

## STATE OF MINNESOTA



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### **INVESTIGATIVE REPORT** **City of Two Harbors**

#### Executive Summary

The Office of the State Auditor (OSA) received concerns about alleged conflicts of interest involving the Mayor of the City of Two Harbors (City). In response to the concerns, the OSA contacted the City, obtained and reviewed copies of relevant City documents, and obtained and reviewed certain Office of the Secretary of State (OSS) business filing records.<sup>1</sup>

Separately, the City also received concerns that overlapped with, or were similar to, those received by the OSA. The City's response included a Memorandum of Opinion by the City Attorney, as well as a City Council vote calling for the Mayor to resign. A recall election also has been called pursuant to a petition process provided for in the City Charter.

Based upon its review, the OSA found that:

1. The City Council and City Attorney acted appropriately in considering whether certain conduct by the Mayor violated provisions of Minnesota Law, the City Charter, the City Code, and the City Communications Policy, given that whether a conflict of interest exists is a question of fact for the City's governing body to resolve in the first instance;<sup>2</sup> and
2. Given the confusion the Mayor's extensive business ties and their impact on his role as Mayor (and vice versa), the City may benefit from implementing the use of economic interest disclosure statements for its elected officials. Additionally, City Council meeting minutes should document when there are abstentions from voting due to a conflict of interest.

This report contains the OSA's findings and recommendations to assist the City.

#### Investigative Report

##### **Background**

The City is a home rule charter city with a population of 3,511. The City Charter vests all powers in the City Council, unless specifically granted to some other officer or body.<sup>3</sup> The City Council includes six City Council members and the Mayor.<sup>4</sup> The City's financial statements dated December 31, 2020, recognizes

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<sup>1</sup> This Investigative Report covers certain issues reviewed by the OSA. Nothing herein should be interpreted to imply the absence of other issues, nor the approval of any act or transaction not mentioned.

<sup>2</sup> See, e.g., Ops. Att'y Gen. 90a-1 (Oct. 7, 1976), (Aug. 25, 1955), and (Jan. 22, 1953).

<sup>3</sup> Two Harbors City Charter, Ch. I, § 2. The City Charter indicates that if it is silent on an issue, the City "may apply statutory language, per Minnesota statutes . . ."

<sup>4</sup> Two Harbors City Charter, Ch. II, §§ 3, 4; and Ch. IV, § 1.

that “[t]he elective officers of the City consist of the Mayor and six Council Members.... The Mayor is recognized as the head of the city for all ceremonial purposes and for the service of civil process, but shall have no administrative duty, powers are provided for the [sic] in the Two Harbors Home Rule Charter, Chapter IV.”<sup>5</sup>

### **Conflict of Interest Standards**

Conflict of interest requirements are found in (1) statutes, (2) case law, and (3) local sources such as city charter, city code, and city policy provisions.

### **Contract Situations - Minnesota Statutes and Case Law**

Minnesota’s general conflict of interest statutes are Minn. Stat. §§ 471.87 to 471.89. These statutes apply to public officers who are “authorized to take part in any manner in making any sale, lease, or **contract** in official capacity.”<sup>6</sup> Under the statutes, these public officers must not “voluntarily have a personal financial interest in that sale, lease, or contract or personally benefit financially therefrom.”<sup>7</sup> Mayors and the city council members are “public officers.” Whether a conflict of interest exists is a question of fact for the governing body to resolve in the first instance.<sup>8</sup>

A conflict under the general conflict of interest statutes may not be avoided by having the public officer voluntarily abstain from participation in the matter creating the conflict of interest.<sup>9</sup> Because the general rule is so strict, the legislature created various exceptions that allow certain contracts for goods or services if statutory criteria are met.<sup>10</sup>

When a situation involving a potential conflict of interest arises, it is the governing body’s responsibility to determine, based on the facts at issue, whether a conflict of interest actually exists.<sup>11</sup> Additionally, certain steps must occur before that determination can be made, along with a determination as to whether any exception applies. When the potential conflict arises within city government, the interested city official must generally disclose the possible conflict of interest so the city council can determine that a conflict of interest or an exception does or doesn’t exist. After that disclosure and the determination have been made, then a city council may move forward with an action on a matter that

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<sup>5</sup> See City of Two Harbors, Lake County, Minnesota, Basic Financial Statements dated December 31, 2021, Note 1.

<sup>6</sup> See Minn. Stat. § 471.87 (emphasis added).

<sup>7</sup> *Id.* Violation of the statute is a gross misdemeanor.

<sup>8</sup> See, e.g., Ops. Att’y Gen. 90a-1 (Oct. 7, 1976), (Aug. 25, 1955), and (Jan. 22, 1953).

<sup>9</sup> See, e.g., Ops. Att’y Gen. 90 (June 9, 1994); 90e-6 (June 15, 1988). Instead, if there is a conflict of interest as described in the statute, the contract is void, without respect to whether the interested officer did or did not take part in the transaction. See, e.g., *Singewald v. Minneapolis Gas Co.*, 274 Minn. 556, 142 N.W.2d 739 (1966); *Stone v. Bevans*, 88 Minn. 127, 92 N.W. 520 (1902).

<sup>10</sup> See Minn. Stat. §§ 471.88; 471.881.

<sup>11</sup> See, e.g., Ops. Att’y Gen. 90a-1 (Oct. 7, 1976), (Aug. 25, 1955), and (Jan. 22, 1953).

could call into question the interest of one of its members. This disclosure and determination must be documented in the city council's meeting minutes.<sup>12</sup>

### **Non-Contract Situations - Common Law Analysis**

The general conflict of interest statutes cited above do not directly address conflicts of interest in non-contract situations.<sup>13</sup> The Minnesota Supreme Court has listed several factors courts consider in determining whether a conflict of interest exists in non-contract situations. These include: 1) the nature of the decision made; 2) the nature of the financial interest; 3) the number of interested officials; 4) the need to have the interested person make the decision; and 5) other means available, if any, to insure against arbitrary acts.<sup>14</sup>

In setting out these factors, the Supreme Court acknowledged: "There is no settled general rule as to whether [a direct] interest will disqualify an official. Each case must be decided on the basis of the particular facts present."<sup>15</sup>

Abstentions from voting due to a conflict and the member's name and reason for abstention should be documented in a city council's meeting minutes.<sup>16</sup>

Minnesota's conflict of interest laws do not prohibit all relationships among public officers, public employees, and those working with a city. For this reason, the city council's consideration of conflicts under the city charter, city code, and city policies, taking into account the factors outlined by the Supreme Court, is important to the public interest.

In general, Minnesota's conflict of interest laws are designed to help ensure that actions by public officials are not arbitrary reflections of their own selfish interests. In addition to concerns about potential violations of law, public officials should consider ways to avoid even the appearance of

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<sup>12</sup> Minn. Stat. § 15.17 (Public officers "shall make and preserve all records necessary to a full and accurate knowledge of their official activities.").

<sup>13</sup> See League of Minnesota Cities Informational Memo on Official Conflict of Interest. Generally, local governments should consider whether or not there appears to be a personal financial interest for the interested officer.

<sup>14</sup> See *Lenz v. Coon Creek Watershed District*, 153 N.W.2d 209, 219 (Minn. 1967).

<sup>15</sup> *Id.* Another conflict of interest concept to consider in the public interest is the concept of "organizational conflicts of interest," which applies to Minnesota state agencies due to state policy. An organizational conflict of interest occurs when, because of existing or planned activities, or because of relationships with other persons: (1) a contractor or consultant is unable, or potentially unable, to render impartial assistance or advice; (2) the contractor or consultant's objectivity in performing the work is or might be otherwise impaired; or 3) the contractor or consultant has an unfair competitive advantage. See, e.g., State of Minnesota Materials Management Division, Purchasing Policies and Procedures, Policy 9, Organizational Conflict of Interest Policy (Admin 01-13), available at: <http://www.mmd.admin.state.mn.us/alpappendices.htm>.

<sup>16</sup> See Minn. Stat. § 15.17 (City officers "shall make and preserve all records necessary to a full and accurate knowledge of their official activities.").

impropriety. Or, as stated by the Minnesota Court of Appeals, “[w]here there is a choice, city officials should avoid actions which may appear tainted of impropriety, even though they are legal.”<sup>17</sup>

### **City Charter, City Code, and City Policy Provisions**

The City operates under the Home Rule Charter City form of government. City charters may contain conflict of interest provisions.<sup>18</sup> The Minnesota Attorney General (Attorney General) has determined that local officials, rather than state officials, are in the best position to determine whether there are violations of city charter or code provisions.<sup>19</sup> According to the Attorney General, the city attorney is the appropriate official to analyze questions that depend upon the construction of a city charter or code.<sup>20</sup>

#### **1. Two Harbors City Charter**

Concepts like those outlined above seem to be reflected in certain conflict of interest provisions in the City Charter, City Code, and Policies. For example, City Charter, Chapter III, § 2 states:

No elected or appointed officer of the city shall, while in office, vote for or make any contract in behalf of the city or any department of the city with himself or herself or with any firm of which he or she is a member, or with any corporation or association of which he or she is an officer or director, nor shall he or she be in any manner directly or indirectly interested in any contract with the city, and in any contract in which said officer of the city is or become directly or indirectly interested, shall be and become absolutely void, and any officer by said act shall forfeit his or her said office.

#### **2. Two Harbors Code of Conduct and Ethics**

In addition, The City’s Code of Conduct and Ethics, found in section 2.61 of the City Code, includes the following provisions:

**Subd. 1. Purpose.** The Council hereby adopts a policy which declares a Code of Conduct and Ethics to be adhered to by all elected officials (“Elected Officials”) . . . of the City. The purpose of this Code is to establish standards for all such persons by setting forth actions which are incompatible with the best interests of the City or in conflict with law . . .

**Subd. 2. Conflicts of Interest.**

A. It is unlawful for any Elected Official . . . having the power or duty to perform an official act or action to be directly or indirectly interested in any contract,

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<sup>17</sup> *1989 Street Imp. Program (117th Street) v. Denmark Township*, 483 N.W. 2d 508, 510 (Minn. Ct. App. 1991).

<sup>18</sup> The City’s conflict of interest provision is found in CHAPTER III, Section 2, of the City Charter. *See also* Two Harbors City Code, § 2.61 (Code of Conduct and Ethics).

<sup>19</sup> *See, e.g.*, Ops. Atty. Gen. 90e-6 (June 15, 1988), at footnote 1; 629-a (May 9, 1975).

<sup>20</sup> *See, e.g.*, Op. Atty. Gen. 629-a (May 9, 1975).



- transaction or zoning decision of the City except as provided for in Minnesota law.
- B. Any Elected Official who has an interest in any proposed action by the City Council or Board or Commission. . . shall disclose on the record of the City Council or Board . . . the nature and extent of such interest.

The City's Code of Conduct and Ethics also prohibits disclosure of nonpublic information, and seems to indicate that an elected official who makes a positive statement contrary to a position taken by the City or the City Council must indicate that such statement is made in the elected official's individual capacity and not in his or her official capacity.<sup>21</sup>

### **3. City of Two Harbors Communications Policy**

The City also has a Communications Policy that states, in part:

It is important for City Representatives to remember that the personal communications of City Representatives may reflect on the city, especially if City Representatives are commenting on city business. The following guidelines apply to personal communications including various forms such as social media (Facebook, Twitter, blogs, YouTube, etc.), letters to the editor of newspapers, and personal endorsements.

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- If you publish something related to city business, identify yourself and use a disclaimer such as, "I am a representative of the city of Two Harbors. However, these are my own opinions and do not represent those of the City of Two Harbors."
- City resources, working time, or official city positions cannot be used for personal profit or business interests, or to participate in personal political activity. For example, a building inspector could not use the city's logo, email or working time to promote his/her side business as a plumber.
- Personal social media account names or email names should not be tied to the city (e.g., MosquitoHeightsCop).

The Attorney General has long held that a city council is the entity that should interpret city charters and ordinances with assistance of its attorney as the city council determines legal interpretations are needed. See Op. Att'y Gen. 629-a (May 9, 1975), (Attorney General opinions ordinarily do not undertake to "[c]onstrue the meaning of terms in city charters and local ordinances and resolutions." Explaining that, "an interpretation of a charter provision . . . would require an examination of a number of factors, many of which are of a peculiarly local nature. Local officials rather than state officials are thus in the most advantageous position to recognize and evaluate the factors which have to be considered in construing such a provision. For these reasons, the city attorney is the appropriate official to analyze questions of the type presented and provide his or her opinion to the municipal council or other

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<sup>21</sup> See City of Two Harbors Code, § 2.61, Subds. 4 and 7.

municipal agency. The same is true with respect to questions concerning the meaning of other local legal provisions such as ordinances and resolutions.”).

### **City Attorney and Attorney General Consideration of issues.**

#### **Contacts with Attorney General**

The City Attorney wrote to the Office of the Minnesota Attorney General requesting an Attorney General Opinion under Minn. Stat. § 8.07 on several issues related to the Mayor. First, on January 24, 2022, the City Attorney requested an opinion on whether the following three communications from the Mayor violated Minn. Stat. § 471.87, City Charter, Ch. III, § 2; City Code, § 2.61; and the City Communications Policy:<sup>22</sup>

1. “Ask a Billionaire Podcast #8: Insights Being Learned from a \$400 Million Project” as presented by E.N.I.G.M.A. Mastery Group and posted on [enigmamastery.net/blog](http://enigmamastery.net/blog);
2. “Vibrant Two Harbors” website as posted on [vibetwoharbors.com](http://vibetwoharbors.com); and
3. Twitter posts on “@mayorswanson” site.

The City Attorney wrote to the Office of the Minnesota Attorney General again on February 2, 2022, with supplemental information, adding an additional public communication from the Mayor – a January 25, 2022, article in the New York Times entitled “The Rise of Crypto Mayors.”<sup>23</sup>

The Office of the Minnesota Attorney General responded in a letter dated February 2, 2022.<sup>24</sup> Consistent with the standards set forth above, it cited Op. Att’y Gen. 629a (May 9, 1975), indicating that the Office of the Attorney General does not generally render opinions on hypothetical questions, and that “this Office does not construe the meaning of terms in city charters and local ordinances and resolutions.” It noted that, in this instance, there was no interest in a contract that would implicate the provisions of Minn. Stat. § 471.87.<sup>25</sup>

#### **City Attorney Memorandum of Opinion**

As noted above, the Office of the Attorney General has long held a city council is the entity that should interpret city charters and ordinances with assistance of its attorney as the city council determines legal

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<sup>22</sup> January 24, 2022, T. Costley letter and attachments, attached as Attachment A (w/o its exhibits).

