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UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON

In Re:)	Case No. 16-11767
)	
Northwest Territorial Mint, LLC,)	
)	<i>EX PARTE</i> MOTION BY UNITED
Debtor.)	STATES TRUSTEE FOR ORDER TO
)	SHOW CAUSE RE CIVIL CONTEMPT
)	OF JEFFREY MARK MCMEEL
)	
)	
)	
)	

The United States Trustee hereby moves the Court *ex parte* for an order to show cause why Jeffrey Mark McMeel (“McMeel”) should not be held in civil contempt, and sanctioned, for willfully and in bad faith filing false and misleading documents in the above-referenced chapter 11 case. In support of this *ex parte* motion (the “OSC Motion”), the United States Trustee respectfully states as follows:

1. This Court has jurisdiction over the OSC Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The OSC Motion is made pursuant to 11 U.S.C. § 105(a), and Rules 9014 and 9020 of the Federal Rules of Bankruptcy Procedure, and is based upon the OSC Motion, and the records and files in the case.

1 3. On May 3, 2016, McMeel filed, or caused to be filed, numerous documents,
2 including what are purported to be notices of appearance as a “special agent” for various State of
3 Washington and United States of America officials and agencies (the “Special Agent
4 Pleadings”). One of the Special Agent Pleadings, ECF no. 173, represents that McMeel is a
5 Special Agent for the United States Trustee. He is not, nor has he ever been. McMeel filed the
6 Special Agent Pleadings knowing that they are false and misleading. Each and every one of the
7 Special Agent Pleadings appears to be an intentional, systematic, and fraudulent effort to
8 confuse, misdirect, and obfuscate the proper notice procedures for the agencies involved.

9 4. The Special Agent Pleadings are ECF documents nos. 169-178.

10 5. It is well-established law that the Bankruptcy Court has the power to impose
11 contempt sanctions under certain circumstances. The Court’s power to sanction arises from
12 statutory and inherent authority. Each of the two powers is distinct. Under both statutory and
13 inherent authority, sanctions must be either compensatory or designed to coerce compliance, and
14 punitive sanctions are prohibited.

15 6. The Court’s statutory civil contempt power is based on Bankruptcy Code section
16 105(a). *Barrientos v. Wells Fargo Bank, N.A.*, 633 F.3d 1186, 1188 (9th Cir. 2011).
17 Specifically, the Court has the statutory power to deal with civil contempt through the authority
18 to “issue any order, process, or judgment that is necessary and appropriate to carry out the
19 provisions of this title.” 11 U.S.C. § 105(a).

20 7. The Court’s also has inherent sanction authority. *Price v. Bronitsky (In re*
21 *Lehtinen*, 564 F.3d 1052, 1058 (9th Cir. 2009). Inherent powers “are ‘governed not by rule or
22 statute but by the control necessarily vested in courts to manage their own affairs so as to
23 achieve the orderly and expeditious disposition of cases.’” *Chambers v. NASCO, Inc.* 501 U.S.
24 32, 111 S.Ct. 2123 (1991) (quoting *Link v. Wabash R. Co.*, 370 U.S. 626, 630, 82 S.Ct. 1386
25 (1962)). Such inherent authority may be used to address “bad faith” or “willful misconduct,”
26 even in the absence of express statutory authority to do so. *Lehtinen*, 564 at 1058, citing
Knupfer v. Lindblade (In re Dyer), 322 F.3d 1178, 1187 (9th Cir.2003). Sanctionable acts
include those where (1) a party has acted in bad faith, vexatiously, wantonly, or for oppressive

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1 reasons, (2) when a party participates in an abuse of process or other dilatory conduct, or (3)
2 when the court finds “that fraud has been practiced upon it, or that the very temple of justice has
3 been defiled.” *Chambers*, 501 U.S. at 46–47 (citations omitted); *Caldwell v. Unified Capital*
4 *Corp. (In re Rainbow Magazine, Inc.)*, 77 F.3d 278, 284 (9th Cir. 1996). *See also Fink v.*
5 *Gomez*, 239 F.3d 989, 992-93 (9th Cir. 2001).

6 8. Here, there appears no question that the Special Agent pleadings were filed
7 willfully, for an improper purpose, and in bad faith. No other conclusion is possible under the
8 circumstances based on the egregiously false representations in the documents themselves.

9 WHEREFORE, the United States Trustee requests that the Court (i) enter an Order
10 providing that McMeel shall appear before the Court at a hearing to be held in Seattle,
11 Washington at 9:30 a.m. on May 20, 2016, or such other date as the Court selects, to show cause,
12 if there be any, why he should not be held in civil contempt and sanctioned for filing the Special
13 Agent Pleadings, and further, for an Order at the hearing on the Order to Show Cause:

14 A. prohibiting any further filings by McMeel or his agents, other than documents
15 directly related to any prepetition claim(s) that he asserts;

16 B. striking, expunging, or otherwise restricting ECF access to the Special Agent
17 Pleadings; and

18 C. For such other and further relief deemed appropriate by the Court.

19 DATED this 5th day of May, 2016.

20 Respectfully submitted,

21 Gail Brehm Geiger
22 Acting U.S. Trustee for Region 18

23 By: /s/ Martin L. Smith
24 Martin L. Smith, WSBA #24861
25 Attorney for United States Trustee
26

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