

Honorable Christopher M. Alston  
Chapter 11  
Hearing Date: February 1, 2019  
Hearing Time: 11:00 a.m.  
Response Date: January 18, 2019

UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

In re: ) No. 16-11767-CMA  
NORTHWEST TERRITORIAL MINT, LLC, )  
Debtor. ) SUPPLEMENTAL DECLARATION OF  
MARK D. NORTHRUP IN SUPPORT OF  
FINAL APPLICATION FOR PAYMENT OF  
FEES AND REIMBURSEMENT OF  
EXPENSES OF COUNSEL FOR THE  
OFFICIAL UNSECURED CREDITORS'  
COMMITTEE (MILLER NASH GRAHAM  
& DUNN LLP)

For his Supplemental Declaration, Mark D. Northrup states as follows:

1.) I am a partner in the Seattle office of the law firm of Miller Nash Graham & Dunn LLP ("Miller Nash") and have acted in this case as counsel for the Official Unsecured Creditors' Committee (the "Committee"). I have personal knowledge of the facts set forth herein and, if called, would be competent to testify to them.

2.) **Procedural Background.** On October 12, 2018, I filed the Final Application for Payment of Fees and Reimbursement of Expenses of Counsel for the Official Unsecured Creditors Committee (Dkt. #1894; the "Miller Nash Fee Application"). In support of the Miller Nash Fee

SUPPLEMENTAL DECLARATION OF MARK D.  
NORTHRUP IN SUPPORT OF FINAL APPLICATION  
FOR PAYMENT OF FEES AND REIMBURSEMENT  
OF EXPENSES OF COUNSEL FOR THE OFFICIAL  
UNSECURED CREDITORS' COMMITTEE (MILLER  
NASH GRAHAM & DUNN LLP) -- 1  
Case No. 16-11767-CMA4846-7510-9509.1

**MILLER NASH GRAHAM & DUNN LLP**  
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1 Application I also filed my Declaration in Support of Final Application for Payment of Fees and  
2 Reimbursement of Expenses of Counsel for the Official Unsecured Creditors Committee (Dkt.  
3 #1895).

4 **Prior Hearing.** At the December 7, 2018 hearing on the Miller Nash Fee Application, the  
5 Court instructed Committee counsel to submit this Supplemental Declaration in order to address a  
6 number of questions/issues identified by the Court.

7 3.) **Trustee's Engagement of Production Manager.**

8 **Question by the Court.** At the December 7 hearing, the Court asked Committee counsel to  
9 address the modification of the Committee's original draft Response to the Trustee's Motion to  
10 Approve Terms of Employment for Production Manager (Dkt. #711; the "Mike White Motion").

11 **Response.** At the start of this case, Committee Member Paula Pehl made it clear that she  
12 strongly opposed the Trustee's decision to retain two particular Mint employees: Paul Wagner and  
13 Erin Robinson. Committee Member Pehl viewed these two employees as being either professionally  
14 incompetent or irredeemably tainted by their pre-bankruptcy actions in furtherance of the damage  
15 and losses that Ross Hansen had inflicted on Mint customers, including Member Pehl herself. The  
16 Trustee, however, took the position that these two employees had institutional knowledge of the  
17 Mint's operations that was essential to aid the Trustee in his administration of the bankruptcy estate  
18 and that for this reason the Trustee would not terminate their employments. On September 19,  
19 2016, the Trustee filed the Mike White Motion. The hearing on the White Motion was set for  
20 September 30, 2016. The Committee wholeheartedly supported Mr. White's retention. Working  
21 with Member Pehl as the Committee's "point person," Committee counsel drafted an initial  
22 Response in support of the White retention Motion. A copy of the draft Response is attached hereto  
23 as Exhibit A. At Member Pehl's suggestion, the initial draft Response included a request for  
24 clarification that White be given authority to "hire and fire" Mint employees. Member Pehl sought  
25 this clarification in order to attempt to invest White with the ability to terminate Mint employees,

1 especially those employees that Member Pehl regarded as being unproductive, holdover partisans of  
2 Ross Hansen, and/or supporters of Hansen's efforts to disrupt or adversely affect the reorganization.

