

The Honorable Christopher M. Alston  
Chapter 11  
Hearing Date: June 9, 2017  
Hearing Time: 9:30 a.m.  
Hearing Location: Seattle – Room 7206  
Response Date: June 2, 2017

UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF WASHINGTON

In re

NORTHWEST TERRITORIAL MINT, LLC,

Debtor.

No. 16-11767-CMA

ROSS HANSEN'S RESPONSE TO  
TRUSTEE'S MOTION FOR  
AUTHORITY TO (A) SELL GRACO  
INVENTORY; (B) ABANDON TRUCK;  
(C) DISPOSE OF EQUIPMENT AT  
SCRAP VALUE; AND (D) ABANDON  
AND DESTROY RECORDS

Ross Hansen makes the following limited objection to the Trustee's Motion For Authority To (A) Sell Graco Inventory; (B) Abandon Truck; (C) Dispose Of Equipment At Scrap Value; And (D) Abandon And Destroy Records (ECF 1028). Mr. Hansen's objection is limited to the Trustee's request to destroy documents.

The Court should not grant the Trustee's request to destroy records.

First, if the Trustee desires to relieve himself of the responsibility for maintaining the records of either Northwest Territorial Mint or Medallion Art, he should simply abandon them under Section 554 of the Bankruptcy Code. Mr. Hansen, the sole member of Northwest Territorial Mint, will be happy to take possession of all records that the Trustee otherwise wishes to destroy, whether those records were created before or after 2009.

1 Second, not all records in the Trustee's possession are business records of Northwest  
2 Territorial Mint or Medallie Art. The Trustee is in possession of personal records of Mr.  
3 Hansen and records related to other businesses owned by Mr. Hansen. The Trustee should turn  
4 over to Mr. Hansen any records (whether or not they are from before or after 2009) that are not  
5 business records of Northwest Territorial Mint or Medallie Art Company.

6 Third, the Trustee has filed a number of declarations in this case alleging that assets  
7 were missing from Northwest Territorial Mint when he assumed control of the business in  
8 2016. The Trustee has also claimed that this case has elements of a "Ponzi scheme."<sup>1</sup> As the  
9 Court is aware, trustees in alleged Ponzi scheme cases frequently launch scores of cases against  
10 third parties alleging that they were recipients of fraudulent conveyances. Potential defendants  
11 in cases against customers in this case do not even know who they are yet. The Trustee should  
12 not be permitted to destroy any records if there is any notion that he or a subsequent trustee  
13 appointed in the case will be filing litigation against anyone, whether it be Mr. Hansen or any  
14 third parties. All records should be preserved so that all potential defendants, including Mr.  
15 Hansen, will have access to records that may be relevant to their defense.

16 Fourth, this case is administratively insolvent and has been for some time. The Trustee  
17 has been in possession of and operating both Northwest Territorial Mint and Medallie Art for  
18 over a year. The estate has lost money virtually every month and that trend continued in April  
19 2017. The negative trend is likely to accelerate further in the traditionally slow summer  
20 months. The assets of the estate also continue to decline. For example, the financial report for  
21 March 2017 (ECF 1033, page 20) shows that the book value of inventory decreased by over  
22 \$940,000 during that month alone. The recent motion to approve factoring of invoices portends  
23 a fire sale of what remains of the businesses (*see* ECF 1034 and 1049) – a fire sale that likely  
24 will leave little or nothing for creditors, given the approximately \$4.2 million in unpaid  
25 administrative expenses. (ECF 1033, page 20). The Trustee may claim that this too is Mr.

26 \_\_\_\_\_  
27 <sup>1</sup> Mr. Hansen has not responded to these or many allegations by the Trustee and need not do so  
in response to the Trustee's current motion.

1 Hansen's fault or the fault of some presently unidentified third party. The Trustee should not  
2 dispose of any records of Northwest Territorial Mint or Medallic Art unless and until all of  
3 those issues are finally resolved and the case is closed.

4 Mr. Hansen therefore requests that the Trustee's motion to destroy records be denied,  
5 and that to the extent the Trustee is authorized to dispose of any records, that they be turned  
6 over to Mr. Hansen.

7  
8 DATED this 2nd day of June, 2017.

9 Davis Wright Tremaine LLP  
10 Attorneys for Ross Hansen

11 By /s/ Ragan L. Powers  
12 Ragan L. Powers, WSBA #11935  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

## PROOF OF SERVICE

I certify that on June 2, 2017, I electronically filed the foregoing document with the Clerk of the Court using the CM/ECF system which will send notification of such filing to the following:

- **Elizabeth Berke-Dreyfuss** edreyfuss@wendel.com, pjoakimson@wendel.com
- **Thomas N. Bucknell** tbucknell@bsss-law.com, cpercy@bsss-law.com
- **Sarah H Deutsch** skd@tblaw.com, kperalta@tblaw.com
- **Lawrence K Engel** engelpleadings@hotmail.com
- **Micheline N Fairbank** mfairbank@ag.nv.gov, dwright@ag.nv.gov
- **C James Frush** jfrush@cablelang.com, mvarona@cablelang.com
- **Michael J Gearin** michael.gearin@klgates.com, bankruptcyecf@klgates.com
- **Thomas M Geher** TGeher@JMBM.com, BT@JMBM.com
- **Michael E Gossler** mgossler@mpba.com, eservice@mpba.com;lhanlon@mpba.com
- **Joseph A Hamell** jhamell@mpba.com, lpreskitt@mpba.com,eservice@mpba.com
- **Jay W. Hurst** Jay.Hurst@texasattorneygeneral.gov, sherri.simpson@texasattorneygeneral.gov
- **Richard J Hyatt** hyatt@ryanlaw.com, blanchard@ryanlaw.com
- **Gregory J Jalbert** gregoryjalbert@gmail.com, r43861@notify.bestcase.com
- **John S Kaplan** jkaplan@perkinscoie.com, COLague@perkinscoie.com;docketsea@perkinscoie.com;VBarei@perkinscoie.com;john-kaplan-2112@ecf.pacerpro.com
- **John R Knapp** john.knapp@millernash.com, lisa.petras@millernash.com
- **Bruce P. Kriegman** bkriegman@kriegmanlaw.com, sblan@kriegmanlaw.com
- **Bruce W. Leaverton** leavertonb@lanepowell.com, sea.bankruptcy.ecf@lanepowell.com;docketing-sea@lanepowell.com;craiga@lanepowell.com;stevensk@lanepowell.com
- **Damien A Lee** damien.lee@eoc.gov
- **Lance L Lee** ecf@lancelee.com
- **Christopher A Lybeck** chrislybeck.law@gmail.com, chrislybeck@gmail.com
- **William F Malaier** wmalaier@omwlaw.com, nhill@omwlaw.com
- **Christopher J. Marston** cmarston@dpearson.com, kkardash@dpearson.com
- **Brett C Masch** ecf@johnlonglaw.com, ajames@johnlonglaw.com
- **Bruce K Medeiros** bmedeiros@dbm-law.net, sabrahamson@dbm-law.net;cnickerl@dbm-law.net
- **Robert D Mitchell** rdm@tblaw.com, kperalta@tblaw.com
- **Tyler J Moore** moore@lasher.com, krachunis@lasher.com;griffin@lasher.com
- **Zachary Mosner** bcumosner@atg.wa.gov
- **David C Neu** david.neu@klgates.com, bankruptcyecf@klgates.com
- **Mark D Northrup** mark.northrup@millernash.com, dona.purdy@millernash.com
- **Andrea D Orth** aorth@bsss-law.com
- **Aditi Paranjpye** aditi.paranjpye@usdoj.gov, christine.leininger@usdoj.gov
- **Brian T Peterson** brian.peterson@klgates.com, bankruptcyecf@klgates.com

- 1 • **David A Petteys** david@stollpetteys.com, info@stollpetteys.com
- 2 • **Danial D Pharris** pharris@lasher.com, ullom@lasher.com
- 3 • **Joshua A Rataezyk** joshua.rataezyk@hcmp.com,  
bankruptcy@hcmp.com;siri.daly@hcmp.com;tracy.yi@hcmp.com
- 4 • **Seth A Rosenberg** seth@rosenberglawgroup.net
- 5 • **Edwin K Sato** esato@bsss-law.com, cpercyc@bsss-law.com
- 6 • **Alan D Smith** adsmith@perkinscoie.com,  
docketsea@perkinscoie.com;VBarei@perkinscoie.com;al-smith-  
9439@ecf.pacerpro.com
- 7 • **Martin L. Smith** martin.l.smith@usdoj.gov, Young-  
Mi.Petteys@usdoj.gov;Tara.Maurer@usdoj.gov;Martha.A.VanDraanen@usdoj.gov
- 8 • **Jonathan A Sprouffske** jsprouffske@olylaw.com,  
chauser@olylaw.com;cbalestreri@olylaw.com;r49344@notify.bestcase.com
- 9 • **John A Sterbick** jsterbick@sterbick.com,  
loreleiw@sterbick.com;rayo@sterbick.com;r43467@notify.bestcase.com
- 10 • **Texas Comptroller of Public Accounts** kara.siewert@cpa.texas.gov
- 11 • **J Todd Tracy** todd@thetracylawgroup.com, ecf@thetracylawgroup.com
- 12 • **United States Trustee** USTPRegion18.SE.ECF@usdoj.gov
- 13 • **Jesse Valdez** jesse@valdezlehman.com, erica@valdezlehman.com
- 14 • **Sarah Weaver** sarah.weaver@weaverlaw.net
- 15 • **Christopher M Wyant** chris.wyant@klgates.com, rhonda.hinman@klgates.com
- 16 • **Miles A Yanick** myanick@sbwllp.com,  
eservice@sbwllp.com;clein@sbwllp.com;ahooten@sbwllp.com
- 17 • **James B Zack** zackj@lanepowell.com, stevensk@lanepowell.com;Docketing-  
SEA@lanepowell.com

18 DATED this 2nd day of June, 2017.

19 /s/ Ragan L. Powers

Ragan L. Powers, WSBA #11935