \$28,506. (Attachment B) On April 25, 1997 Metro sent written notification to David G. Olesen, President of Associated Marketing Resources, Inc., advising that pursuant to section 14 of the Personal Services Agreement, Metro was terminating the contract effective May 5, 1997. Metro received three checks from AMR dated May 1 and 2, 1997 totaling \$1,400. These checks were returned from the bank NSF. (Attachment C) On July 24, 1997 Marvin D. Fjordbeck sent a certified letter to AMR requesting payment of the outstanding invoice and the NSF checks. (Attachment D) David Olesen replied August 6, 1997 advising that AMR ceased operations on June 15, 1997 and permanently closed its doors. He further advised that AMR was essentially bankrupt with virtually no assets

and approximately \$180,000 in liabilities including approximately \$38,000 to the IRS, \$20,000 the State of Oregon. (Attachment E) In light of the financial status of the company, no further legal action was taken.

Current research of Associated Marketing Resources finds that it is a dissolved corporation with an outstanding legal balance in excess of \$87,000, a portion of this balance is comprised of nine outstanding tax liens. The initiation of legal action would increase our loss through court cost.

Executive officer's Recommendation

The Executive Officer recommends adoption of Resolution No 99-2743 for the purpose of recognizing the write off of invoice # 53814, issued to Associated Marketing Resources in the amount of \$ 28,506.

Invoice

600 NORTHEAST GRAND AVENUE
TEL 503-797-1700



PORTLAND, OREGON 97232 2736
FA X 503-797-1791

METRO

INVOICE NUMBER

53814

To: ASSOCIATED MARKETING RESOURCES

6700 SW 105TH

BEAVERTON, OR 97005-5404

No listing -

Date: July 16, 1996

For services/products provided by:

- Metro Washington Park Zoo
- Metro Center
- Transportation Department
- Regional Environmental Management
- Metro Oregon Convention Center
- Regional Parks & Greenspace
- Growth Management Department

Customer's

Order Number:

A/R Account No. 140-000000-121000-00000

Terms: Net 30 days. Your account will be credited on the date Metro receives payment at the address above. Please make your check payable to Metro and return remittance copy with payment.

Quantity	Item	Revenue/Expense Account	Unit Price	Amount
9	Single Sets - Vacant	140-130000-341500-38020	995.00	8,955.00
	Land Atlas	<i>38020</i>		
14	Full Sets - Vacant	140-130000-341500-38020	1,396.50	19,551.00
		<i>per Darlene B.</i>		
		<i>38020</i>		
			Total Due	28,506.00

gme
7/23/96 jtm

CUSTOMER # 4100	BILL # 53814
ITEM # 1	ENTERED BY gme

To whom it may concern:
This is the amount AMR
was billed for on vacant land
Atlas -

Dick

To: Dick Bolen, Metro
From: Dave Olesen, Associated Marketing Resources, Inc.
Re: Vacant Lands Atlas Activity Report for the period of:
March 1, 1996 to March 31, 1996

Promotional / Marketing Activity:	Hours:	Labor Cost:	Materials Cost:
1. Mailed flyers to 3,800 Realtors	1	\$40.00	\$300.00
2. Mailed 400 VLA flyers to WA & CA Developers	16	\$640.00	\$407.99
3. Sent VLASample Products to approximately 30 Builders, Developers & Engineers	8	\$320.00	\$1.93 each / \$57.90 total
4. Printed 200 additional VLA sample products	1	\$40.00	\$26.25

Personal Contacts / Presentations: (One Contact Represents One Hour Spent)

- | | | | |
|--------------------|--------------------|--------------------|-------------------|
| 1. Kevin Wann | 6. Valrie Ames | 11. Melvin Broadus | 16. Lonnie Rogers |
| 2. Marc Cunningham | 7. Bill Hupfer | 12. Nick Rossi | 17. Peter Green |
| 3. Herb Good | 8. Dale Burkholder | 13. Cal Roslan | 18. Mike Cocco |
| 4. Dave Disney | 9. George Hale | 14. Marc McGuire | |
| 5. Mark Crandall | 10. Jim Baham | 15. Mike McKenna | |

Feedback:

Thanks for the Multnomah County errata pages!!