3  
4 On September 28, 2016, Committee counsel advised the Trustee that the Committee was  
5 concerned to understand White's powers and authority. In response, the Trustee advised Committee  
6 counsel that he would oppose granting Mr. White the specific power to hire and fire, because it  
7 would adversely affect the Trustee's authority and might also adversely complicate the role of Mr.  
8 Goodfellow, a Mint employee occupying a similar production title whom the Trustee also held in  
9 regard. The Trustee also acknowledged Member Pehl's concern about certain employees.

10 In a telephone conference with Committee counsel on September 27, 2016, Mr. White  
11 himself had made it clear that he was reluctant to demand authority to hire and fire because "he  
12 thought it would have a chilling effect on the existing work force (to have a new guy show up with  
13 the power to terminate current employees)." *See*, Exhibit B. In light of this comment from Mr.  
14 White, plus the Trustee's added information about opposing a grant of hire-and-fire authority,<sup>1</sup> and  
15 in order to ensure that the Committee would promptly achieve its primary objective of having White  
16 retained without delay, Committee counsel advised Member Pehl, in advance of filing the Response  
17 (by email dated September 28, 2018), that he was "recommending a change of course here" and  
18 intended to modify the Committee Response by removing the demand that the Court address the  
19 hire-and-fire authority issue. *See*, Exhibit C (also including the Response as modified). Member  
20 Pehl transmitted a reply that included in it the message to "do what you think is best from the legal  
21 perspective." *See*, Exhibit D. The Court approved the Trustee's Motion to employ White by Order  
22 entered on September 30, 2016 (Dkt. #759).

23  
24  
25 <sup>1</sup> Related to the Mint personnel issue, the Trustee also confirmed that following the appointment of Mike White he  
26 intended to terminate (and did subsequently terminate) the employment of two particular employees that Member  
Pehl viewed as being unproductive or holdover partisans of Ross Hansen.

1           4.)     **Committee Financial Advisor**

2           **Question by the Court.** At the December 7 hearing, the Court asked: “Did the Committee  
3 vote for a forensic audit of the Trustee’s books?”

4           **Response.** It is true that one Committee member, Member Pehl, demanded “an audit of  
5 Calvert’s books” and a second Committee member, Member William Hanson, expressed the same  
6 view. The Committee itself, however, never specifically voted to conduct (or have a professional  
7 conduct) an audit of the Trustee’s books. The only formal vote the Committee ever took regarding  
8 any kind of professional financial analysis was its February 10, 2017 vote to engage Lorraine  
9 Barrick as Committee financial advisor.<sup>2</sup>

10           At the time of her engagement, Committee counsel understood Ms. Barrick’s principal  
11 potential duties to include reviewing monthly operating reports and financial projections,  
12 particularly including projections which the Committee expected the Trustee to present as part of a  
13 Plan of Reorganization. *See, e.g.,* February 6, 2017 email from David Petteys<sup>3</sup> to the Committee  
14 (attached hereto as Exhibit E):

15                     In my view, the Committee has an immediate need for and would  
16 benefit from the expertise of a qualified forensic accountant, and I  
17 propose that we retain one as soon as possible. I think our experience  
18 with respect to the engagement of Atalla and evaluation of the  
19 trustee’s *monthly operating reports* and *financial projections*, etc.  
20 amply demonstrates this need. [Emphasis added.]

21           The Court Order approving Ms. Barrick’s engagement was not entered until April 25, 2017  
22 (Dkt. #992). By this time (end of April 2017), however, the posture of the case had changed  
23 significantly. The Mint business experienced an operating loss of \$242,368 in April—a month in

24           <sup>2</sup> Contrary to some Committee member’s apparent understanding, the term “financial advisor” is a generic,  
25 bankruptcy term of art that does not limit the scope of tasks that an appointed professional with that designation can  
26 perform.

