

1 Michael J. Gearin, WSBA # 20982
David C. Neu, WSBA # 33143
2 Brian T. Peterson, WSBA # 42088
K&L GATES LLP
3 925 Fourth Avenue, Suite 2900
Seattle, WA 98104-1158
4 (206) 623-7580

Honorable Christopher M. Alston
Chapter 11

6 UNITED STATES BANKRUPTCY COURT
7 WESTERN DISTRICT OF WASHINGTON
8 AT SEATTLE

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

Case No. 16-11767-CMA

DECLARATION OF MARK CALVERT IN
SUPPORT OF TRUSTEE'S MOTION FOR
ORDER CONVERTING CASE FROM A
CHAPTER 11 CASE TO A CHAPTER 7 CASE

13 I, Mark Calvert, declare as follows:

14 1. I am the chapter 11 Trustee of Northwest Territorial Mint, LLC ("NWTM" or
15 "Debtor") pursuant to the Court's order of appointment dated April 11, 2016. I am over eighteen
16 (18) years of age and I am competent in all ways to testify. Unless otherwise stated, I make the
17 following statements based on my personal knowledge. I submit this Declaration in support of my
18 Motion for Order Converting Case from a Chapter 11 Case to a Chapter 7 Case (the "Motion").

19 2. In 2017, the Debtor's business has suffered from inadequate sales growth due in part
20 from headwinds from the Debtor's bankruptcy. In particular, the company has suffered marginal
21 profits or net operating losses during each of the last eleven months and has suffered an operational
22 loss for calendar year 2017. The operating losses have put a significant strain on the cash resources
23 available to me.

24 3. Concurrently with this decline in sales, I intensified his efforts to market and sell the
25 Debtor's business as a going concern. Since May 2017, I have engaged in marketing efforts related
26

DECLARATION OF MARK CALVERT IN SUPPORT OF
TRUSTEE'S MOTION FOR ORDER CONVERTING CASE
FROM A CHAPTER 11 CASE TO A CHAPTER 7 CASE- 1
501145002 v4

K&L GATES LLP
925 FOURTH AVENUE
SUITE 2900
SEATTLE, WASHINGTON 98104-1158
TELEPHONE: (206) 623-7580
FACSIMILE: (206) 623-7022

1 to a potential sale of the business, including by creating a data room, and allowing multiple
2 interested buyers to tour the Dayton facility and review financial and operational information related
3 to the business. I entertained expressions of interest from multiple parties including offers to
4 purchase the assets of the estate, but no concrete offer materialized on terms which provided any
5 meaningful return to the estate.

6 4. Because no concrete offer materialized, and because of the inadequate cash resources
7 available to me, I was forced to close the custom minting business on December 29, 2017, and
8 prepared to liquidate the assets of the estate via auction. I am presently working on liquidating the
9 assets of the bankruptcy estate, which include the minting equipment, dies, and inventory. Thus far, I
10 have sought and obtained approval of the sale of the majority of the Debtor's machinery and
11 equipment to Industrial Assets Crop. for \$1.95 million. In addition, I am actively pursuing sales of
12 the Debtor's inventory, coining dies, and raw materials to third parties. I am conserving expenses of
13 the estate to the maximum extent possible.

14 5. I believe that this case should be converted to a case under chapter 7 of the
15 Bankruptcy Code. Because I was forced to terminate the Debtor's business operations, there is no
16 longer any possibility of achieving a reorganization of the Debtor's business. There are thousands of
17 creditors who have filed claims in this case totaling in excess of \$50 million. While this case is
18 administratively insolvent, dismissal is not in the best interests of the estate. I expect that the
19 liquidation of the physical assets of the estate will generate in excess of \$3 million. An orderly
20 liquidation of the assets of the estate will maximize the return for such assets and will result in an
21 equitable distribution of the proceeds of such assets. As such, I ask that the Court enter an order
22 converting the case.

23 //

24 //

25 //

26 //

DECLARATION OF MARK CALVERT IN SUPPORT OF
TRUSTEE'S MOTION FOR ORDER CONVERTING CASE
FROM A CHAPTER 11 CASE TO A CHAPTER 7 CASE- 2
501145002 v4

K&L GATES LLP
925 FOURTH AVENUE
SUITE 2900
SEATTLE, WASHINGTON 98104-1158
TELEPHONE: (206) 623-7580
FACSIMILE: (206) 623-7022

1 I declare under the penalty of perjury under the laws of the United States that the foregoing is
2 true and correct to the best of my knowledge.

3 EXECUTED this 22nd day of March, at Seattle, Washington.
4

5 /s/ Mark Calvert

6 Mark Calvert
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26

CERTIFICATE OF SERVICE

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

The undersigned declares as follows:

That she is a Paralegal in the law firm of K&L Gates LLP, and on March 23, 2018, she caused the foregoing document to be filed electronically through the CM/ECF system which caused Registered Participants to be served by electronic means, as fully reflected on the Notice of Electronic Filing.

Also on March 23, 2018, she caused the foregoing document to be deposited in the U.S. mail to the Party at the address listed below:

Northwest Territorial Mint LLC
c/o Ross Hansen, Member
P.O. Box 2148
Auburn, WA 98071-2148

I declare under penalty of perjury under the laws of the State of Washington and the United States that the foregoing is true and correct.

Executed on the 23rd day of March, 2018 at Seattle, Washington.

/s/ Denise A. Lentz
Denise A. Lentz