Total Units Sold:

March:	To Date:	AMR Promotional Efforts:
Clackamas Only: 1	2	Total Hours Spent: 26
Multnomah Only: 1 ⁹	2	Total Labor Cost: \$1,040.00
Washington Only: 0	5	Total Materials Cost: \$792.14
Complete Set: 1	14	Total AMR Costs: \$1,832.14

$$\text{Sets} = 14 \times \$1995 = \$27,930$$

$$\times .70$$

$$19,551 + 6,269 = \$25,820$$

$$\text{Singles} = 9 \times \$995 = \$8,955$$

$$\times .70$$

$$\$6,269$$



METRO

(Attachment C, page 1)

RECEIVED
JUN 11 1997
TIME:
METRO SERVICE DISTRICT
OFFICE GENERAL COUNSEL

June 11, 1997

To: Marvin Fjordbeck

From: Rex Beazer

Subj: Insufficient Fund Checks; Associated Marketing Resources, Inc.

Enclosed are three insufficient funds checks totalling \$1,400.00 issued to Metro by Associated Marketing Resources, Inc. in May 1997. I have called and talked to Dick Oleson and he promised to come in and make them good. He didn't come in as agreed. I called back and the number had been changed. I called the new number and left a message and received no response. I called again and received no response. Today I called and the number is no longer in service.

My assumption is that he does not intend to make these checks good, therefore I am forwarding them to you to include in your litigation with him. If we can help you in any way, please call.

Sincerely,

Rex Beazer
Ext. 1945

cc: John Fregonese
Dick Bolen

WELLS FARGO BANK, N.A.

ACCOUNT NUMBER

OFFICE

DATE

~~159 630300~~

RECLAMATIONS

~~05/09/97~~

YOUR ACCOUNT HAS BEEN CHARGED FOR THE FOLLOWING ITEM(S) RETURNED UNPAID:

MAKER

REASON FOR NON-PAYMENT

BANK FEE

AMOUNT

INSUFFICIENT FUNDS	600.00
INSUFFICIENT FUNDS	100.00
INSUFFICIENT FUNDS	23.00

*
*
*

MAIL COPY

METRO
 GENERAL
 ATTN ACCOUNTING MANAGER
 600 NE GRAND AVE
 PORTLAND OR 97232-2736

\$ 733.00

SITE: TEMPE

ORIGINATOR ZLRW001

(3)

CSC001 (3/89)

ASSOCIATED MARKETING RESOURCES, INC.
RESEARCH I

5842

6700 S.W. 105TH AVE. NO. 213 503-644-5933
BEAVERTON, OR 97005

24-7038/3230
2676

5/1 19 97

PAY TO THE ORDER OF Metro \$ 600.00

Six hundred DOLLARS

Bank of America (503) 275-2222
Cedar Mill Office 2676
12600 Northwest Cornell Road
Portland, OR 97229

OR [Signature]
⑆3 230 70380⑆ 5842 26760 02156⑆ ⑈0000060000⑈

New number
(888)569-4900

ASSOCIATED MARKETING RESOURCES, INC.
RESEARCH I

5843

6700 S.W. 105TH AVE. NO. 213 503-644-5933
BEAVERTON, OR 97005

24-7038/3230
2676

5/1 19 97

PAY TO THE ORDER OF Metro \$ 100.00

One hundred DOLLARS

Bank of America (503) 275-2222
Cedar Mill Office 2676
12600 Northwest Cornell Road
Portland, OR 97229

OR [Signature]
⑆3 230 70380⑆ 5843 26760 02156⑆ ⑈0000010000⑈

Per Steve
Erickson - DRC
check on
5-2-97 for
\$700.00 was
taken

ASSOCIATED MARKETING RESOURCES, INC.