<sup>23</sup> February 2, 2022, T. Costly letter and attachment, attached as Attachment B (w/o its exhibit).

<sup>24</sup> February 2, 2022, S. Gretz letter, attached as Attachment C (w/o its enclosures).

<sup>25</sup> *Id.* “Minnesota Statutes section 471.87 relates to a public official’s personal financial interest in a contract. Given the absence of a pending contract or other transaction before the City, your question is focused on the mayor’s communications.”

interpretations are needed. Consistent with this concept, the City Attorney drafted a Memorandum of Opinion for the City Council dated March 27, 2022.<sup>26</sup>

The Memorandum of Opinion recognized that the Attorney General declined to opine on the applicability of Minn. Stat. § 471.87, as there was no contract involving the City; and “concluded that the city attorney is the appropriate official to analyze questions regarding the city charter, city code and communications policy.” It considered the following issues:

- A. “Ask a Billionaire Podcast #8: Insights Being Learned From a \$400 Million Project” as presented by E.N.I.G.M.A. Mastery Group and posted on enigmamastery.net/blog;
- B. “Vibrant Two Harbors” website as posted on vibetwoharbors.com;
- C. Twitter posts on the Mayor’s “@mayorswanson” personal account;
- D. Allegations by a citizen about potential conflict of interest in solicitation of funds by the Mayor on behalf of the Two Harbors Performing Arts Center; and
- E. Allegations by a citizen regarding the Mayor using information obtained in confidence as Mayor to advance financial or other private interest.

After analyzing each issue, the City Attorney in the Memorandum of Opinion offered the City Council the following facts and conclusions:

- A. “Ask a Billionaire Podcast #8 . . .”

**Facts (Paraphrased):** The City Attorney noted that the podcast includes discussions between the Mayor and “Mr. O,” who the Mayor paid for consulting services for a non-city project involving an underwater hotel, identified as the “8<sup>th</sup> Wonder of Lake Superior.” The Mayor indicated he has a “little bit of sway” in seeking bonding from the state of Minnesota for such projects. The Mayor stated part of the plan included construction of an RV park as part of the City’s municipal golf course.

**City Attorney Conclusion:** “Based upon the facts and my legal analysis set forth above, it is my opinion that the communications on the Mr. O podcast violate City Code Section 2.61, Subd. 7. B. and the City of Two Harbors Communications Policy.”

- B. “Vibrant Two Harbors” website

**Facts (paraphrased):** The City Attorney noted that the website identifies Vibrant Two Harbors as “an initiative by Two Harbors Mayor Chris Swanson, local community members, and Billionaire Mr. O.” It states: “[t]ogether these individuals have created a

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<sup>26</sup> Memorandum of Opinion, attached as Attachment D. See Minnesota Court Records Online (MCRO) Case No. 38-CV-22-155, Attorney Affidavit, (June, 1, 2022), pp. 12-68, (<https://www.mncourts.gov/Access-Case-Records/MCRO.aspx>).

vision to bring the city of Two Harbors to new heights turning it into one of the destination cities in the midwest.”<sup>27</sup> The website lists as “Finished Projects” Burlington Station, Callie’s Sweets and Lou’s Fish House, entities owned by the Mayor’s daughters.

The Vibrant Two Harbors website indicates they seek investors to join their 10-year plan to give “high yields for early investors . . .” The website says: “[s]et up a free investment 15 minute meeting with Two Harbors Mayor Swanson to learn more: Click the button below to set up your meeting today.” The Vibrant Two Harbors website also states: “Vibrant Two Harbors is looking for vision-seeking individuals who are looking for high-return investments. If this fits who you are get in contact today by filling out the form below and Mayor Swanson will be in touch.”

**City Attorney Conclusion:** “Based upon the facts and my legal analysis set forth above, it is my opinion that the communications on the Vibrant Two Harbors website violate City Code Section 2.61, Subd. 7.B. and the City of Two Harbors Communications Policy.”

C. Twitter posts on the Mayor’s “@mayorswanson” personal account.

**Facts (Paraphrased):** The City Attorney quoted several Twitter account posts from December 2021 and January 2022, for many of which the title “**Mayor Chris Swanson @mayorswanson**,” is used. One of these posts states: “we are working with great organizations line (*sic*) . . . @Garage Starts.”<sup>28</sup> The City Attorney noted that in a YouTube video of a speech given by the Mayor at a May, 2021, meeting of the Oakdale Area Chamber of Commerce, the Mayor states that he and four other entrepreneurs started Garage Starts, and that they were not prepared for the amount of business they obtained.<sup>29</sup>

The City Attorney noted that the entries dated January 5, 2022, for example, “imply that the City has a plan to use revenue from CityCoin to mine more coin, with the remaining funds being put into an investment fund so that citizens can vote on where the money is spent.”<sup>30</sup>

**City Attorney Conclusion:** “Based upon the facts and my legal analysis set forth above, it is my opinion that the posts on Mr. Swanson’s private Twitter account violate City Code Section 2.61, Subd. B and the City of Two Harbors Communications Policy.”

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<sup>27</sup> The OSA confirmed that the Mayor identified his elected position on websites for Vibrant Two Harbors. See <https://www.vibetwoharbors.com/>.

<sup>28</sup> See Attachment D, pp. 6, 7.

<sup>29</sup> The OSA found this speech available on YouTube at <https://www.youtube.com/watch?v=-wHokdxlWL8>. The OSA also found that the OSS business filings for Garage Starts, LLC, and Life Garage, LLC, show that the Mayor signed the OSS filing for the assumed name **Garage Starts, LLC**, for the nameholder - **Life Garage, LLC**.

<sup>30</sup> See Attachment D, p. 8.

- D. Allegation re. solicitation of funds by the Mayor on behalf of the Two Harbors Performing Arts Center.

**Facts (Paraphrased):** The City Council received an email from a citizen dated February 9, 2022, regarding concerns over the Mayor's fundraising activities. The citizen alleged he received an email from "Mayor Chris Swanson mayorswanson@twoharborsmn.gov" on February 28, 2020, seeking \$100,000 for the Two Harbors Performing Arts Center. Later, the citizen learned that Garage Starts, a business he was told was owned by the Mayor's daughter, had a contract with Friends of the Bandshell Park Inc., to raise funds for the Performing Arts Center. A document the citizen presented as an invoice purports to show the Mayor was billing Friends of the Bandshell Park, via Garage Starts, at \$65 per hour for contacts with the citizen. The citizen states: "[A]t no point was I under the impression that Chris was calling me in any other role than Mayor of Two Harbors trying to get a civic project completed."

The City Attorney reiterated that in a YouTube video of a speech given by the Mayor at a May, 2021, meeting of the Oakdale Area Chamber of Commerce, the Mayor states that he and four other entrepreneurs started Garage Starts, and that they were not prepared for the amount of business they obtained.<sup>31</sup>

**City Attorney Conclusion:** "Based upon the facts and my legal analysis set forth above, it is my opinion that the email dated February 28, 2020, is a violation of City Code Section 2.61, Subd. 7 B. and using an official city position for personal profit or business interest is a violation of the City of Two Harbors Communications Policy."

- E. Allegation regarding use of information obtained in confidence as Mayor to advance financial or other private interest.

**Facts (Paraphrased):** "The allegations in this matter come from information contained in the *Duluth Monitor* article dated March 17, 2022, and review of public records by the City Attorney." A citizen claims he met with the Mayor on May 5, 2017, to seek help from the City with funding to purchase a local business, Lou's Fish. The citizen claims that he discussed his business plan with the Mayor, and that the Mayor told him it was bad timing to seek funding and that the City could do nothing for him. The citizen claims the Mayor shortly thereafter used his information and plan to facilitate his spouse's purchase of the Lou's Fish property. The City Attorney provided additional details from public records.<sup>32</sup>

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<sup>31</sup> This speech is available on YouTube at <https://www.youtube.com/watch?v=wHokdxlWL8>. The business filing for Garage Starts at the Secretary of State's Office shows that "Garage Starts, LLC" is an assumed name for "Life Garage, LLC," for which the Mayor is listed as "Manager."

<sup>32</sup> See Attachment D, p. 10.

**City Attorney Conclusion:** “Based upon the facts reported by the citizen in the *Duluth Monitor*, if unrefuted, and my legal analysis set forth above, it is my opinion that Mayor Swanson received information in his official position as Mayor of the City which was used to further his financial or other interest, and violated City Code Section 2.61, Subd. 4.B. and the City of Two Harbors Communications Policy.”

### **Subsequent City Council Consideration**

Minutes of the March 28, 2022, City Council meeting indicate that the City Attorney was present and had delivered his opinion to the City Council.<sup>33</sup> On May 23, 2022, the City Council adopted Resolution 5-153-22, calling for a recall election of the Mayor, pursuant to procedures provided for in the City Charter.<sup>34</sup> Thereafter, at a special meeting on June 20, 2022, the City Council voted 6-0 to ask the Mayor to resign.

Based upon its review, the OSA concludes that the City Council and City Attorney acted appropriately in considering whether certain conduct by the Mayor violated provisions of Minnesota Law, the City Charter, the City Code, and the City Communications Policy. These determinations are the responsibility of the City Council and the City Attorney in the first instance, and our review revealed nothing to suggest that they were reached improperly or were without support.

### **Additional OSA Review**

The OSA requested OSS business filing information for any businesses in Minnesota that included the Mayor’s name or a homesteaded address that appears to be the Mayor’s based on public property tax records. Several different limited liability companies and nonprofit corporations appeared in the search results provided by the OSS, including but not limited to: First Day Events; Destination Duluth Management LLC; S&L Data Hub LLC; Lou’s Fish LLC; Vine & Branches L.L.C.; Lighthouse Vision LLC; Chalk.a.lot; The Canoeist, LLC; PureDriven, LLC; PremierSpot iMarketing, LLC; Lighthouse Financial Marketing Services, LLC; Crew17 L.L.C., and the National Civility Association.

The OSA also reviewed federal 990 forms for the Friends of the Bandshell Park (FOBSP), a nonprofit corporation created to fundraise for a City park. It appears, from the FOBSP’s 990 forms that the Mayor was a board member of the nonprofit in 2017 and 2018.<sup>35</sup>

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<sup>33</sup> City of Two Harbors meeting minutes, March 28, 2022.

<sup>34</sup> City of Two Harbors Resolution 5-153-22, May 23, 2022. The resolution instructs City personnel to “take all actions necessary to place this matter on the ballot for the August 9, 2022, primary election.” The OSA expressed no opinion regarding this election.

<sup>35</sup> The OSA recommends that local government officials and employees should serve only in a non-voting capacity on the board of any nonprofit corporation created to assist a local government.

The OSA requested certain City records that referenced certain entities and the FOBSP. The OSA found instances where City actions involved one or more of the businesses that appear to be connected to the Mayor. Documentation suggests that the Mayor may have disclosed an interest in some of these businesses. For others, we found no documentation of such disclosure.

First, it appears the Mayor “disclosed to the City Council by email publicly at a City Council meeting his interest . . .” in **Life Garage, LLC**, for which he reports that he is “a mentor and advisor and as the father of Callie Swanson . . .”<sup>36</sup>

Next, City Council meeting minutes indicate that when asked about the business **First Day Events**, the Mayor reported to the City Council that the individual who filed the OSS paperwork for First Day Events “was his admin and worked for him.”<sup>37</sup> He went on to say that, “He thought that he could just abstain from a vote.” He also reported “that his counsel has shared with him that, particularly in small communities, people will have conflicts of interest. His understanding is that he should be transparent, but that people can have contracts as long as they disclose them.” However, in subsequent meeting minutes, the Mayor reported “that he has no direct or indirect interest in First Day Events.”<sup>38</sup>

Finally, the City Council meeting minutes document several City Council actions involving the **FOBSP**. It appears the Mayor abstained from voting on certain matters involving the FOBSP; however, the City Council meeting minutes do not document why the Mayor abstained.<sup>39</sup>

The OSA also located certain City Council and City Commission meeting minutes from August of 2017, March of 2018, and November of 2019, that indicate that the City provided City funds for the **Chalk.a.lot** event.<sup>40</sup> These meeting minutes do not reflect a disclosure by the Mayor of a connection to the nonprofit corporation.

Given the confusion caused by the Mayor’s extensive business ties and their impact on his role as Mayor (and vice versa), the City may benefit from implementing the use of economic interest disclosure statements for its elected officials. We, therefore, suggest the City consider implementing the use of economic interest disclosure statements for its elected officials. In Minnesota, State-wide elected or appointed officials and those of a metropolitan governmental unit are required to file an economic interest statement within 60 days of their appointment dates.<sup>41</sup>

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<sup>36</sup> See September 4, 2019, letter to the Two Harbors Development Fund from the then City Attorney. It appears the then City Attorney believed that the Two Harbors Development Fund (THDF) was a “stand-alone Minnesota non-profit corporation . . .;” however, the City Council recently passed a motion “requesting the City Attorney proceed with separation of THDF from City control.” See February 28, 2022, City Council meeting minutes.

<sup>37</sup> See February 14, 2022, City Council meeting minutes.

<sup>38</sup> See March 28, 2022, City Council meeting minutes.

<sup>39</sup> See, for example, the April 12, 2021, and June 11, 2018, City Council meeting minutes.

<sup>40</sup> See the August 28, 2017, and March 26, 2018, City Council meeting minutes and the November 7, 2019, City of Two Harbors Arts and Beautification Commission meeting minutes.

<sup>41</sup> See Minn. Stat. § 10A.09.

The Minnesota Campaign Finance Board states, on its web site, that “[t]hese statements disclose the official’s sources of income, financial holdings, non-homestead real estate, and interests in horseracing.”<sup>42</sup> If the City required its elected officials to complete similar statements shortly after taking office, the City might be in a better position to identify potential conflicts of interest when they arise.

