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8 UNITED STATES BANKRUPTCY COURT
9 WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

10 In re:
11 NORTHWEST TERRITORIAL MINT, LLC,
12 Debtor.

Case No. 16-11767-CMA
DECLARATION OF MICHAEL J.
GEARIN

13 I, Michael J. Gearin, hereby declare as follows:

14 1. I am a partner in the law firm of K&L Gates LLP (“K&L Gates”) and am duly
15 authorized to practice law in this Court. I submit this declaration in support of the Interim Order
16 Granting Trustee’s Motion for Authority to Enter into Post-Petition Financing Agreement
17 Pursuant to 11 U.S.C. §364 (“Interim Order”). I am competent in all ways to testify and I have
18 personal knowledge of the facts set forth herein

19 2. The Court held a hearing on June 2, 2017, on the Chapter 11 Trustee’s Motion for
20 Authority to Enter Into Post-Petition Financing Agreement Pursuant to 11 U.S.C. §364
21 (Dkt. 1034) (the “Motion”). The Court indicated that it would approve the motion on an interim
22 basis and directed counsel to make certain modifications to the form of order.

23 3. Attached hereto as Exhibit A is a redline of the Interim Order reflecting the
24 changes made to the form of order as compared to the order submitted with the original motion.
25 We will upload a clean version of this order requesting that the Court consider it for entry.

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4. I also wanted to bring to the Court’s attention revisions to the form of the Purchase and Sale Agreement (the “Agreement”) which is attached as Exhibit A to the proposed order. At the request of the lender, the Agreement was modified to move language from former paragraph 5 to the end of paragraph 7. This move causes changes to the paragraph numbering, but not the substance of the Agreement.

I declare under penalty of perjury that the foregoing is true and correct.

EXECUTED this 2nd day of June, 2017, at Seattle, Washington.

/s/ Michael J. Gearin
Michael J. Gearin

EXHIBIT A

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UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

In re:

NORTHWEST TERRITORIAL MINT, LLC,

Debtor.

Case No. 16-11767-CMA

INTERIM ORDER GRANTING
TRUSTEE'S MOTION FOR
AUTHORITY TO ENTER INTO POST-
PETITION FINANCING AGREEMENT
PURSUANT TO 11 U.S.C. §364.

This matter came before the Court on the Chapter 11 Trustee's Motion for Authority to Enter Into Post-Petition Financing Agreement Pursuant to 11 U.S.C. §364 (the "Motion"); the Court having considered the Motion, the accompanying declaration, any objections and reply materials, the arguments of counsel, and the pleadings and papers herein, the Court **HEREBY FINDS AND DETERMINES AS FOLLOWS:**¹

A. The Court has jurisdiction over the Motion pursuant to 28 U.S.C. §§ 157 and 1334, and this matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(D). Venue of this case in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

¹ Findings of fact shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact when appropriate. See Fed. R. Bankr. P. 7052.

1 B. As evidenced by the affidavits of service previously filed with the Court, the Trustee
2 provided proper, timely, adequate and sufficient notice of the Motion and the hearing on the Motion,
3 in accordance with the United States Bankruptcy Code, the Federal Rules of Bankruptcy Procedure,
4 and the Local Rules of the Bankruptcy Court for the Western District of Washington. Such notice
5 was good and sufficient, and afforded parties a reasonable opportunity to object or be heard with
6 respect to the matters that are the subject of this Order.

7 C. NWTM has an immediate need for post-petition financing to continue its ongoing
8 operations in the ordinary course of business, and to avoid disruption of operations. NWTM is
9 unable to obtain unsecured credit or financing and the Court determines that the estate will suffer
10 immediate and irreparable harm without post-petition financing.

11 D. On an interim basis, ~~the~~ terms of the Credit Agreement attached hereto as Exhibit A
12 are fair and reasonable, reflect the exercise of the Trustee's prudent business judgment consistent
13 with his fiduciary duties, and are supported by fair consideration and ~~the~~ Trustee and Prestige
14 Capital Corporation ("Prestige") negotiated the terms of the Credit Agreement at arms-length and in
15 good faith. As such, the Credit Agreement shall be deemed to have been entered into in good faith
16 for the purposes of §364(e) of the Bankruptcy Code and Prestige is entitled to the protections therein
17 for the duration of this interim order.

18 E. The Trustee has demonstrated both (i) good, sufficient, and sound business purpose
19 and justification, and (ii) compelling circumstances for the proposed post-petition financing

20 **NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED**

21 **THAT:**

- 22 1. The Motion is GRANTED, as further described herein.
- 23 2. All objections to the Motion or the relief requested therein that have not been
24 withdrawn, waived, or settled, and all reservations of rights included therein, hereby are overruled on
25 the merits.
- 26

1 3. Pursuant to 11 U.S.C. § 364, the Trustee is authorized, on an interim basis, to obtain
2 post-petition financing on the terms set forth in the Credit Agreement. Hereafter, the obligations
3 owed by the estate under the Credit Agreement shall be referenced as the “DIP Obligations.”

4 4. If Prestige declares a default under the terms of the Credit Agreement, its rights to
5 pursue remedies against the Debtor and/or the collateral security its credit facility shall be subject to
6 notice and hearing before the Court. Prestige shall have the right to set a hearing on the Court’s
7 regular chapter 11 calendar, requesting relief due to a default on at least fourteen (14) days’ notice
8 to the Trustee, the Official Unsecured Creditors’ Committee, the Debtor, the Office of the United
9 States Trustee, and any parties requesting special notice.

10 5. As security for the DIP Obligations, Prestige shall have and is hereby granted,
11 without the necessity of the execution by the Trustee of security agreements, financing statements, or
12 other documents or instruments, valid and perfected security interests and liens (the “DIP Liens”) on
13 all post-petition accounts receivable of the Debtor, and all post-petition inventory (the “DIP Facility
14 Collateral”) to secure advances made under this interim order.

15 6. This interim order shall expire on the earlier of entry of a final order or 5:00 p.m.
16 June 26, 2017.

17 ~~5.7.~~ The hearing on the Trustee’s Motion for Final Authority to Enter into Post-Petition
18 Financing Agreement Pursuant to 11 U.S.C. § 364 shall be held on June 23, 2017 at 9:30 a.m. The
19 Trustee shall provide notice of the final hearing no later than June 7, 2017. Objections to the motion
20 shall be in writing, and shall be filed and served no later than June 21, 2017.

21 ///END OF ORDER///

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Presented by:

K&L GATES LLP

/s/ ~~David C. Neu~~ Michael J. Gearin

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Attorneys for Mark Calvert, Chapter 11 Trustee