5845

ASSOCIATED MARKETING RESOURCES, INC.
RESEARCH I

6700 S.W. 105TH AVE. NO. 213 503-644-5933
BEAVERTON, OR 97005

5845

24-7038/3230
2678

5/29/97

24-7038/3230
2678

PAY TO THE
ORDER OF

Metro

\$ *700.00*

\$ *700.00*

DOLLARS



DOLLARS



[Handwritten signature]

MP

⑈0000070000⑈

Guarder® Safety Green WGN

Bank of America

(503) 275-2222

Cedar Mill Office 2676
12600 Northwest Cornell Road
Portland, OR 97229

FOR

[Handwritten signature]

MP

⑆3 230 70380⑆ 5845 26760 02156⑈

⑈0000070000⑈

Guarder® Safety Green WGN

WELLS FARGO BANK, N.A.

ACCOUNT NUMBER

OFFICE

DATE

* 159-830000 RECLAMATIONS 05/12/97
YOUR ACCOUNT HAS BEEN CHARGED FOR THE FOLLOWING ITEM(S) RETURNED UNPAID:

MAKER	REASON FOR NON-PAYMENT	BANK FEE	AMOUNT
* Assoc. MKTG RESOURCES	INSUFFICIENT FUNDS		700.00
* JOHN R. SANTIAGO	INSUFFICIENT FUNDS		17.00

CS5001 (1/89)

MAIL COPY

METRO
GENERAL
ATTN ACCOUNTING MANAGER
600 NE GRAND AVE
PORTLAND OR 97232-2736

\$ 717.00

SITE: TEMPE

ORIGINATOR
ZURW001

[Handwritten initials]



METRO

Marvin D. Fjordbeck
Tele: (503) 797-1533
FAX: (503) 797-1792

July 24, 1997

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

AMR
6700 SW 105th Avenue
Beaverton, OR 97008

Dear AMR:

On January 30, 1996, Associated Marketing Resources ("AMR") entered into a contract with Metro, a metropolitan service district organized under the laws of the State of Oregon in the 1992 Metro Charter, for distribution of vacant land atlases. Under the agreement, Metro agreed to provide AMR with copies of the vacant land atlases, and AMR agreed to sell up to sixteen sets of the atlases and provide customer support. Additionally, AMR agreed to reimburse Metro for 70% of the retail price of each vacant land atlas sold.

Subsequently, AMR sold all of the vacant land atlases provided to it, and failed to reimburse Metro for the atlases it sold. Accordingly, there is now due and owing to Metro the sum of \$28,000.00 for the vacant land atlases.

On May 1 and 2, 1997, Associated Marketing Resources tendered three checks totaling \$1400.00 to Metro for additional atlases. Each check was returned on grounds of insufficient funds to support the check. Oregon law allows an action against any person who makes a check for the payment of money which has been dishonored for lack of funds. The plaintiff may recover from the defendant up to triple the amount for each check so long as damages recovered shall not exceed by more than \$500.00 the amount of the check. Metro intends to collect the sums owing under these checks as well, including attorneys' fees pursuant to ORS 20.090, unless the amounts of the checks are paid in full.

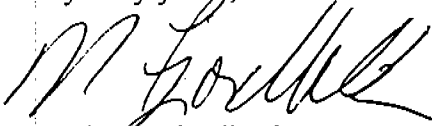
Accordingly, Metro hereby demands payment in the amount of \$28,000.00 for AMR's breach of its distribution contract with Metro for the vacant land atlases. Additionally, Metro demands payment on Bank of America check #5842 in the amount of \$600.00, payment on Bank of America check #5843 in the amount of \$100.00, and payment on Bank of America check # 5845 in the amount of \$700. If payment is not received on these checks, Metro will seek to recover on them, as well as seeking the statutory damages associated with each check. Payment of all of these amounts must be made to Metro by 5:00 p.m., August 29, 1997, and must be made by certified check, payable to Metro, and directed to my attention. If payment is not made by

AMR
July 24, 1997
Page 2

August 29, 1997, Metro will file suit against AMR for its breach of the distribution contract, for damages on the insufficient funds checks tendered to Metro, and for its attorneys' fees. Payment by AMR will make that action unnecessary.

Please make your payment to Metro in the total amount of \$29,400.00 by August 29, 1997, or stand ready to litigate this matter.