### **Conclusion and Recommendations**

Based upon its review, the OSA concludes that the City Council and City Attorney acted appropriately in considering whether certain conduct by the Mayor violated provisions of Minnesota Law, the City Charter, the City Code, and the City Communications Policy. These determinations are the responsibility of the City Council and the City Attorney in the first instance, and our review revealed nothing to suggest that they were reached improperly or were without support.

The OSA recommends that City officials and employees should serve only in a non-voting capacity on the board of any nonprofit corporation created to assist a local government.

The OSA recommends that, in the future, abstentions from voting due to a conflict of interest should be documented in the City Council meeting minutes. This documentation should include the member’s name and reason for abstention.

Finally, In the interests of transparency and to avoid confusion in the future, the OSA recommends that the City consider implementing the use of economic interest disclosure statements for its elected officials.

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<sup>42</sup> See <https://cfb.mn.gov/citizen-resources/board-programs/overview/government-officials-disclosure/>.



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(218) 834-2194

Paralegal

Krista L. Anderson  
[krista@costleylaw.com](mailto:krista@costleylaw.com)

January 24, 2022

Mr. Keith Ellison  
Attorney General  
State of Minnesota  
445 Minnesota Street  
Suite 1400  
St. Paul, MN 55101

Re: Request for written opinion on elected official actions

Dear Attorney General:

As attorney for the City of Two Harbors, MN, a Minnesota charter city, and at the request of its City Council, I am requesting a written opinion on a question of public importance per Minn. Stat. § 8.07.

The matter involves public communications by Christopher Swanson, Mayor of Two Harbors.

**Facts:**

There are three public communications from Mayor Swanson at issue:

- 1) "Ask a Billionaire Podcast #8: Insights Being Learned From a \$400 Million Project" as presented by E.N.I.G.M.A. Mastery Group and posted on [enigmamastery.net/blog](http://enigmamastery.net/blog);
- 2) "Vibrant Two Harbors" website as posted on [vibetwoharbors.com](http://vibetwoharbors.com); and
- 3) Twitter posts on "@mayorswanson" site.

I have attached copies of the website (Ex. A) and Twitter posts (Ex. B). The Billionaire Podcast is reviewable at the blog site identified above.

The Two Harbors City Council has not participated in nor endorsed the subjects of the communications. The mayor is a voting member of the City Council. There have been no contracts proposed to the City regarding the subject of the communications. I have received no evidence that Mayor Swanson has any personal financial interest in these matters. The press has recently reported that Mayor Swanson paid to be advised by "Mr. O," the reclusive billionaire involved in the podcast referenced above. I have not independently verified this information.

January 24, 2022

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**Issue**

Do any of Mayor Christopher Swanson's three communications outlined above violate 1) Minn. Stat. Sec, 471.87; 2) City Charter, Chapter III, Section 2; 3) Section 2.61 of City Code; or 4) City of Two Harbors Communications Policy.

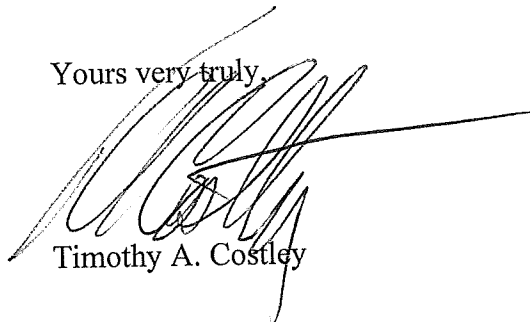
**Applicable Policies/Rules/Law:**

The applicable policies, rules and law that could apply to these communications are:

- 1) Minnesota Statute Section 471.87 (Ex.C);
- 2) City Charter, Chapter III, City Officers, Section 2 – City Contracts, Officers Not Interested (Ex.D);
- 3) Section 2.61 of City of Two Harbors Code (Ex.E); and
- 4) City of Two Harbors Communications Policy (Ex.F).

I look forward to receipt of your opinion so I may appropriately aid and advise the City Council consistent with your opinion. If you have any questions or desire more information, please do not hesitate to contact me.

Yours very truly,

A handwritten signature in black ink, appearing to read 'Timothy A. Costley', is written over a horizontal line.

Timothy A. Costley

TAC/kla

cc: Chris Swanson, Mayor  
Miranda Pietila, City Administrator  
Patty Nordean, City Clerk  
Two Harbors City Council

Attorneys

Mitchel H. Costley  
[mhc@costleylaw.com](mailto:mhc@costleylaw.com)

Gerald J. Morris (Ret.)

Timothy A. Costley  
[tac@costleylaw.com](mailto:tac@costleylaw.com)

**COSTLEY & MORRIS, P.C.**

ATTORNEYS AT LAW

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Two Harbors, MN 55616  
(218) 834-2194

Paralegal

Krista L. Anderson  
[krista@costleylaw.com](mailto:krista@costleylaw.com)

February 2, 2022

Mr. Keith Ellison  
Attorney General  
State of Minnesota  
445 Minnesota Street  
Suite 1400  
St. Paul, MN 55101

Re: Supplemental request for written opinion on elected official actions

Dear Attorney General:

As attorney for the City of Two Harbors, MN, a Minnesota charter city, and at the request of its City Council, I am requesting a written opinion on a question of public importance per Minn. Stat. § 8.07.

The matter involves an additional public communication by Christopher Swanson, Mayor of Two Harbors, that has arisen since my letter to you of January 24, 2022.

**Facts:**

The additional public communication from Mayor Swanson is an interview given to *The New York Times* in an article entitled “The Rise of Crypto Mayors” dated January 25, 2022 (attached as Ex. A).

The Two Harbors City Council has not participated in nor endorsed the subject of the interview.

**Issue**

Does *The New York Times* interview dated January 25, 2022, violate 1) Minn. Stat. Sec, 471.87; 2) City Charter, Chapter III, Section 2; 3) Section 2.61 of City Code; or 4) City of Two Harbors Communications Policy.

**Applicable Policies/Rules/Law:**

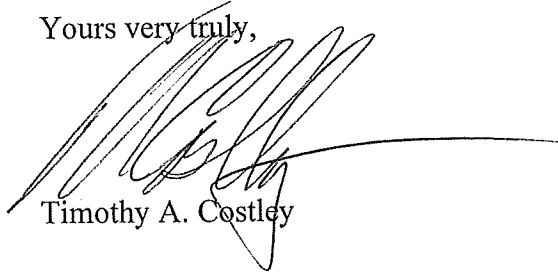
I have previously provided the applicable policies, rules and law that could apply to this communication in my letter of January 24, 2022.

February 2, 2022

Page 2

If you have any questions or desire more information, please do not hesitate to contact me.

Yours very truly,

A handwritten signature in black ink, appearing to read 'Timothy A. Costley', with a long horizontal line extending to the right.

Timothy A. Costley

TAC/kla

cc: Chris Swanson, Mayor  
Miranda Pietila, City Administrator  
Patty Nordean, City Clerk  
Two Harbors City Council



The Office of  
**Minnesota Attorney General Keith Ellison**  
helping people afford their lives and live with dignity and respect • [www.ag.state.mn.us](http://www.ag.state.mn.us)

February 2, 2022

**Via Email Only**  
***tac@costleylaw.com***

Timothy A. Costley  
Costley & Morris, P.C.  
609 1<sup>st</sup> Avenue/P.O. Box 340  
Two Harbors, MN 55616

**Re: Request for Opinion Concerning Elected Official Action**

Dear Mr. Costley:

Thank you for your January 24, 2022, letter requesting an opinion from the Attorney General's Office regarding certain public communications by the mayor for the City of Two Harbors.

You provided printouts of website pages and twitter posts, and a link to a podcast, all indicating that the mayor is promoting an initiative called "Vibrant Two Harbors." The website indicates Vibrant Two Harbors is looking for "investors" and includes a link to set up a "free investment 15-minute meeting" with the mayor.

Your letter indicates that the Two Harbors City Council has not participated in nor endorsed the subjects of the communications. There have been no contracts proposed to the City regarding the subject of the communications. You indicate that you have received no evidence that the mayor has any personal financial interest in these matters.

You ask this Office to address whether any of the mayor's communications as documented violate 1) Minnesota Statutes section 471.87; 2) City Charter, chapter III, Section 2; 3) Section 2.61 of City Code; or 4) City of Two Harbors Communications Policy.

Minnesota Statutes section 471.87 relates to a public official's personal financial interest in a contract. Given the absence of a pending contract or other transaction before the City, your question is focused on the mayor's communications. Whether those communications establish that a contract or other transaction will come before the council at some point in the future is uncertain. As such the question presents a hypothetical situation relative to Minn. Stat. § 471.87.

For the reasons noted in Op. Atty. Gen. 629a (May 9, 1975) (enclosed), this Office does not generally render opinions on hypothetical or fact-dependent questions. That Opinion also held that this Office does not construe the meaning of terms in city charters and local ordinances and resolutions. Your questions regarding the city charter, city code and communications policy fall under this category.

Timothy A. Costley

February 2, 2022

Page 2

However, I enclose an information memorandum from the League of Minnesota Cities examining law pertaining to official conflicts of interest. You may find the analysis and citations to legal authority, including some Attorney General Opinions that predate Op. Atty. Gen. 629a (May 9, 1975), in the memorandum helpful.

Thank you again for your correspondence.

Sincerely,

/s/ **Susan C. Gretz**

---

SUSAN C. GRETZ

Assistant Attorney General

(651) 757-1336 (Voice)

Enclosures: Op. Atty. Gen. 629-a, May 9, 1975  
League of Minnesota Cities Information Memo: *Official Conflict of Interest*


|#5158082-v1

## ATTACHMENT D

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**MEMORANDUM OF OPINION**

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**TO:** TWO HARBORS CITY COUNCIL  
**FROM:** TIMOTHY A. COSTLEY, CITY ATTORNEY   
**SUBJECT:** MAYOR COMMUNICATIONS AND ACTIVITIES  
**DATE:** MARCH 27, 2022  
**CC:** MIRANDA PIETILA, CITY ADMINISTRATOR  
PATTY NORDEAN, CITY CLERK

---

I have been asked to address three matters referred to the Minnesota Attorney General and returned to the City via opinion dated February 2, 2022. The Attorney General declined to opine on the applicability of Minn. Stat. Sec. 471.87, as there is no contract involving the City and speculating on the statute's applicability to a potential contract would be improper. The Attorney General concluded that the city attorney is the appropriate official to analyze questions regarding the city charter, city code and communications policy. Op. Atty. Gen. 629a (May 9, 1975).

I was presented with two additional potential ethical issues involving Mayor Christopher Swanson at the Ad Hoc Ethics Committee meeting on March 17, 2022. The first involves concerns by a citizen about fundraising activities by Mayor Swanson for the Two Harbors Performing Arts Center. The second involves a citizen's allegations of Mayor Swanson's use of information obtained in a meeting for personal financial or other benefit as outlined in a *Duluth Monitor* article dated March 17, 2022. Both have been recommended to this Council for referral to the Minnesota Attorney General. After review of both allegations in detail, I do not believe that the Attorney General will give an opinion on whether these incidents violate Minn. Stat. Sec. 471.87 because, in both instances, there was no contract with the city, which is a requirement for a violation of the statute.

The City is then left with addressing whether these two incidents violate City Charter, Code or Communications Policy. Assuming an analysis of these two incidents would be asked of me, and to facilitate a timely conclusion, I have taken it upon myself to include them in this memorandum.

Thus, this Memorandum of Opinion will address five separate instances of potential violation of City Charter, Code or Communications Policy by Mayor Christopher Swanson.

**I. FACTS**

The five alleged violations of City Charter, Code or Communications Policy involve content and/or actions contained in the following:

- A. "Ask a Billionaire Podcast #8: Insights Being Learned From a \$400 Million Project" as presented by E.N.I.G.M.A. Mastery Group and posted on [enigmamastery.net/blog](http://enigmamastery.net/blog);

**ATTACHMENT D (Continued)**

- B. “Vibrant Two Harbors” website as posted on [vibetwoharbors.com](http://vibetwoharbors.com);
- C. Twitter posts on Mayor Christopher Swanson’s “@mayorswanson” personal account;
- D. Allegations by a citizen about potential conflict of interest in solicitation of funds by Mayor Christopher Swanson on behalf of the Two Harbors Performing Arts Center; and
- E. Allegations by a citizen regarding Mayor Christopher Swanson using information obtained in confidence as Mayor to advance financial or other private interest.

The “Ask a Billionaire Podcast” is reviewable at the blog site identified above. I have attached copies of the website (Exhibit A), Twitter posts (Exhibit B), citizen email regarding Friends of the Bandshell (Exhibit C) and *Duluth Monitor* article containing citizen allegations of obtaining information as Mayor for personal financial benefit (Exhibit D).

In all instances, the Two Harbors City Council did not participate in nor endorse the actions or contents of communications. I have no evidence that contracts were entered into by the City for any matter. I have received no direct evidence that Mayor Christopher Swanson has any personal financial interest in these matters.

**II. ISSUE**

Do any of Mayor Christopher Swanson’s actions referenced above violate:

- 1) City Charter, Chapter III, Section 2;
- 2) Section 2.61 of City Code; or
- 3) City of Two Harbors Communications Policy.

**III. APPLICABLE RULES AND POLICIES.**

**City Charter  
Chapter III, City Officers**

**City Contracts, Officers Not Interested**

Section 2. No elected or appointed officer of the city shall, while in office, vote for or make any contract in behalf of the city or any department of the city with himself or herself or with any firm of which he or she is a member, or with any corporation or association of which he or she is an officer or director, nor shall he or she be in any manner directly or indirectly interested in any contract with the city, and in any contract in which said officer of the city is or becomes directly or indirectly interested, shall be and become absolutely void, and any officer by said act shall forfeit his or her said office.



**ATTACHMENT D (Continued)****City Code – Chapter 2****Section 2.61 CODE OF CONDUCT AND ETHICS.**

**Subd. 1. Purpose.** The Council hereby adopts a policy which declares a Code of Conduct and Ethics to be adhered to by all elected officials (“Elected Officials”) . . . of the City. The purpose of this Code is to establish standards for all such persons by setting forth actions which are incompatible with the best interests of the City or in conflict with law . . . .

