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Honorable Christopher M. Alston
Chapter 11
Hearing Location: Seattle, Rm. 7206
Hearing Date: Friday, August 24, 2018
Hearing Time: 9:30 a.m.
Response Date: August 17, 2018

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8 UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

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

Case No. 16-11767-CMA

NOTICE OF HEARING ON
TRUSTEE'S MOTION FOR ORDER
APPROVING SETTLEMENT WITH
BILL ATALLA

13 TO: NORTHWEST TERRITORIAL MINT, LLC, Debtor;
14 AND TO: UNITED STATES TRUSTEE;
AND TO: SPECIAL NOTICE LIST;

15 PLEASE TAKE NOTICE that a hearing has been scheduled on **August 24, 2018, at 9:30 a.m.**
16 **(PT)** before the Honorable Christopher M. Alston, United States Bankruptcy Judge, in Courtroom 7206,
700 Stewart Street, Seattle, WA, 98101 on the Trustee's Motion for Order Approving Settlement with Bill
17 Atalla (the "Settlement Motion").

18 Bill Atalla was employed as the Chief Executive Officer ("CEO") of Northwest Territorial Mint,
LLC ("NWTM" or the "Debtor") pursuant to an order authorizing his employment entered on February 7,
19 2017. *See* Dkt. No. 897. The Trustee later terminated his employment in connection with his closing of the
Debtor's Dayton, Nevada facility. On April 20, 2018, Bill Atalla filed his Motion for Allowance and
20 payment of Administrative Expense Claim. *See* Dkt. No. 1609. In his motion, Mr. Atalla sought allowance of
an administrative expense claim in the total amount of \$223,509.00. Such amounts included alleged amounts
21 owing for deferred salary, vacation pay, severance pay, un-reimbursed expenses, late payment fee, and
compensation for services rendered after his termination date of December 29, 2017. Mr. Atalla further
22 argued that the portion of his claim he stated was due and payable upon his termination as CEO, in the
amount of \$165,409.00, should be payable immediately, according to the same priority as wages paid to
23 active employees. The Trustee filed an objection to Mr. Atalla's motion. While the Trustee agreed that Mr.
Atalla was entitled to deferred salary in the amount of \$12,500, the Trustee objected to allowance of the other
24 components of Mr. Atalla's alleged administrative priority claim.

25 At a hearing on Mr. Atalla's motion, the Court ordered that the Trustee pay Mr. Atalla \$2,909,
26 representing unreimbursed expenses. The Court also ruled that Mr. Atalla should be allowed an administrative

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1 expense claim in the amount of \$75,000. According to the Court's order on Mr. Atalla's motion, "[t]he issues
2 of timing of the payment of this claim and whether it should be paid pro-rata with other allowed chapter 11
3 administrative expense claims" shall be determined at an evidentiary hearing on August 7, 2018. The Court
4 further ruled that that it would consider the other amounts requested by Mr. Atalla at the scheduled
5 evidentiary hearing.

6 Prior to the scheduled evidentiary hearing, the Trustee and Mr. Atalla reached the terms of a
7 compromise to fully resolve all issues between Mr. Atalla and the bankruptcy estate of NWTM. By the
8 Motion, the Trustee requests approval of the terms of the compromise with Bill Atalla (the "Settlement
9 Agreement"). According to the terms of the Settlement Agreement, Mr. Atalla waives any and all claims
10 against the bankruptcy estate in exchange for \$122,500 in cash to be paid by the Trustee.

11 The Trustee has determined that the terms of the Settlement Agreement are fair, and in the best
12 interests of the estate. The Settlement Agreement avoids the costs of litigating the dispute through the
13 evidentiary hearing, including the cost of further legal research, drafting of trial briefs, conducting Mr.
14 Atalla's deposition in Nevada, defending the Trustee's deposition, and conducting examination and argument
15 at trial. In addition, there is a risk that Mr. Atalla will prevail on his claims at the evidentiary hearing. If the
16 Trustee does not prevail, the estate could owe a maximum of \$223,509.00, \$165,409 of which could be owed
17 immediately (as opposed to being paid pro rata along with other allowed administrative claims in the case).
18 The estate could further be liable for payment of attorneys' fees in connection with the evidentiary hearing
19 and Mr. Atalla's underlying motion, which could be significant. The Settlement Agreement finally resolves
20 Mr. Atalla's claims and limits the bankruptcy estate's exposure on such claims.

21 PLEASE TAKE FURTHER NOTICE that copies of the Settlement Motion and related documents
22 may be (1) reviewed and copied at the Clerk of the United States Bankruptcy Court, 700 Stewart Street,
23 Seattle, WA 98101 or (2) may be obtained by submitting a written request to Ms. Denise Lentz, Paralegal,
24 K&L Gates, LLP, 925 Fourth Avenue, Suite 2900, Seattle, WA 98104-1158, Email:
25 denise.lentz@klgates.com.

26 PLEASE TAKE FURTHER NOTICE THAT IF YOU OPPOSE the Settlement Motion, you must file
your objection NO LATER THAN **Friday, August 17, 2018**. Objections must be filed with the Court, 700
Stewart Street, Seattle, WA, 98101, and a copy delivered to:

Michael J. Gearin
David C. Neu
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Seattle, Washington 90104

PLEASE TAKE FURTHER NOTICE that in accordance with Local Bankruptcy Rule 9013-1(d)(7),
failure to timely file and serve an objection to the Settlement Motion may be deemed by the Court an
admission that any opposition to the Settlement Motion is without merit. Further, pursuant to Local
Bankruptcy Rule 9013-1(e), failure to appear at the hearing on the Settlement Motion may be deemed by the
Court to be an admission that any opposition to the Settlement Motion is without merit. Further, pursuant to
Local Bankruptcy Rule 9013-1(f), if no opposition to the Settlement Motion is timely filed and served, the
Court may either (a) grant the Settlement Motion by default at the hearing, or (2) grant the Settlement Motion
prior to the hearing on the Trustee's ex parte presentation of a proposed order accompanied by proof of

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service and a declaration that no objection to the Settlement Motion was timely received.

DATED this 31st day of July, 2018

K&L GATES LLP

By /s/ David C. Neu
Michael J. Gearin, WSBA #20982
David C. Neu, WSBA #33143
Brian T. Peterson, WSBA #42088
Attorneys for Mark Calvert, Chapter 11 Trustee

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