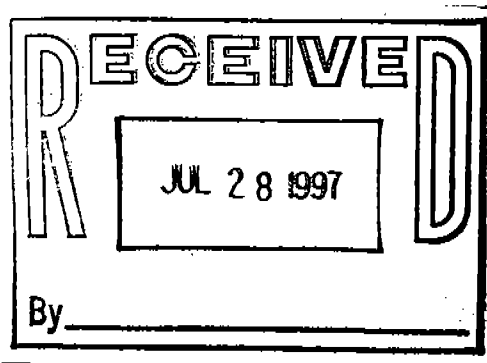
Very truly yours,



Marvin D. Fjordbeck
Senior Assistant Counsel

bcc: Dan Cooper, John Fregonese, Dick Bolen

MDF/kaj
I:\DOCS\07.P&DU2CONTRA.CTSW\DISPUT\07230LSN.#3





Four different versions of this letter were sent to four different versions of AMR's address, as listed below.

METRO

AMR
6700 SW 105TH AVENUE
BEAVERTON, OR 97008

METRO

AMR, INC.
6700 SW 105TH
BEAVERTON, OR 97005-5404

METRO

AMR, INC.
RESEARCH I
6700 SW 105TH AVE., NO. 213
BEAVERTON, OR 97005

METRO

AMR, INC.
C/O DAVID G. OLESON, PRESIDENT
6700 SW 105TH AVE., 213
BEAVERTON, OR 97008-5486

600 NORTHEAST GRAND AVENUE | PORTLAND, OREGON 97232 2736
TEL 503 797 1700 | FAX 503 797 1797



METRO

Marvin D. Fjordbeck
Tele: (503) 797-1533
FAX: (503) 797-1792

August 5, 1997

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Associated Marketing Resources
c/o David G. Olesen
6494 SE Nathan Court
Hillsboro, OR 97123

Dear Mr. Olesen:

On January 30, 1996, Associated Marketing Resources ("AMR") entered into a contract with Metro, a metropolitan service district organized under the laws of the State of Oregon in the 1992 Metro Charter, for distribution of vacant land atlases. Under the agreement, Metro agreed to provide AMR with copies of the vacant land atlases, and AMR agreed to sell up to sixteen sets of the atlases and provide customer support. Additionally, AMR agreed to reimburse Metro for 70% of the retail price of each vacant land atlas sold.

Subsequently, AMR sold all of the vacant land atlases provided to it, and failed to reimburse Metro for the atlases it sold. Accordingly, there is now due and owing to Metro the sum of \$28,000.00 for the vacant land atlases.

On May 1 and 2, 1997, Associated Marketing Resources tendered three checks totaling \$1400.00 to Metro for additional atlases. Each check was returned on grounds of insufficient funds to support the check. Oregon law allows an action against any person who makes a check for the payment of money which has been dishonored for lack of funds. The plaintiff may recover from the defendant up to triple the amount for each check so long as damages recovered shall not exceed by more than \$500.00 the amount of the check. Metro intends to collect the sums owing under these checks as well, including attorneys' fees pursuant to ORS 20.090, unless the amounts of the checks are paid in full.

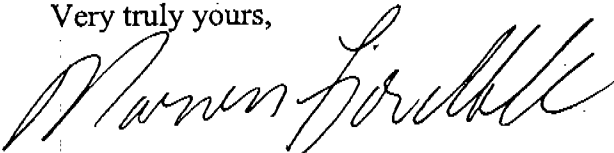
Accordingly, Metro hereby demands payment in the amount of \$28,000.00 for AMR's breach of its distribution contract with Metro for the vacant land atlases. Additionally, Metro demands payment on Bank of America check #5842 in the amount of \$600.00, payment on Bank of America check #5843 in the amount of \$100.00, and payment on Bank of America check #5845 in the amount of \$700. If payment is not received on these checks, Metro will seek to recover on

Associated Marketing Resources
c/o David G. Olesen
August 5, 1997
Page 2

them, as well as seeking the statutory damages associated with each check. Payment of all of these amounts must be made to Metro by 5:00 p.m., September 5, 1997, and must be made by certified check, payable to Metro, and directed to my attention. If payment is not made by September 5, 1997, Metro will file suit against AMR for its breach of the distribution contract, for damages on the insufficient funds checks tendered to Metro, and for its attorneys' fees. Payment by AMR will make that action unnecessary.