**Subd. 2. Conflicts of Interest.**

A. It is unlawful for any Elected Official . . . having the power or duty to perform an official act or action to be directly or indirectly interested in any contract, transaction or zoning decision of the City except as provided for in Minnesota law.

B. Any Elected Official who has an interest in any proposed action by the City Council or Board or Commission . . . shall disclose on the record of the City Council or Board . . . the nature and extent of such interest.

**Subd. 4. Disclosure of Information.**

B. It is unlawful for any Elected Official . . . with respect to any transaction, zoning decision, or other matter which may be the subject of an official act or action of the City, without proper legal authorization, to disclose nonpublic information as defined by Minnesota Statutes, Chapter 13 concerning the property, government or affairs of the City, or use such information to advance the financial or other private interest of the other (*sic*) Elected Official . . . .

**Subd. 7. Actions or Statements on Behalf of City.**

B. No Elected Official . . . in the official capacity of such Elected Official . . . shall provide any written or oral statement using such person’s City title . . . and (*sic*) such person makes a positive statement that such statement is made in the individual capacity of such Elected Official . . . and not in his/her official capacity which is contrary to a position taken by the City or its Council, Commissions or Boards.

**CITY OF TWO HARBORS COMMUNICATIONS POLICY****Additional Guidelines for Personal Communications**

It is important for City Representatives to remember that the personal communications of City Representatives may reflect on the city, especially if City Representatives are commenting on city business. The following guidelines apply to personal communications including various forms

**ATTACHMENT D (Continued)**

such as social media (Facebook, Twitter, blogs, YouTube, etc.), letters to the editor of newspapers, and personal endorsements.

- If you publish something related to city business, identify yourself and use a disclaimer such as, “I am a representative of the city of Two Harbors. However, these are my own opinions and do not represent those of the City of Two Harbors.
- City resources, working time, or official city positions cannot be used for personal profit or business interests, or to participate in personal political activity. For example, a building inspector could not use the city’s logo, email or working time to promote his/her side business as a plumber.
- Personal social media account names or email names should not be tied to the city (e.g. MosquitoHeightsCop).

#### **IV. LEGAL ANALYSIS.**

- A. “Ask a Billionaire Podcast #8: Insights Being Learned From a \$400 Million Project” as presented by E.N.I.G.M.A. Mastery Group and posted on [enigmamastery.net/blog](http://enigmamastery.net/blog).**

##### Facts.

This podcast includes discussions between Mr. Swanson and an unidentified person who identifies himself as “Mr. O.” Mayor Swanson paid Mr. O to provide consulting services for a private project in the City involving an underwater hotel to be built in Burlington Bay and identified as the “8<sup>th</sup> Wonder of Lake Superior.” Mayor Swanson states that as Mayor he has a “little bit of sway” in seeking bonding from the state of Minnesota for projects such as this. Mayor Swanson states that part of the plan includes construction of a very large RV park as part of the City’s municipal golf course that borders Burlington Bay.

##### Application of Facts to City Charter, Code and Policy.

- 1) City Charter, Chapter III, Section 2.

Because there is no contract with the City, there can be no violation of the City Charter.

- 2) Section 2.61 of City Code.

Subdivision 2 of Section 2.61 is inapplicable as there is no City contract or transaction.

Subdivision 7 B. of Section 2.61 is applicable and prohibits elected officials from providing oral statements using the person’s City title, unless that person makes a positive statement that such statement is made in the individual capacity of the elected official. Here Mayor Swanson identifies himself as “Mayor” of Two Harbors to promote a private underwater hotel project he is involved in. Mayor Swanson failed to make the disclaimer

**ATTACHMENT D (Continued)**

required by this Subdivision. In my opinion, the communications on the website violate this section.

3) **City of Two Harbors Communications Policy.**

The Communications Policy prohibits publishing information related to City business without using a disclaimer stating that personal opinions are not those of the City. The representation by Mayor Swanson that part of the plan for the underwater hotel includes an RV park as part of the City's municipal golf course implies that the City has such a plan. This is not accurate and amounts to a misrepresentation. Making this statement and representing it as City business, without using a disclaimer, is a violation of this policy.

The Communications Policy prohibits using official city positions for personal profit or business interests. My opinion is that identifying himself and/or allowing himself to be identified as the Mayor of Two Harbors in this podcast, to promote his personal business interest and potential personal profit, is a violation of this Policy.

Conclusion.

Based upon the facts and my legal analysis set forth above, it is my opinion that the communications on the Mr. O podcast violate City Code Section 2.61, Subd. 7. B. and the City of Two Harbors Communications Policy.

**B. "Vibrant Two Harbors" website as posted on vibetwoharbors.com.**

Facts.

Vibrant Two Harbors is identified as "an initiative by Two Harbors Mayor Chris Swanson, local community members, and Billionaire Mr. O. Together these individuals have created a vision to bring the city of Two Harbors to new heights turning it into one of the destination cities in the Midwest." Vibrant Two Harbors lists "Finished Projects" as Burlington Station, Callie's Sweets and Lou's Fish House, entities owned by Mayor Swanson's daughters. Vibrant Two Harbors seeks investors to join in their 10-year plan to earn "high yields for early investors" that "involves a complete renovation of downtown Two Harbors, the creation of multiple shopping districts, and some other massive projects that will blow visitors away." The site states "Set up a free investment 15 minute meeting with Two Harbors Mayor Swanson to learn more: Click the button below to set up your meeting today." The site further states: "Learn How You Can Invest – Vibrant Two Harbors is looking for vision-seeking individuals who are looking for high-return investments. If this fits who you are get in contact today by filling out the form below and Mayor Swanson will be in touch."

Application of Facts to City Charter, Code and Policy.

1) **City Charter, Chapter III, Section 2.**

## ATTACHMENT D (Continued)

Because there is no contract between the City and Vibrant Two Harbors, there can be no violation of the City Charter. The website lists “Vibrant Two Harbor’s (*sic*) Finished Projects” as three businesses reportedly owned by Mr. Swanson’s daughters. One could reasonably assume from this representation that there is a business relationship between Vibrant Two Harbors and these 3 entities. I do not have independent proof of any connection. In the Mr. O podcast, Mr. Swanson stated that he invested \$1.7 million dollars into his daughter’s candy store, Callie’s Sweets. If such a connection is shown in the future, and the City Council voted to promote that business in any way, further analysis would be required.

2) Section 2.61 of City Code.

Subdivision 2 of Section 2.61 is inapplicable as there is no City contract or transaction.

Subdivision 7 B. of Section 2.61 is applicable and prohibits elected officials from providing written statements using the person’s City title, unless that person makes a positive statement that such statement is made in the individual capacity of the elected official. Here Mr. Swanson is using his title as “Mayor” to promote a private investment group and to solicit investors. The site also offers a free investment meeting with “Two Harbors Mayor Swanson.” There is no disclaimer language on the website as required by this Subdivision. My opinion is that the communications on the website violate this section.

3) City of Two Harbors Communications Policy.

The Communications Policy prohibits using official city positions for personal profit or business interests. Use of the term “Mayor” in this website including “Two Harbors Mayor Chris Swanson” to seek investors and promote his personal business interest and potential personal profit is, in my opinion, a violation of this Policy.

Conclusion.

Based upon the facts and my legal analysis set forth above, it is my opinion that the communications on the Vibrant Two Harbors website violate City Code Section 2.61, Subd. 7. B. and the City of Two Harbors Communications Policy.

**C. Twitter posts on Mayor Christopher Swanson’s “@mayorswanson” personal account.**

Facts.

Mr. Swanson posted the following to his personal Twitter account:

December 4, 2021:

**Mayor Chris Swanson @mayorswanson** What are other mayors doing to encourage entrepreneurship in their city? #Entrepreneur #business #startups #Entrepreneurship we are



## ATTACHMENT D (Continued)

working with great organizations line @EFund\_mn and @GarageStarts big changes require new ideas. @StartSocieties

December 29, 2021:

**Mayor Chris Swanson @mayorswanson** Two Harbors. CEO of the city. The town that built America #thelittleenginethatcould now we are building a culture of innovation. Follow to partake in building Vibe. #DAO #Crypto #blockchain #WEB3 #Entrepreneurship

January 5, 2022:

**Matt McPheely @mattmcpheely** If I were a Mayor right now, I'd put a large amount of effort into building our the #web3 infrastructure for my city. Work with @mineCityCoins, econ development \$ to attract talent, allow neighborhoods to be owners of public land, partner with developers to build awesome things.

**Mayor Chris Swanson @mayorswanson** I am a Mayor right now and that's what I'm doing.

**Shawn @shawnmahon** What's one way that you would use CityCoins for your constituents?

**Mayor Chris Swanson @mayorswanson** Our current plan is to continuously use a portion of the revenue generated from a CityCoin to mine the more of the coin itself and hodl. The rest would be put into an investment DAO with quadratic fund so citizens can vote on what they want the money to go to.

Application of Facts to City Charter, Code and Policy.

- 1) City Charter, Chapter III, Section 2.

Because there is no City contract involved in these Twitter communications, there can be no violation of the City Charter.

- 2) Section 2.61 of City Code.

Subdivision 2 of Section 2.61 is inapplicable as there is no City contract or transaction involved in these Twitter communications.

Subdivision 7 B. of Section 2.61 prohibits elected officials from providing any written statement using the person's City title unless that person makes a positive statement that such statement is made in the individual capacity of the elected official. Mayor Swanson's personal Twitter site is identified as **Mayor Chris Swanson @mayorswanson**. There is no disclaimer language on the Twitter posts as required by the section. My opinion is that the communications on the Twitter account violate this section.

- 3) City of Two Harbors Communications Policy.

The Communications Policy prohibits publishing information related to city business without using a disclaimer identifying personal opinions as not those of the City. The

## ATTACHMENT D (Continued)

communications of January 5, 2022, imply that the City has a plan to use revenue from CityCoin to mine more coin, with the remaining funds being put into an investment fund so that citizens can vote on where the money is spent. This is not the policy or plan of the City and representing it as such is a misrepresentation. In my opinion, the January 5, 2022, communication, representing the content as City business, without using a disclaimer, is a violation of this policy.

The Communications Policy prohibits using official city positions for personal profit or business interests. The Twitter post of December 2, 2021, uses the title **Mayor Chris Swanson @mayorswanson** and states “we are working with great organizations line (*sic*) . . . @GarageStarts. At the Ad Hoc Ethics Committee meeting of March 17, 2022, a YouTube video was presented by one of the committee members showing a speech given by Mr. Swanson at a May 10, 2021, meeting of the Oakdale Area Chamber of Commerce. This was offered by a citizen as relevant to the citizen complaint regarding Mayor Swanson soliciting funds for the Two Harbors Performing Arts Center issue that was before the committee. In his speech, Mayor Swanson states that he and 4 other entrepreneurs started Garage Starts, they were not prepared for the amount of business they obtained, and he discussed struggles their company had getting economic development funds from the City while he was the mayor. Based upon Mr. Swanson’s representations that he is part owner of Garage Starts, it is my opinion that using the title **Mayor Chris Swanson @mayorswanson** to promote that business in the Twitter post dated December 2, 2021, was a violation of this Policy.

The Communications Policy also prohibits creating social media account names that are tied to the City. In my opinion, use of the title “**Mayor Chris Swanson @mayorswanson**” on Mr. Swanson’s personal Twitter account is a violation of this Policy.

Conclusion.

Based upon the facts and my legal analysis set forth above, it is my opinion that the posts on Mr. Swanson’s private Twitter account violate City Code Section 2.61, Subd. B and the City of Two Harbors Communications Policy.

**D. Allegations by a citizen about potential conflict of interest in solicitation of funds by Mayor Christopher Swanson on behalf of the Two Harbors Performing Arts Center.**

Facts.

The Council received an email from a citizen dated February 9, 2022, regarding concerns over fundraising activities of Mayor Swanson. The allegations are that the citizen received an email from Mayor Swanson on February 28, 2020, seeking funding for the Two Harbors Performing Arts Center. The email came from “Mayor Chris Swanson [mayorswanson@twoharborsmn.gov](mailto:mayorswanson@twoharborsmn.gov).” The request was for \$100,000. The land upon which the Performing Arts Center is to be built is owned by the City as a public park. The citizen assumed the request was from Mr. Swanson acting in his capacity as Mayor to assist an organization needing help to finish its project. One month

## ATTACHMENT D (Continued)

later, the citizen learned that a contract was entered into between Garage Starts, a business he was told was owned by the Mayor's daughter, and Friends of the Bandshell Park, a nonprofit company raising funds for the Performing Arts Center. The citizen then received a copy of an invoice showing that Mayor Swanson was billing Friends of the Bandshell Park, via Garage Starts, at \$65 per hour for his conversations to solicit funds from the citizen. The citizen states "[A]t no point was I under the impression that Chris was calling me in any other role than Mayor of Two Harbors trying to get a civic project completed."

As discussed above, I reviewed a speech given by Mayor Swanson on May 10, 2021, at a meeting of the Oakdale Area Chamber of Commerce. Mr. Swanson states that he and 4 other entrepreneurs started Garage Starts, leased a space, were not prepared for the amount of business that came to them, and he discussed struggles their company had getting economic development funds from the City while he was the mayor.

Application of Facts to City Charter, Code and Policy.

1) City Charter, Chapter III, Section 2.

Because there is no contract involving the City there can be no violation of the City Charter. If City funds were paid or allocated for payment to Friends of the Bandshell Park, during the period that Garage Starts represented Friends of the Bandshell Park, and such payment or allocation was voted on affirmatively by Mayor Swanson, this analysis would change.

2) Section 2.61 of City Code.

Subdivision 2 of Section 2.61 is inapplicable as there is no City contract or transaction. The caveat stated in a) above applies to this conclusion. Should such evidence come forward, Section 2.61, Subd. 2. B. would be implicated and require further review.

Subdivision 7 B. of Section 2.61 prohibits elected officials from providing any written statement using the person's City title unless that person makes a positive statement that such statement is made in the individual capacity of the elected official. Mayor Swanson's email of February 28, 2020, uses the "Mayor Chris Swanson [mayorswanson@twoharborsmn.gov](mailto:mayorswanson@twoharborsmn.gov)" title and email account. There is no disclaimer language in the email as required by this section. In my opinion, the email violates this section.

