

The Honorable Christopher M. Alston
Chapter 11
Hearing Location: Seattle, WA
Hearing Date: April 7, 2016
Hearing Time: 9:30 am
Response Due: At the time of hearing

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

In re

NORTHWEST TERRITORIAL MINT, LLC

Debtor.

No. 16-11767-CMA

DECLARATION OF ROSS B. HANSEN
IN SUPPORT OF DEBTOR'S
EMERGENCY MOTIONS:

- (1) FOR AUTHORITY TO PAY PRE-PETITION PAYROLL AND EMPLOYEE BENEFITS
- (2) FOR APPROVAL OF ADEQUATE ASSURANCE TO UTILITIES
- (3) FOR APPROVAL OF CASE MANAGEMENT ORDER
- (4) FOR RETENTION OF BILL WEISFIELD AND STUART HEATH OF ELLIOTT BAY ASSET SOLUTIONS, LLC AS CHIEF RESTRUCTURING OFFICER

I, ROSS B. HANSEN, declare as follows:

1. I have personal knowledge of the facts stated in this declaration and am competent to testify to them.

DECLARATION OF ROSS B. HANSEN IN SUPPORT
OF DEBTOR'S EMERGENCY MOTIONS - 1

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1 2. I am the 100% owner, sole manager and member of Northwest Territorial
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3 Mint, LLC (“NWTM”).
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5 3. I submit this declaration in support of the Debtor’s following “First-Day”
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7 motions.
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10 **A. Employee Wages and Benefits**
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12 4. The Debtor has incurred costs and obligations with respect to its employees
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14 that remain unpaid as of the Petition Date because they accrued, either in whole or in part,
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16 prior to the Petition Date. The Debtor seeks the Court’s authorization to pay those pre-
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18 petition wages, salaries, health benefits, and other benefits which the Debtor pays to its
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20 employees in the ordinary course of its business.
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22 5. The Debtor employs total of 237 employees. 190 employees are hourly, 42
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24 are salary, and 5 are commissioned sales people. Prior to the Petition Date, the Debtor’s
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26 average biweekly payroll obligation, including applicable tax obligations, was approximately
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28 \$339,000.00 per pay period. The Debtor’s last pay period ended on April 2, 2016, with a
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30 payday of April 8, which covers the period of March 21, 2016 through April 2, 2016, and
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32 thus includes amounts owed to employees for work performed prior to the Petition Date. I
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34 estimate that the Debtor’s gross payroll obligation on April 8, 2016, including applicable tax
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36 obligations, will be approximately \$323,000. A copy of the payroll obligations for this pay
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38 period, including withholdings for taxes and other purposes, is attached hereto as **Exhibit A**.
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40 The Debtor seeks authority to pay this amount, plus any additional outstanding amounts
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42 owed as of the Petition Date for accrued and unpaid wages and salaries.
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1 6. The majority of the Debtor's employees are hourly employees with wages
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3 that generally range from \$7.00 to \$20.00 an hour. A wage disruption would be a significant
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5 hardship to employees in this group.
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8 7. The Debtor relies extensively upon its employees to perform vital services
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10 for the company. Unless the Debtor is able to pay its employees their prepetition wages, I
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12 believe that operational difficulties and business disruption may result from failure of
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14 employees to report to work, or low employee morale.
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17 8. I don't believe that any prepetition employee wage and salary claim
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19 authorized by this Motion shall exceed the statutory cap of \$12,475.00 provided in §
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21 507(a)(4).
22

23 **B. Adequate Assurance to Utilities**

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25 9. Assurance of continued uninterrupted utility service is vital to the Debtor's
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27 on-going business operations.
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30 10. The average monthly utility costs, broken down by facility is as follows:
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32 **Auburn, WA Facility**

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PROVIDER	AVERAGE MONTHLY COST
PSE	1,308.49
City of Auburn	358.72
Stanley Convergent Security	156.30
TOTAL	1,823.51

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Federal Way, WA Facility

PROVIDER	AVERAGE MONTHLY COST
Century Link	5.95
Threshold Communications	10,342.00
Stanley Convergent Security	97.48
TOTAL	10,445.43

Dayton, NV Facility

PROVIDER	AVERAGE MONTHLY COST
Southwest Gas Corporation	282.94
4407-NV Energy Electric	8,170.41
7734-NV Energy Electric	5,505.70
Lyon County Utilities	230.00
Lyon County Utilities	520.34
Green House Data	5,665.26
AT&T Mobility	2,872.48
Century Link	174.51
Century Link	3,046.47
Century Link	52.48
Century Link	33.29
Telepacific Communications	2,053.55
Frontier Communications	6.67
Skyfiber Internet	59.50
TOTAL	28,673.60

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Honolulu, HI Facility

PROVIDER	AVERAGE MONTHLY COST
Hawaiian Electric Company	226.49
Oceanic Time Warner Cable	103.51
Hawaiian Telcom	160.00
TOTAL	490.00

Tomball, TX Facility

PROVIDER	AVERAGE MONTHLY COST
City of Tomball	1,575.70
Hudson Energy Services, LLC	3,511.27
AT&T	698.38
Protection One	202.87
TOTAL	5,988.22

Alexandria, VA Facility

PROVIDER	AVERAGE MONTHLY COST
Dominion Virginia Power	889.36
Cox Communications	540.00
Sprint	65.38
Verizon	236.94
TOTAL	1,731.68

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Green Bay, WI Facility

PROVIDER	AVERAGE MONTHLY COST	PROPOSED DEPOSIT
Wisconsin Public Service	635.93	317.97
Wisconsin Public Service	217.88	108.94
AT&T	299.59	149.80
Lemens Watercare, Inc.	19.50	9.75
TOTAL	1,172.90	586.46

11. To the best of my knowledge, a complete list of the Debtor's utility providers and their addresses are attached hereto as **Exhibit B**.

C. Case Management

12. The Debtor has approximately 3400 creditors.

D. Retention of a Chief Restructuring Officer

13. I believe that in order to gain the trust and support of creditors in this case, it is imperative that a Chief Restructuring Officer ("CRO") be appointed as soon as practicable.

14. The reasons why I believe Bill Weisfield and Stuart Heath of Elliott Bay Asset Solutions, LLC, should immediately be appointed as CROs of the Debtor are spelled out in detail in the Debtor's Motion Pursuant to 11 U.S.C. §§ 105(a) and 363(b) for Entry of An Order Authorizing the Retention of Bill Weisfield and Stuart Heath of Elliott Bay Asset Solutions, LLC as Chief Restructuring Officers *Nunc Pro Tunc* and are incorporated herein by reference.

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15. I believe that are exigent circumstances that require the above Emergency Motions to be heard as soon as practicable as the resolution of these Emergency Motions are necessary for the Debtor to operate successfully as debtor-in-possession.

DATED this 5th day of April, 2016, at Federal Way, Washington.

/s/ Ross B. Hansen
Ross B. Hansen, 100% Owner, Sole Member and Manager of Northwest Territorial Mint, LLC