Please make your payment to Metro in the total amount of \$29,400.00 by September 5, 1997, or stand ready to litigate this matter.

Very truly yours,



Marvin D. Fjordbeck
Senior Assistant Counsel

bcc: Dan Cooper, John Fregonese, Dick Bolen

MDF/raj

\\ADCS\07.P&DA\12CONTRACTS\01DISPUT\080501a.doc



METRO

(Attachment E, Page 2)

Date: August 12, 1997

To: John Fregonese, Director of Growth Management
✓ Dick Bolen, Data Resources Center Manager

From: Marvin D. Fjordbeck, Senior Assistant Counsel *MDF*

Regarding: Collection Action Against Associated Marketing Resources

Attached is a letter from David Olesen, the president of Associated Marketing Resources. Olesen's letter comes in response to my demand for payment under the Vacant Land Atlas distribution agreement. Olesen claims that the company returned any remaining Vacant Land Atlases that it had to Metro, and also claims to be financially destitute. Please inform me if the return of the atlases is accurate, and advise me of the value of the returned atlases, if any, so that I can adjust any lawsuit that might be filed accordingly. Also, please advise me if you wish the government to continue to pursue this collection action, in light of the claims of the financial status of the company, or if you would like the matter turned over to a collection company.

Enclosure

cc: Dan Cooper

 Associated Marketing Resources, Inc.

August 6, 1997

RECEIVED

AUG 08 1997

Mr. Marvin Fjordbeck
600 Northeast Grand Avenue
Portland, OR 97232-2736

TIME: _____
METRO SERVICE DISTRICT
OFFICE GENERAL COUNSEL

Dear Mr. Fjordbeck,

Thank you for your letter of August 5th, 1997. As you know, several months ago I personally called you and tried to explain the nature of the highly unusual circumstances by which Associated Marketing Resources, Inc. found itself in default on it's obligation concerning the Vacant Lands Atlases and the Data Collection contract. (If you will remember, US WEST Communications renegeed on a two year agreement with AMR toward the middle and latter parts of 1996 thereby "burning" AMR by \$200,000. Successful litigation against US WEST would be prohibitively expensive and time consuming.)

I also tried to explain, in very specific detail, the steps AMR was taking to rebuild itself to perform for Metro, i.e., it's new Internet-based database management system. This system was specifically designed to provide a higher level of data service to Metro, to provide an additional distribution channel for the Data Resource Center, and significantly lower AMR's operating costs thereby ensuring a return to profitability. Dick Bolen was doing an excellent job of managing the situation and should have been commended rather than pulled from oversight. Mr. Bolen was diligently monitoring AMR's progress on the project. Nevertheless, Metro elected to terminate the Data Collection contract and VLA Distribution Agreement because of an IRS levy against AMR's Metro contract revenues - even though the IRS (Jean Janssen) had agreed to cooperate as AMR sought to rebuild itself.

Within a few weeks of receipt of Metro's termination of the VLA distribution agreement, AMR returned all remaining Vacant Lands Atlases to the Data Resource Center via courier.

Because the revenue stream from the Metro Data Collection contract was critical to the survival of Associated Marketing Resources, Inc., the company was forced to cease operations on June 15th, 1997 and permanently close it's doors.

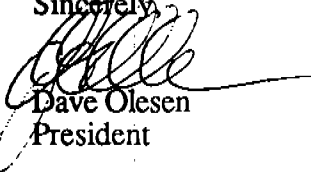
As of this date, AMR is essentially bankrupt with virtually no assets and approximately \$180,000 in liabilities including approximately \$38,000 to the Internal Revenue Service, \$11,500 to the State of Oregon Department of Revenue, and \$8,500 to the State of Oregon Employment Division.

Upon the advise of the company's attorney, AMR has not formally sought bankruptcy protection, however, it will do so if necessary to stop legal action. Because I am personally liable for AMR's IRS and State of Oregon obligations and am also now unemployed, I have have found myself virtually destitute with no real property assets and am also facing personal bankruptcy, if necessary.

AMR has notified the IRS, State of Oregon, and Washington County that it has permanently closed it's doors.

I truly regret the loss to Metro.

Sincerely,


Dave Olesen
President