3) City of Two Harbors Communications Policy.

The Communications Policy prohibits using official city positions for personal profit or business interests. It is clear from the email dated February 28, 2020, and the invoice showing Garage Starts billed Friends of the Bandshell Park in the sum of \$65 per hour for Mayor Chris Swanson's communications with the citizen, that the Mayor used his official position for personal profit and business interests. The citizen believed that Mayor Swanson was acting in his role as Mayor and was never informed that Mayor Swanson was acting as a private individual. Based upon the fact that the email was from "Mayor Chris



**ATTACHMENT D (Continued)**

Swanson” and from the [mayorswanson@twoharborsmn.gov](mailto:mayorswanson@twoharborsmn.gov) email account, that belief is reasonable. In my opinion, the email and use of an official city position for personal profit or business interest is a violation of this Policy.

**Conclusion.**

Based upon the facts and my legal analysis set forth above, it is my opinion that the email dated February 28, 2020, is a violation of City Code Section 2.61, Subd. 7 B. and using an official city position for personal profit or business interest is a violation of the City of Two Harbors Communications Policy.

**E. Allegations by a citizen about Mayor Christopher Swanson using information obtained in confidence as Mayor to advance financial or other private interest.****Facts.**

The allegations in this matter come from information contained in the *Duluth Monitor* article dated March 17, 2022, and review of public records by the city attorney. A citizen claims he met with Mayor Swanson on May 5, 2017, to seek help from the City with funding to purchase Lou’s Fish, a local business from which he wanted to produce and sell smoked fish. The meeting took place at PureDriven, a business reportedly owned by Mayor Swanson. The citizen asked that a nondisclosure agreement be signed and was told by Mayor Swanson that it was unnecessary. The citizen claims that he discussed his business plan for Lou’s Fish with Mayor Swanson. The citizen claims Mayor Swanson told him it was bad timing to seek any funding and that the City could do nothing for him. The citizen claims shortly thereafter Mayor Swanson then used his information and plan to facilitate his wife’s purchase of the Lou’s Fish property.

Business Record Details from the Minnesota Secretary of State’s office show that Crew17 L.L.C was formed on August 15, 2017. The Registered Agent and Manager is listed as Rebecca Mae Swanson with an address of 719 3<sup>rd</sup> Avenue, Two Harbors, MN. Lake County Recorder documents show a quit claim deed from SA Group Properties, Inc, to CREW17 L.L.C. dated February 13, 2018, for parcel No. 23-7600-31650, the parcel upon which Lou’s Fish is located.

It is alleged that on February 16, 2018, CREW17 L.L.C. closed on four loans from the Northeast Entrepreneur Fund in the about of \$162,100 to purchase the Lou’s Fish property. Business Record Details from the Minnesota Secretary of State’s office show that Lou’s Fish, LLC was formed on March 22, 2018. The Registered Agent is listed as Rebecca Mae Swanson and Manager is listed as Lou’s Fish House, 1319 Highway 61, Two Harbors, MN.

**Application of Facts to City Charter, Code and Policy.****1) City Charter, Chapter III, Section 2.**

Because there is no contract involving the City there can be no violation of the City Charter.



## ATTACHMENT D (Continued)

## 2) Section 2.61 of City Code.

Subdivision 2 of Section 2.61 is inapplicable as there is no City contract or transaction.

Subdivision 4 of Section 2.61 makes it unlawful for any elected official to use nonpublic information obtained in their elected duties to advance their own financial or private interest. It is alleged that Mayor Swanson met with this citizen in his role as Mayor. The citizen was seeking assistance from the City to help fund the purchase of Lou's Fish. Within 3 months of this meeting, Mayor's Swanson's wife formed CREW17 L.L.C. Six months later, CREW17 L.L.C. purchased the Lou's Fish property, reportedly with \$162,100 in funds obtained from the Northeast Entrepreneur Fund. It appears that Mayor Swanson used information obtained from the citizen to facilitate his wife's purchase of the Lou's Fish property and run a smoked fish business similar, if not identical, to that proposed by the citizen. There would appear to be a clear financial or private interest being advanced on behalf of Mayor Swanson by his wife's purchase.

Important to this analysis under Subdivision 4 is whether "nonpublic information" was exchanged. Specifically, whether the business plan information provided by the citizen to Mayor Swanson is so classified. Minn. Stat. Sec. 13.37, Subd. 1 b) defines "General Nonpublic Data" to include:

(b) "Trade secret information" means government data, including a formula, pattern, compilation, program, device, method, technique or process (1) that was supplied by the affected individual or organization, (2) that is the subject of efforts by the individual or organization that are reasonable under the circumstances to maintain its secrecy, and (3) that derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use.

I believe that any business plan information provided by the citizen would fit squarely into the definition of "Trade secret information," as it contains efforts and information deriving important economic value to the citizen. In my opinion, communication of the intention to purchase the Lou's Fish property, standing alone, could be considered "trade secret information" when presented to an elected official with the intent of seeking City assistance. This type of information is routinely kept confidential by cities to encourage potential developers to come forward with investment ideas, without fear their ideas will be disseminated to competitors or other developers. In my opinion, the actions of Mayor Swanson violate this Section.

## 3) City of Two Harbors Communications Policy.

The Communications Policy prohibits using official city positions for personal benefit or business interests. For the reasons set forth in b) above, I believe that the actions of Mayor Swanson violate this Policy.

## ATTACHMENT D (Continued)

Conclusion.

Based upon the facts reported by the citizen in the *Duluth Monitor*, if unrefuted, and my legal analysis set forth above, it is my opinion that Mayor Swanson received information in his official position as Mayor of the City which was used to further his financial or other interest, and violated City Code Section 2.61, Subd. 4. B. and the City of Two Harbors Communications Policy.



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**ATTACHMENT D (Continued)**



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**EXHIBIT A**



VIBRANT TWO HARBORS

VTH Project

Why Two Harbors

Who We Are

Finished Projects

Invest

# VIBRANT TWO HARBORS

Creating a Better Future for the NorthShore

Join our email list to stay up to date \*

Notify Me!

## What is Vibrant Two Harbors?

*Vibrant Two Harbors is an initiative brought together by Two Harbors Mayor Chris Swanson, local community members, and Billionaire Mr. O. Together these individuals have created a vision to bring the city of Two Harbors Minnesota to new heights turning it into one of the destination cities in the midwest.*

*Learn more about the project and how you can help by clicking the button below:*

ABOUT THE PROJECT



Let's Chat!

## ATTACHMENT D (Continued)

# What Have We Done?

Vibrant Two Harbors has been working behind the scenes for three years planning and setting the foundation. In that time we have successful opened three top-tier establishments that are putting Two Harbors on the map. Now we want to take this into overdrive turning Two Harbors into THE NorthShore destination. VTH team has created a 10-year plan that involves a complete renovation of downtown Two Harbors, the creation of multiple shopping districts, and some other massive projects that will blow visitors away. To learn more about our projects click the button below:

**FINISHED PROJECTS**



## Want to Learn More?

Vibrant Two Harbors is currently looking for investors to join on their vision to make Two Harbors THE tourist city of Minnesota. Our 10-year plan is (insert word like determined) to give high yields for early investors. Help make a real impact in improving a historic town. Set up a free investment 15 minute meeting with Two Harbors Mayor Swanson to learn more: Click the button below to set up your meeting today:

**MEETING SIGN UP**



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Let's Chat!



## ATTACHMENT D (Continued)



VIBRANT TWO HARBORS

VTH Project

Why Two Harbors

Who We Are

Finished Projects

Inv

# Vibrant Two Harbor's Finished Projects

This is only the beginning, With the help of investors, Two Harbors can become one of the biggest tourist cities in Minnesota and eventually the Midwest. Our 15-year plan includes \_\_\_\_\_, \_\_\_\_\_, and much much more.

Interested in learning more about this project and how you can get involved? Set up a free investment meeting today by clicking the button below.

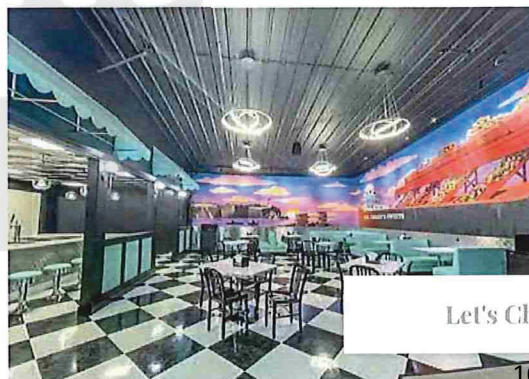
[Free Investment Meeting](#)


## Opened June 2021 Burlington Station

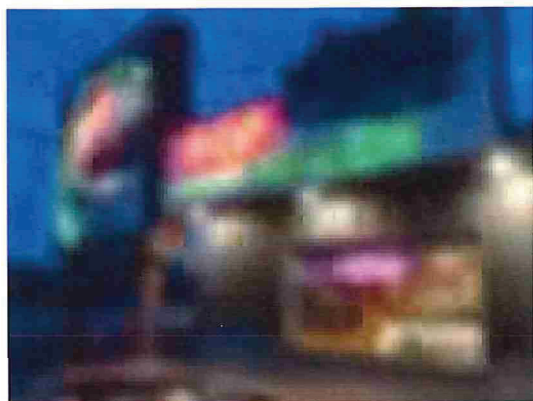
Burlington Station is the perfect place to add to your North Shore trip agenda! From trains to sweet treats, there is something that every member of the family can enjoy!

## Opened June 2021 Callie's Sweets

Handmade candy store located right on the North Shore. Callie's Sweets offers handmade fudge, popcorn, and more. Offers both in-store sales and e-commerce.


[Let's Chat!](#)

## ATTACHMENT D (Continued)



## Opened June 2018

### Lou's Fish House

Lou's fish house was the first \_\_\_\_\_

in f



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Let's Chat!

## ATTACHMENT D (Continued)



VIBRANT TWO HARBORS

VTH Project

Why Two Harbors

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Invest

# Learn How You Can Invest

Vibrant Two Harbors is looking for vision-seeking individuals who are looking for high-return investments. If this fits who you are get in contact today by filling out the form below and Mayor Swanson will be in touch.

First Name

Last Name

Phone

Email \*

Best Method of Contact \*

- ☐ Email  
☐ Phone

I'm Interested in Learning More About:

- ☒ Investment Opportunities  
☒ How I Can Get Involved  
☐ The Project As A Whole  
☐ Other Questions

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Let's Chat!



## ATTACHMENT D (Continued)



VIBRANT TWO HARBORS

VTH Project

Why Two Harbors

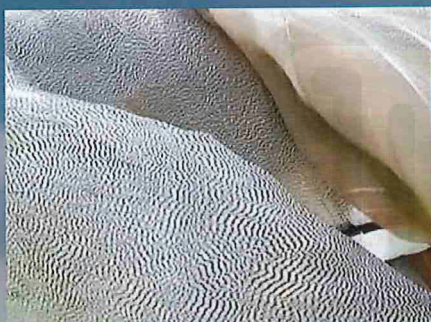
Who We Are

Finished Projects

Inv...

# Two Harbors: A Thriving Shore City

Two Harbors is a city nestled on the Minnesota North Shore. This bustling small town was one of the critical part of the Minnesota Iron Industry and offers a wide array of beautiful scenery, hiking trails, and water activities for visitors.



## Located on the Shores of Lake Superior

Located in one of the most sought after tourist destinations in the midwest Two Harbors offers beautiful views, clean air, and miles of hiking for any that come visit. No matter where you walk Two Harbors offers fantastic views of the largest of the great lakes.



## NorthShore Recently Showcased as a Climate Refuge

A recent study out of Harvard indicated that due to the massive fresh water intake that Lake Superior offers growth in our area will be unprecedented in the next 30 years. Jump onboard early with some of the best real estate money can buy with our VTH project.



## Over 2 Million Cars Pass through Two Harbors every Year

Currently, more than 2 million cars come through two harbors city limits as they travel up and down the shore. Our plan is to capture this audience and create THE stopping point for those traveling up the shore.



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Let's Chat!



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**EXHIBIT B**



our reply

6:07



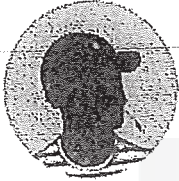
If I were a Mayor right now, I'd put a large amount of effort into building out the #web3 infrastructure for my city. Work with @mineCityCoins, econ development \$ to attract talent, allow neighborhoods to be owners of p...

6:30 PM · 1/5/22 · Twitter for iPhone

12 Retweets 1 Quote Tweet 89 Likes

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12 Retweets 1 Quote Tweet 89 Likes



**shawn**  @shawnmamahon · 20h

Replying to @mayorswanson and @mineCityCoins

What's one way that you would use CityCoins for your constituents?



2



6



**Mayor Chris Swanson** @mayors... · 18h

Our current plan is to continuously use a portion of the revenue generated from a CityCoin to mine the more of the coin itself and hodl. The rest would be put into an

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**Mayor Chris Swanson** @mayors... · 18h

Our current plan is to continuously use a portion of the revenue generated from a CityCoin to mine the more of the coin itself and hodl. The rest would be put into an investment DAO with a quadratic fund so citizens can vote on what they want the money to go to.



1



2



8



Show replies



**trevor.btc** @TO · 19h

Replying to @mayorswanson

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**Matt McPheely**  
@mattmcpheely

If I were a Mayor right now, I'd put a large amount of effort into building out the #web3 infrastructure for my city. Work with @mineCityCoins, econ development \$ to attract talent, allow neighborhoods to be owners of public land, partner with developers to build awesome things

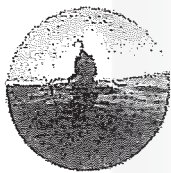
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## ATTACHMENT D (Continued)

awesome things

4:43 PM · 1/5/22 · Twitter Web App

3 Retweets 1 Quote Tweet 36 Likes



**Derek Pym** @derekpym · 2h

Replying to @mattmcpheely and  
@mineCityCoins

100



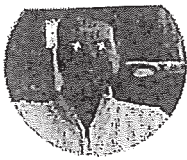
**Brandon Doyle** (🐶, 🐶) @Trave... · 22h

Replying to @mattmcpheely and

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## ATTACHMENT D (Continued)



**Mayor Chris Swanson**  
@mayorswanson

I am a Mayor right now and that's  
what I'm doing



**Matt McPheely** @mattmcpheely · 1d

If I were a Mayor right now, I'd put a large  
amount of effort into building out the #web3  
infrastructure for my city. Work with  
@mineCityCoins, econ development \$ to attract  
talent, allow neighborhoods to be owners of p...

6:30 PM · 1/5/22 · Twitter for iPhone

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## ATTACHMENT D (Continued)

**Mayor Chris Swanson**

@mayorswanson

What are other mayors doing to encourage entrepreneurship in their city? #Entrepreneur #business #startups #Entrepreneurship we are working with great organizations like @EFund\_mn and @GarageStarts big changes require new ideas. @StartSocieties

6:32 PM · 12/4/21 · Twitter for iPhone

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## ATTACHMENT D (Continued)



**Mayor Chris Swanson**  
@mayorswanson

Two Harbors. CEO of the city. The town that built America.  
#thelittleenginethatcould now we are building a culture of innovation.  
Follow to partake in building Vibe.  
#DAO #Crypto #blockchain #WEB3  
#Entrepreneurship

10:57 PM · 12/29/21 · Twitter for iPhone

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**ATTACHMENT D (Continued)**



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**EXHIBIT C**

## ATTACHMENT D (Continued)

**Patty Nordean**

---

**From:** Robin Glaser  
**Sent:** Wednesday, February 9, 2022 4:51 PM  
**To:** Patty Nordean; Tim Costley  
**Subject:** FW: Mayor Chris Swanson....Is this how business is done in Two Harbors now???  
**Attachments:** June Garage Starts Invoice[2].pdf; June Garage Starts Invoice[2].pdf

More fun and games

Sent via the Samsung Galaxy S9, an AT&T 5G Evolution capable smartphone

----- Original message -----

**From:** MARK JOHNSON <sonju@me.com>  
**Date:** 2/9/22 4:32 AM (GMT-06:00)  
**To:** Robin Glaser <councilorglaser@twoharborsmn.gov>, Derrick Passe <councilorpasse@twoharborsmn.gov>  
**Subject:** Fwd: Mayor Chris Swanson....Is this how business is done in Two Harbors now???

Begin forwarded message:

**From:** MARK JOHNSON <sonju@me.com>  
**Subject:** Mayor Chris Swanson....Is this how business is done in Two Harbors now???  
**Date:** February 9, 2022 at 1:59:25 PM GMT+7  
**To:** [councilorredden@twoharborsmn.gov](mailto:councilorredden@twoharborsmn.gov), [councilorwoodruff@twoharborsmn.gov](mailto:councilorwoodruff@twoharborsmn.gov),  
[councilorerickson@twoharborsmn.gov](mailto:councilorerickson@twoharborsmn.gov), [councilorpasses@twoharborsmn.gov](mailto:councilorpasses@twoharborsmn.gov),  
[councilglaser@twoharborsmn.gov](mailto:councilglaser@twoharborsmn.gov)

Councilors,

I have been saddened to watch the very public disclosures of the Mayor's activities in Two Harbors.

At the bottom of this email you will find a complaint/inquiry I made about the Mayor's activities dated July 6, 2020 and addressed to then City Manager Dan Walker.

Whether any of this is pertinent to the current situation is up to you to decide. If it is not then please just delete this email.

I am not making any claim that the Mayor has done anything illegal...but I am concerned about the reputational risk to the City.

I will recreate the basis for my complaint although I will use a different starting point than I used with Dan Walker. I told Dan it started with a phone call and when I looked back later it started with an email that I have put below:

AHEC

NB A

1

3/17/22

CA. 5

2/11/22<sup>39</sup>

## ATTACHMENT D (Continued)

On Feb 28, 2020, at 6:30 AM, Mayor Chris Swanson <[mayorswanson@twoharborsmn.gov](mailto:mayorswanson@twoharborsmn.gov)> wrote:

Mark,

Thanks for having Two Harbors on your heart. You are a hero for our community as you have constantly led to get this community out of the railroad mindset. I am excited to help you by getting the right people into our community and having the community get excited about projects. Your ideas for Two Harbors can be realized if we can get a success story.

Jenn is a bright light and I love having her working as our planner. She has a get it done attitude. These are the types of things we are doing to support your bigger vision for Two Harbors.

What we need right now more than anything is to get a building project done to start moving this community forward.

## ATTACHMENT D (Continued)

We spoke to the the Manitou Foundation another big one in Minnesota and they are going to donate to the Two Harbors Performing Arts Center. We have about ten major donations that if they fall could be perfect to being close enough to getting moving on the project.

How can you be our hero? We believe we need a pledge over 5 years of 20K a year. Is this something you can do?

Warm regards,

Chris

Certainly a nice and polite email soliciting a donation for a major civic project. The email came from "Mayor Swanson" on the Two Harbors government server.

I assumed that Chris was being a good mayor and helping an organization in town that needed help to finish a big project.

We did have some emails and a phone conversation. I was interested in helping if it was the last \$100,000 the project needed. Chris inferred that if he collected all of the verbal promises they would be there...but as Chris can be prone to overstatement I did some research and concluded they were still a long way off.

I let the matter drop and didn't give it any additional thought.

About a month later when I received an email saying the Bandshell organization had entered into a contract for fundraising with Garage Starts...a company that I was told was owned by Mayor Swanson's Daughter. They were billing the Bandshell people about \$10,000 a month for their services according to my source.



## ATTACHMENT D (Continued)

I was pretty appalled to hear this. It may well be legal but the optics were absolutely terrible!

At that point I wasn't in Two Harbors and had no way to verify all of this so I let it slide and I gave it no further consideration.

On July 3rd, 2020 I received another email this time with a copy of an invoice which you can view

As you can see Chris Swanson billed five hours at \$65/hour on the Mark Johnson deal. For those of you that don't know...I was the City Planner in Two Harbors for three years and the first year I worked for exactly \$1. I was pretty incensed to read that someone was charging a non-profit organization 325 times my annual salary as a planner to talk to me when I would be happy to talk for free.

I chose to go to Dan Walker with this and I hoped there could be some care in how this was handled as I didn't want the Bandshell people to get a wave on negative publicity. Nor, as you have seen, is it great for the City to receive publicity like you are experiencing now. In the Bandshell case I was told they were hoping to get IRRRB funding for their project. How does the IRRRB look at an application for a grant when it becomes public knowledge that the Mayor is a paid consultant to the project?

I did have a phone conversation with Dan just before he was leaving on vacation. He mentioned he was in a difficult spot as he had to work for Chris.

At that point I took the matter to a board member of the Bandshell group. A little while later the contract with Garage Starts was terminated.

I make no claim that Chris has done anything illegal. I was 1500 miles away when this all happened so there could be another side to this story...although no one has presented that to me.

If Chris continues in office I think there needs to be clear boundaries set between public and private interests. I would also say he needs some coaching on his public statements.

Having gone to the Legislature and lobbied for Two Harbors when I was planner the last thing I would ever say in a public forum would be that I had "Sway" at the legislature. I suspect that statement may well come back to haunt him and, sadly, the city as well.

You have a mess and it may get worse before it gets better...but the city needs you to resolve this situation.

Good luck,

## ATTACHMENT D (Continued)

Mark Johnson

Begin forwarded message:

**From:** MARK JOHNSON <[sonju@me.com](mailto:sonju@me.com)>  
**Subject:** Is this how business is done in Two Harbors now???  
**Date:** July 6, 2020 at 10:12:00 PM GMT+7  
**To:** [dwalker@twoharborsmn.gov](mailto:dwalker@twoharborsmn.gov)

Dan,

This is Mark Johnson...the former city planner and Auggie.

I have a circumstance which looks awful and involves the Mayor. Someone with better access to information may take a different look at it so I will tell you what I know and think and you can decide if there is something to pursue or just drop it.

FACT: This winter Chris Swanson called me. While we talked about a number of Two Harbors issues he did ask me if I could help with funding for the band shell. I got a distinct impression from him that they needed about \$100,000 to finish the project and start construction. As I do most of my giving in Two Harbors in conjunction with the Two Harbors Area Fund I put out a feeler to them about participating. In doing that I was informed it was unlikely that the Band Shell was so close to raising the needed funds.

I went back to Chris and while he pointed out areas where they might get remaining funds (Chris can overstate the case at times) he did say they needed more than \$100,000. At that point I ended communication on the Band Shell issue.

I will also add that at no point was I under any impression that Chris was calling me in any other role than Mayor of Two Harbors trying to get a civic project completed.

I thought the story ended there.

About a month later I received an unsolicited email stating that the Friends of the Band Shell had hired "Garage Starts" to do fundraising for their project. The contract was for \$10,000/month and about five or six months had already been paid.

Having been around fundraising in Two Harbors for a long time my jaw dropped! It is inconceivable that a contract for that amount would be entered into especially with a recently formed company.



**ATTACHMENT D (Continued)**

OPTICS: I wondered how it would look to the average person on the street in Two Harbors that the Band Shell people entered into a \$10,000/month contract with the Mayor's daughter ( I was told she owns the company)? I am not saying there is anything illegal but it sure doesn't pass the smell test.

CONJECTURE: I have no factual basis for this but I wonder...

If the friends of the Band Shell entered into this contract perhaps their sanity should be checked. OR...they entered into this believing the Mayor of the City was going to help his daughter and use his connections to fund raise. The answer lies with the board of the Band Shell.

I feel sad for the Band Shell people...this calls into question their judgement and may hamper future efforts unless there really is substantial fundraising underway that I am not aware of. I feel glad I didn't contribute as that money would be spent in ten months under the then existing contract (since modified).

At that point I think I am done with this.

New Fact: Three days ago I received a copy of an invoice...

It shows four hours being billed for the Chris Swanson call to Mark Johnson. It seems pretty obvious now that Chris and/or his family is getting paid directly for his efforts....efforts that I thought were made by him as Mayor.

Chris has told me that he was hopeful the City would contribute and I am sure there probably needs to be some political support in Two Harbors to get this done. The question is whether or not there is a giant conflict of interest here?

I am sending this to you as you can deal with it without politics. Some discretion would be helpful...certainly to the Friends of the Band Shell and the person who sent me this would appreciate that.

If there is nothing there then please delete this. If there is something then you will know how to handle it.

At the very least measures should be taken to prevent any appearance on impropriety.

Mark

## ATTACHMENT D (Continued)

Project	Entry Description	Name	Time (decimal)	Amount (USD)
Identifying new potential funding sources		Chris Swanson	2	130
	Mark Johnson deal	Chris Swanson	1	65
	Communication with Jenna	Chris Swanson	1	65
	Jenna meeting	Chris Swanson	1	65
	Mark Johnson Deal	Chris Swanson	1	65
	Wealthy individuals project	Chris Swanson	1	65
	Mark Johnson Deal	Chris Swanson	1	65
	Wealthy individuals project	Chris Swanson	1	65
	Wealthy Individuals project	Chris Swanson	1	65
	Mark Johnson deal	Chris Swanson	45.25	2941.25
	Wealthy Individuals project	Calvin Luhrs	1	65
School Bonding Project	Bonding project work	Chris Swanson	1	65
	Bonding project work	Chris Swanson	1	65
	Bonding project work	Chris Swanson	1	65
	Bonding project work	Chris Swanson	1	65
	Bonding project work	Chris Swanson	1	65
	Bonding project work	Chris Swanson	1	65
	Bonding project work	Chris Swanson	1	65
	Bonding project work	Chris Swanson	1	65
	Bonding project work	Chris Swanson	1	65
	Bonding project work	Chris Swanson	1	65
Donation Bin Project		Calvin Luhrs	0.25	16.25
	Donation bin to Lou's	Calvin Luhrs	0.5	32.5
	Collecting bins from Betty's and documenting	Chris Swanson	0.5	32.5
Project Management	PM: Meeting setup and misc tasks	Chris Swanson	1	65
	Site visit	Calvin Luhrs	0.5	32.5
	Meeting Prep	Jordan Seidel	1	65
	Facebook Update	Calvin Luhrs	0.25	16.25
	Meeting prep	Calvin Luhrs	0.5	32.5
	Meeting	Calvin Luhrs	1	65
	LaBounty Fund Report	Calvin Luhrs	0.25	16.25
	Meeting prep, misc emails	Calvin Luhrs	0.75	48.75
	Misc emails, meeting prep and meeting	Calvin Luhrs	1.75	113.75
	Misc emails	Calvin Luhrs	1	65
	LaBounty Fund Report	Calvin Luhrs	0.75	48.75
Marketing	Banner project research	Jordan Seidel	4	260
	Facebook and Blog work		78.25	5,086.25
Total				

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BRANCH

**ATTACHMENT D (Continued)**



MINNESOTA  
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**EXHIBIT D**

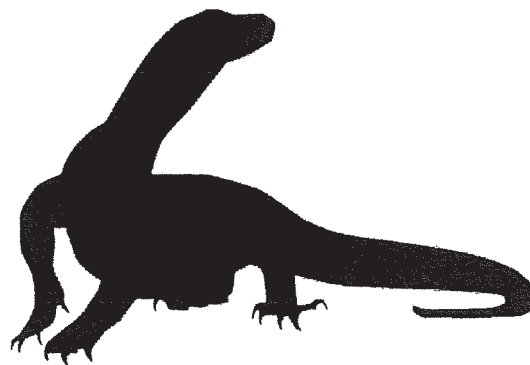
3/17/22, 1:15 PM

**ATTACHMENT D (Continued)**  
Boss Swanson, Part I: Poaching Lou's Fish – Duluth Monitor

📅 March 17, 2022

🔔 Latest:

# DULUTH MONITOR

[HOME](#)[ABOUT US](#)[CONTACT US](#)[Home](#) > [2022](#) > [March](#) > [17](#) > [Boss Swanson, Part I: Poaching Lou's Fish](#)

## Boss Swanson, Part I: Poaching Lou's Fish

📅 On March 17, 2022 / By John Ramos

### ARTICLE CALENDAR

#### MARCH 2022

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

« Feb

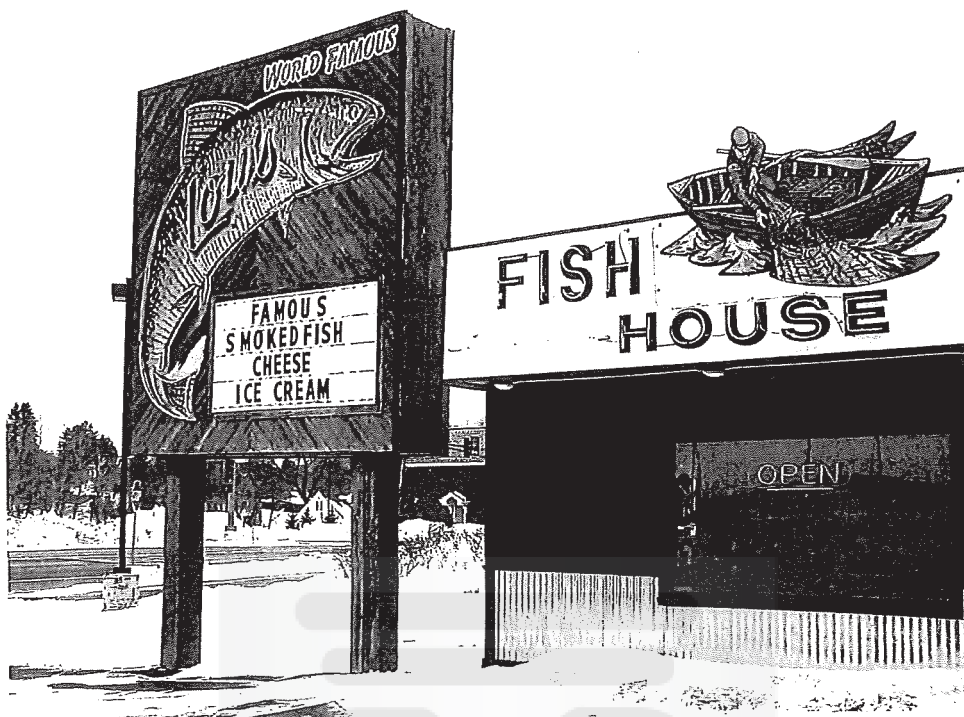
38

AHEC

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**ATTACHMENT D (Continued)**  
Boss Swanson, Part I: Poaching Lou's Fish – Duluth Monitor

*"We love jobs and want to see more in Two Harbors. If you are looking to start a business, or already have a business, feel free to reach out to me. Our goal is to make sure that you can grow your business in our community of Two Harbors."*

*Mayor Chris Swanson Facebook post, March 11, 2017*

**E**ven today, years too late, Brian Entzion gets excited talking about his dream.

We were sitting, with his spouse, Darci Rees, in the kitchen nook of their immaculate home in Knife River, while two or three household dogs circulated around our legs, soliciting head scratches.

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**ATTACHMENT D (Continued)**  
Boss Swanson, Part I: Poaching Lou's Fish – Duluth Monitor

## Lou's Fish

Wake up Two Harbo

Boss Swanson, Part I:

Poaching Lou's Fish

Tom on **Mayor Swanson promoted own businesses 97 times on city Twitter account**

In 2016, Entzion commuted regularly to Two Harbors, as a substitute teacher and head coach of the Two Harbors/Silver Bay girls' hockey team. One building Brian passed, day after day, was the building at the north end of Two Harbors which had housed Lou's Fish, a North Shore institution which had sold smoked fish to the public for 25 years. In 2014, Lou's went out of business, and the building had been sitting vacant ever since. As the months passed, Entzion began to look at the building with greater and greater interest.

Brian and his older brother, Bob Entzion, are also the owners of a successful junk-removal company. Brian wasn't really looking for another business opportunity, but, as he puts it, "I'm the type of person, if I'm out driving, I drive by places ... and I'm always trying to figure things out ... The brain doesn't shut off."

"It just sat there, and ... that big neon sign fish is so cool. It's so iconic," Entzion said. "I think that's what got me thinking about it ... It just seemed like an opportunity ... What if I were to reopen it?"

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**ATTACHMENT D (Continued)**  
Boss Swanson, Part I: Poaching Lou's Fish -- Duluth Monitor

Entzion's thoughts did not immediately turn to business, however, but to his own life. "I started to think about Knife River, and about growing up, and about all the people who fished ... and all the commercial activity that used to be, that is no longer."

Entzion's grandfather and uncle had been commercial fishermen, based in Knife River. "The old harbor that was down there, prior to the marina [being built, had] four boats that sat down there, that went out regularly and pulled nets," Entzion said. "We actually had the opportunity, when we were younger, to be thrown out on a boat at five in the morning, going out to pick herring out of nets."

"Is that right?" I asked. "As a job, or for fun, or...?"

Entzion chuckled. "Oh, they told us it was for fun. Yeah, we were used, but we didn't mind it. We'd get back in, and the guys would go to the



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Boss Swanson, Part I: Poaching Lou's Fish -- Duluth Monitor

store in Knife River and they'd sit around an old ice cream parlor table and have a beer and talk about their fish. And we'd get a soda. So it wasn't all that bad."

Entzion's grandfather, Carl Erickson, had a fishing boat which was built in nearby Larsmont, named The Crusader. It is currently on display on the grounds of the Knife River Heritage Center. The boat's compass, however, is in Entzion's home. Brian spent many hours and "a lot of Brasso" polishing the tarnished instrument, which glowed softly in the sunlight from the kitchen windows.



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*Brian Entzion and the compass from The Crusader. Credit: Duluth Monitor*

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ng. The vision was to tell a story, and to wrap things around this little village on the shore of Lake Superior. So I wanted to bring in pictures ... of guys with their daily catch, with their boats ... [and] artifacts from those boats."

Entzion also had an idea that he could convince some of the old Knife River fish-stand operators to come into the shop to interact with the customers. "I thought, what an opportunity to take those people, and mix them with new people, and you have people from Anoka and Eden Prairie and Illinois and Wisconsin coming up to the North Shore, and they step in there, and they're stepping back into time ... not only finding interest in the pictures, but having people there that can say, 'Oh, I remember that boat.' Even today, it just gives me chills."

The more he looked into the opportunity, the more excited Entzion became. When he obtained traffic counts from the Minnesota Department of Transportation, he found that traffic had been steadily increasing along that stretch of highway, from a daily average of 6,000 vehicles in 2014 to 8,305 in 2017. The city campground across the road was expanding, which would provide steady customers in the summer. In researching his competition, Entzion found one smoked-fish shop in Duluth (Northern Waters), and one in Knife River (Russ Kendall's). Those were the only two—from Duluth all the way to Grand Marais.

On a trip to Florida to visit family in April of 2017, Entzion came across a small family shop selling delicious smoked meats, using a recipe they

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had perfected generations earlier. A friend of Entzion's felt confident he could convince the owners to sell their recipe to Entzion.

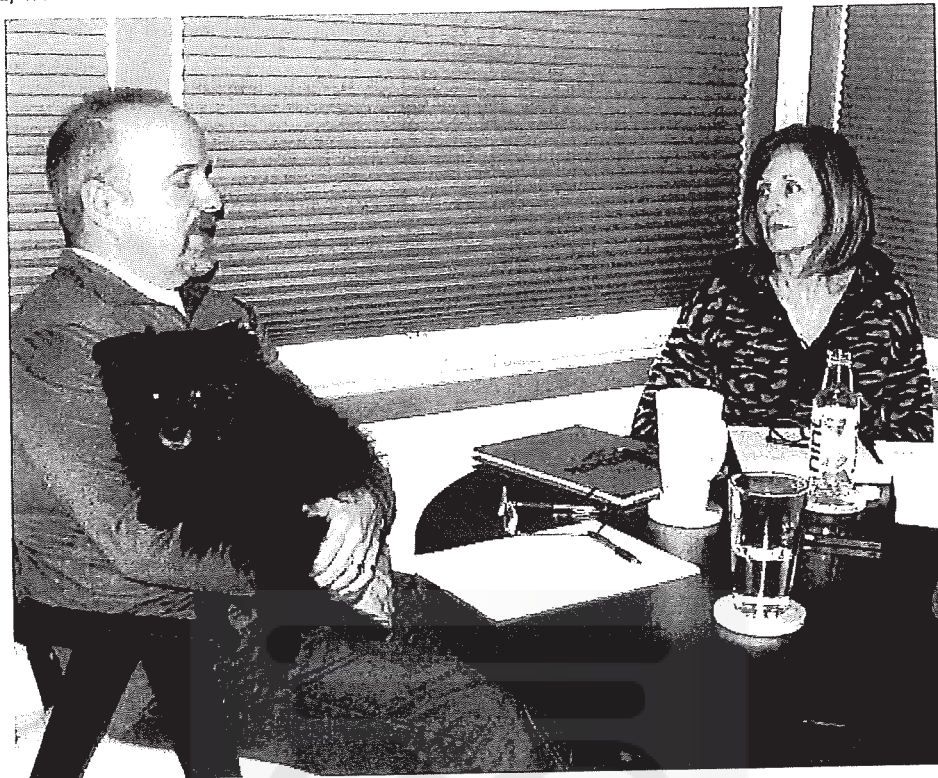
"The whole thing started to come together," said Entzion—and he found that he was really starting to enjoy himself. "The whole process of pulling different pieces in—finding traffic counts is not my idea of fun, but the whole process was kind of cool, because it all fit, you know? ... You pull the pieces—that fits right here [and] that fits right here. It's a jigsaw puzzle."

In addition to the store and smoke rooms, the Lou's Fish property includes a small, attached seven-room motel. Instead of running a motel, Entzion was considering converting that portion of the structure into two or three retail storefronts, to increase foot traffic and patronage of the fish house. He also thought that Granite Gear, a Two Harbors-based manufacturer, might be interested in showcasing their backpacks and outdoor accessories there.

Entzion had a list of several alternative names for the fish shop, but Knife River Fish Company kept coming back to mind.



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Brian Entzion and Darci Rees. Credit: Duluth Monitor

Because the list price of the property was \$285,000 at the time, and additional funds would be needed for renovations, Entzion began researching possible funding sources. He visited the Northland Small Business Development Center in Duluth several times, and was told to go to Lake County. When he went to Lake County and inquired about possible grants or tax-abatement funding, he was told, "If it's in Two Harbors, you have to go to the city. Go talk to [then-City Manager] Dan Walker."

Entzion called and left messages, and even visited City Hall in person, but Walker never responded. "He was always too busy, and never called me back," Entzion recalled.

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While attending to his duties at the high school, Entzion frequently had casual conversations with Chamber of Commerce President Janelle Jones, who volunteered as an adviser to the school Distributive Education Club of America (DECA) group. A few times, he mentioned to Jones that he had an idea for a new business, but was having difficulty getting in touch with Dan Walker or anyone else who might help him. Jones offered to set up a meeting with Mayor Chris Swanson:

*Brian Entzion: I came across her, after the initial talks with her, and she said, "Have you talked with Dan yet?" And I said, "No, he won't call me back."*

*"Well, let's bypass him. Let's go right to the top, talk to the mayor."*

*I didn't know you could, but, "Yeah, let's do that," [I said] ...*

*She set the meeting with the mayor, and, at that time, the mayor had an office downtown, in the back of a spice shop, and that's where we met.*

The spice shop, McQuade's Herbs, Spices, and More, was located in downtown Two Harbors, next door to Chris Swanson's digital marketing company, PureDriven. On May 5, 2017, Brian Entzion walked through the spice shop and sat down in the mayor's office with Swanson and Jones—and immediately produced a non-disclosure agreement for everyone to sign.



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**Brian Entzion:** When we got in there, there's all this nice talk and things, and I said, "I suppose, before we get started, we should maybe look at signing an NDA." And I brought copies with me. They both kind of chuckled, I would say nervously, and Janelle...they looked at each other and Janelle says, "Oh, you don't have to worry about that. You're among friends." And "It's a small town." And "We're not...we have no interest in taking your idea." And Chris said, "No, absolutely not. What is said in here today stays in here."

Well, what do I know? The initial chuckle kind of made me feel dumb for even bringing it up. And so I said, "I'm new to your game"—which I found out I was. So we went on with the meeting.

**John Ramos:** Nobody signed any NDA.

**Entzion:** No.

Brian proceeded to enthusiastically lay out his entire business plan for Lou's Fish. He talked about traffic counts, and the campground expansion, and the possibility of smoking other meats with a secret recipe. The mayor was equally enthusiastic.

**Brian Entzion:** Basically, everything that I've talked to you about, I talked to them about ... I laid out all of the history, the tradition, the Knife River Fish Company, all of that, you know, what I wanted to do inside, how I wanted to involve the business in the hotel part...all of that. And at the end, Chris looked at me and he said, "Brian, this is the best idea that I've seen in five years come across my desk. Without a doubt. You got a winner." And Janelle kind of affirmed that.

But when it came to offering help, sadly, the mayor was at a loss.

**Entzion:** Then I asked about abatements, about loans, about money available for small business. What I was told was, "Nah, jeez, bad time" ... He said, "Bad timing. There's nothing. I, you know, we can't do anything for you."

And that was that.

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*Entzion: I guess I wasn't looking for [compliments] ... I'm pretty straight to the point in looking for answers and things. You know, that's not why I went to him ...*

*As I was walking out, I just thought, what a huge waste of time. I mean, nothing came of it. And, in my head, I'm wondering, well, if I can't find information here, where am I going to find it?*

That was on May 5, 2017.

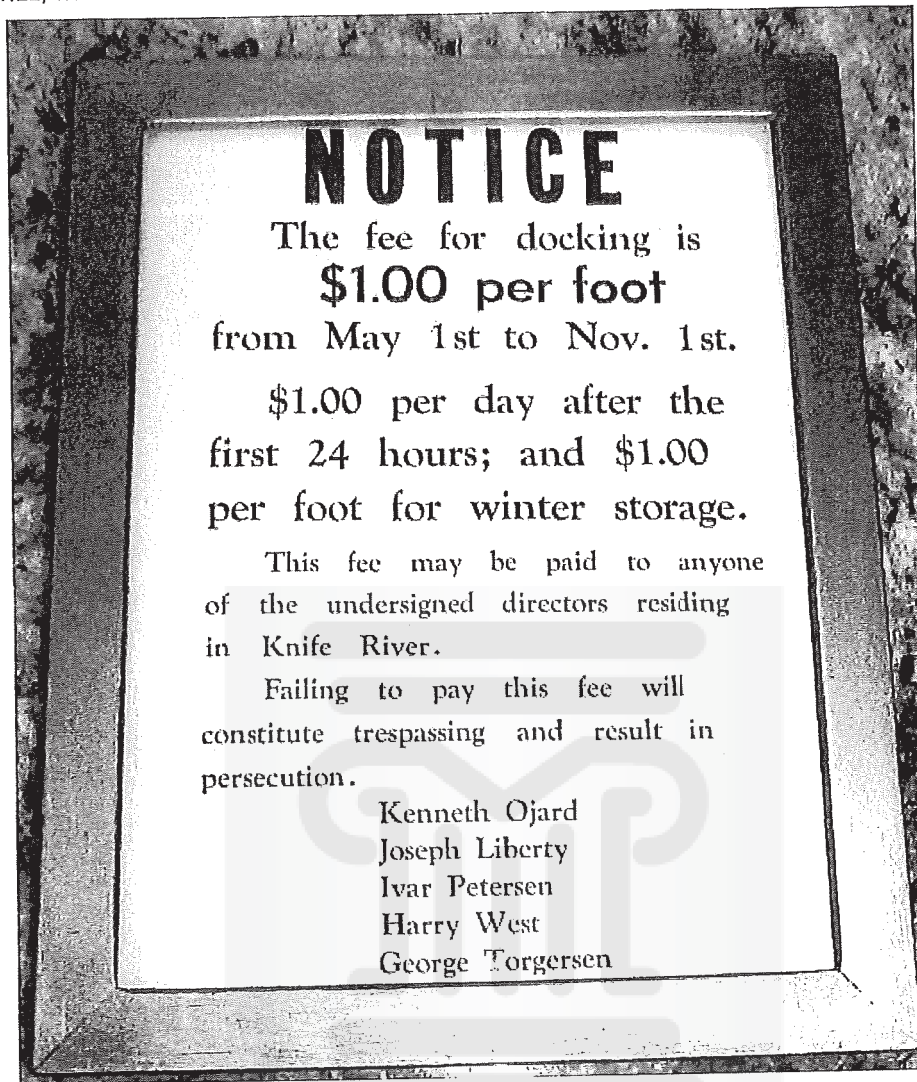
On Aug. 15, 2017, Rebecca Swanson, the mayor's wife, formed a limited-liability company, named CREW17 LLC.

On Feb. 16, 2018, CREW17 closed on the first of four loans from the Northeast Entrepreneur Fund, in the amount of \$162,100, purchasing the Lou's Fish property.

On March 22, 2018, Rebecca Swanson formed Lou's Fish LLC.

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Historical Knife River dock sign from Brian Entzion's collection. Credit: Duluth Monitor

then 15 years old, does not appear on the business filing for Lou's Fish, but Mayor Swanson, his wife, and even Ashleigh have frequently stated that Ashleigh became the owner before she could drive.

Ashleigh Swanson has received a fair amount of media coverage in that capacity over the last few years, generally inspirational stories focused on her youth. In an interview with WDSE-TV, in 2021, Ashleigh offered the following description of her life in business.

*Ashleigh Swanson: When I was 15 years old, I always wanted to own my own business, and, you know, just slowly got involved with DECA, which is a business club for high school students. In 2018, my mom was in a purchase agreement for Lou's Fish House. Originally, she wanted to open up a seven-room inn, right off the side here, and we*

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*were just gonna rent out the retail space, that I'm standing in right now, to someone else. And then, I was, like, "Hey, Mom! Dad! Let's open an ice cream shop."*

*We looked at the feasibility of the business, what we could do with it. Ice cream wasn't the only thing that we were gonna focus on, so, like, 'Okay, well, what can we do?' We have the neon signs from Lou's Fish House, we have all the equipment—let's smoke fish ...*

*From the time we're like, 'Okay, we're actually gonna open' to the time we opened was roughly three months or so. So we didn't go through the traditional process of, 'We have this business plan we've been working on for a year.' It was more so thrown together. I think I contributed some to it, but for the most part, I think it was my mom who wrote it ... My dad, my mom, helped me out tremendously with all the work that needed to be completed, from renovations to creating a functional business ...*

*As a young female, working at a business, a lot of the people don't necessarily believe that what I'm doing is actually me. They think I'm just kind of the front of the business, and all the hard work is coming from someone else. I actually run this business, and this is actually my team. We work together to accomplish a greater mission.*

The mayor's company, Garage Starts, has also assisted Ashleigh in developing Lou's Fish. On the Garage Starts website, Ashleigh offers a testimonial (without disclosing that she's the owner's daughter):

*"Garage Starts helped guide our decision-making on a new General Manager hire for the business. They also assisted in implementing a system to ensure the new employee was trained properly, in order to run the day-to-day operations of Lou's."*

**The aftermath**

Brian Entzion found out about the sale of Lou's Fish in February of 2018. Not being the type of person prone to displays of rage, he bottled everything up and tried to put it behind him.

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"I just felt helpless. And hopeless," he told me. "I basically washed my hands of it and moved on, because there was nothing I could do ... You could dwell on it and you could tell all your neighbors about it, but it's not going to do any good. So, basically, I just tried to move on."

Brian's wife, Darci, and brother Bob were less willing to let it go. They urged Brian to go public and get his story out, but Brian declined. "Darci talks to me about it, and I'm, like, 'I'm not interested in that. I don't want to get in the middle of things. I don't want my name out there.' I don't want Chris Swanson to say, 'Okay, there's a target on HIS back—what can I do to screw up his life?'"

On June 5, 2018, Darci called the mayor's office and left a voicemail, saying only that she wanted to talk about Lou's Fish. On June 7, 2018, the mayor emailed her back: "Hi Darci. What would you like to speak about? ... I am not the owner of Lou's Fish." It seemed a peculiar thing to say, given that Darci hadn't mentioned what she wanted to talk about related to Lou's Fish—and a remarkable bit of hair-splitting, given that the mayor's wife was the owner.

Two or three days after the strange email, Darci spoke with Mayor Swanson on the phone. Her description of the call follows:

**Darci Rees:** *So after all this business happened, then I tried—because I saw how it was impacting Brian, right?—I kind of got fed up with it, and I never told Brian that I was going to contact anybody, because he was so, like, "Move on." Hurt, I think. That kind of thing ...*



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*When I did talk with [the mayor] on his cell phone ... he said, "I don't know why you're calling. I'm interested in why" ... And then I said, "With all due respect, I do believe you know why I'm calling." And I told him I'm calling about Lou's Fish, your meeting with Brian Entzion and the Chamber person, and his business plan that he proposed to you two. And he said, "Brian? Brian who?" And then I repeated that, and he said, "Oh, Brian! I know Brian. I really like Brian."*

*And then he went on and pretty much controlled the conversation ... and he said his wife had been looking to do property management, and ... that she had come home one day, and that she had found the property, the perfect property kind of thing. And this was her deal, not his. And he said he doesn't know anything about smoking fish, and that she was buying it for the hotel. And then he said [that] he assumed ... that Brian was no longer interested in this business ... And then he went into stories about his little daughter, and how she always wanted to have an ice cream shop ... and then he talked about this Lou's Fish guy, that used to smoke fish for Lou's Fish, [who] approached them about smoking fish again ...*

*After letting him go on and on and on, I said, "Did you ever think of calling Brian to ask him where he was at with his business plan?" And he didn't hesitate. He said, "Nope." He didn't think that ... after that amount of time—and he said a year-plus—that that was a long period of time, and so, no—he didn't even give it a second thought.*

*As time went by, whenever Brian Entzion saw the mayor and Janelle Jones around town and at the high school, he said they avoided making eye contact with him. "Prior to that meeting, Janelle was my best friend —'Hi, Brian!' I'd see her in the hallway, and across the hall—'Hi, Brian!' And then we go into the next school year, and she would go to the far side wall, and look at it as she walked past me, and I'm going, 'Yeah.' Every time I saw her in school, she would not [look at me]."*

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**ATTACHMENT D (Continued)**  
Boss Swanson, Part I: Poaching Lou's Fish – Duluth Monitor

*Brian Entzion, Darci Rees, and The Crusader. Credit: Duluth Monitor*

### **Keeping up with the Joneses**

On March 14, 2022, I visited the Lake County Chamber of Commerce headquarters. When I entered the building, I was surprised to see City Councilor Jackie Rennwald sitting near the door. I later found out she was employed by the Chamber as Operations Director. I wasn't there to see Ms. Rennwald, however, but Chamber President Janelle Jones, who was sitting at a desk near the back of the room.

*John Ramos: So, Janelle, are you available for an interview?*

*Janelle Jones: What are you after?*

*Ramos: Oh, I got all kinds of stuff.*

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Boss Swanson, Part I: Poaching Lou's Fish – Duluth Monitor

**Jones:** [laughs] I bet you do. I don't know that you and I have too much to chat about.

**Ramos:** I'm wondering about a meeting that you had ... with the mayor and Brian Entzion behind the spice shop?

**Jones:** Yep. That was a long time ago. Years and years ago.

**Ramos:** Can you talk about it? Do you remember what the deal was— why there was a meeting? Why were you meeting?

**Jones:** There was a meeting because Brian Entzion wanted to do a project in Two Harbors, and I introduced him to the mayor.

**Ramos:** Do you remember what the project was?

**Jones:** Do I remember what the project was? I don't talk about people's projects. I do remember what the project was.

**Ramos:** Okay. It was Lou's Fish. [laughs]

**Jones:** So you know.

**Ramos:** [laughs] I do.

**Jones:** I introduced them. That's my job. I put people together all the time. Then I walked out the door and that's the last conversation I've ever had about it.

**Ramos:** Mm-hmm. Okay.

**Jones:** And that's the truth.

**Ramos:** Okay.

**Jones:** I make introductions, and I've done that with many others.

**Ramos:** Oh yeah? Who else?

**Jones:** That's nobody's business who else.

**Ramos:** Mm-hmm. So the mayor is the go-to guy for business in this town? I mean, I don't get why the...

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Boss Swanson, Part I: Poaching Lou's Fish – Duluth Monitor

**Jones:** It depends on what's going on. Years back, they didn't have [a city planner]. That wasn't a job.

**Ramos:** But there was [City Manager] Dan Walker.

**Jones:** Sure. Every situation was different, John. There was nothing about that at all. As the Chamber, I refer people and I help people, and that's all I do. I had a meeting, I introduced the two, and that was the end of it for me.

**Ramos:** Mm-hmm. Okay.

**Jones:** So that's my job.

**Ramos:** Because Brian says he sees you after that, and you never say hi anymore. You're always scurrying down the side of the hall.

**Jones:** I don't see him. I don't see him. Where does he see me?

**Ramos:** Well, he's seen you since that meeting, at school, as you go there in your role as DECA adviser.

**Jones:** I haven't been that for years.

**Ramos:** Well, anyhow, his point is: After that meeting, after his idea got stolen by the mayor, whenever he saw you—normally, before that, you'd be, like, "Hey, Brian, how's it going?"—and after, [when] he saw you, you never made eye contact, and you...

**Jones:** That is BS.

**Ramos:** Oh, okay. BS. [holds up recorder] That'll sound good for the article.

**Jones:** Well...oh, thanks, John.

**Ramos:** You betcha.

**Jones:** That is not the truth. How's that?

**Ramos:** Okay.

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**ATTACHMENT D (Continued)**  
Boss Swanson, Part I: Poaching Lou's Fish — Duluth Monitor

*Jones: I have no problem with Brian.*

*Ramos: Okay. It just seems like a really—so there's this meeting in May, and then, within two months after that meeting, where he wasn't offered any help, Chris's wife forms a company and buys Lou's Fish. And one month after that, his daughter starts Lou's Fish. Right after Brian laid out his entire business plan to you guys, and you refused to sign non-disclosure agreements. Do you remember that part?*

*Jones: No.*

*Ramos: Oh. You don't remember much. Because he asked both of you to sign a nondisclosure agreement, and you were, like, "No, no, we're all friends here," and nobody signed anything. Is that BS, too?*

*Jones: I didn't say that.*

*Ramos: Okay. Is it not true? Do you remember?*

*Jones: I don't remember anything. I remember putting the meeting together, period.*

*Ramos: Do you remember sitting in the meeting? Because you were there, I guess.*

*Jones: I have lots of meetings.*

*Ramos: Do you remember sitting in that meeting?*

*Jones: I remember scheduling the meeting and introducing Brian to the mayor.*

*Ramos: Okay. Well, you can get on the phone to the mayor. Thank you.*

*Jones: I don't need to get on the phone to the mayor.*

*Ramos: [laughs] I'm sure.*

On March 16, 2022, at 12:03 p.m., I emailed Mayor Swanson, informing him that I was going to publish a story on Lou's Fish, and requesting comment.



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Twenty-two minutes later, at 12:25 p.m., the mayor called Darci Rees, with whom he had not spoken in four years, and left the following voicemail message:

*Mayor Chris Swanson: Hello, Darci, this is Chris Swanson calling, and the technician just got my voicemail at City Hall fixed, and there's a voicemail—it doesn't tell me when it's from, but it's in regards to Lou's Fish. If you want to give me a call back, the number is 218-590-9500. If this is in regards to business stuff, I try to keep that separated from mayor things, so if you want to call Lou's Fish House, that number is 218-834-5254. Thank you. Have a wonderful day.*

As of press time, the mayor had not responded to me.

Rebecca and Ashleigh Swanson did not respond to Facebook messages which I left on their respective pages.

Understandably, the mayor is anxious for people to believe that he is keeping his business interests “separated from mayor things.” But he is not keeping them separated.

Chris Swanson, in his official capacity as mayor of Two Harbors, invited Brian Entzion into his lair, took everything Entzion had—his ideas, his plans, his hopes, his dreams—and turned them to the profit of himself and his family.

This is a corruption of the office, and a betrayal of the public trust.

I hope this article, in some small way, helps to redress these wrongs—and protects future entrepreneurs from a similar fate.