<sup>3</sup> Mr. Petteys was the attorney and designated agent for Committee Member Don Wright. Mr. Petteys was also the  
personal contact to Ms. Barrick and the original proponent of Ms. Barrick’s engagement.

1 which Mint operating revenues had historically been strong. For all practical purposes, this dramatic  
2 and unexpected operating loss signaled the end of any real hope of a meaningful reorganization. In  
3 May, the Trustee was compelled to secure a form of DIP financing in order to keep the business  
4 afloat and simultaneously initiated efforts to seek out prospective purchasers for the estate's assets.  
5 The Trustee terminated all business operations as of December 31, 2017. In the wake of these  
6 developments, the balance<sup>4</sup> of Committee members expressed to Committee counsel no continuing  
7 active interest in requiring Ms. Barrick to conduct an audit and, as a consequence, Ms. Barrick  
8 performed virtually no professional services for the Committee.

9 Committee counsel viewed this state of affairs as being sensible. Committee counsel  
10 certainly never "blocked" Ms. Barrick from performing any work for the Committee and would have  
11 been happy to have approached her regarding any tasks the Committee felt would advance the  
12 reorganization. Given, however, the failure of any reorganization and the virtual certainty that all  
13 case professionals would be at substantial risk of ever being compensated, Committee counsel was  
14 concerned that it would have been unfair to demand that the Committee financial advisor expend  
15 time on any project or projects for which she would never be paid.

16 5.) **William Hanson**

17 At the December 7 hearing, the Court identified a number of issues regarding: a)  
18 correspondence between Committee Member William Hanson and Committee counsel regarding the  
19 removal of the Trustee; and b) the resignation of Mr. Hanson from the Committee.

20 **Question by the Court:** Did the Committee want me to take action to have Mr. Calvert  
21 removed and, if so, why was no action taken?

22 **Response.** At no time did the Committee ever cast a vote to have the Court remove the  
23 Trustee. On March 13, 2017 at 2:05 p.m., Committee counsel did receive an email from Mr.

24  
25 <sup>4</sup> In the interim (March 22, 2017), William Hanson had voluntarily resigned from the Committee.

1 Hanson. A copy of the email is attached hereto as Exhibit F. On its face, the email constituted both  
2 a personal threat and a demand from Mr. Hanson that Committee counsel file with the Court a letter  
3 to be transmitted by Mr. Hanson to counsel “under a separate mailing.” By subsequent email dated  
4 March 13, 2017 at 2:06 p.m., Mr. Hanson transmitted the referenced letter. A copy of the email and  
5 the referenced letter is attached hereto as Exhibit G.

6 Committee counsel’s reaction to this correspondence was as follows:

7 1.) The threatening letter came out of the blue, with no advance notice to Committee  
8 counsel.

9 2.) The letter was not from the Committee but was from Mr. Hanson personally (“I have  
10 reached the conclusion...”).

11 3.) The letter was poorly drafted and its intended function was unclear.

12 Committee counsel addressed the Hanson correspondence in a responsive email to the  
13 Committee. Following Committee counsel’s response to the Committee, the issue of formally  
14 asking the Court to remove the Trustee was never presented or further addressed by the Committee.

15 **Question by the Court:** Did Committee counsel forward Mr. Hanson’s letter to the Trustee  
16 or to the Trustee’s counsel?

17 **Response.** Committee counsel transmitted the text of the Hanson letter to Trustee’s counsel.  
18 *See*, attached Exhibit H. Committee counsel did not transmit the first Hanson email either to the  
19 Trustee or to Trustee’s counsel. The Hanson letter transmitted in isolation to Trustee’s counsel did  
20 not constitute an improper disclosure of confidential information, inasmuch as Mr. Hanson himself  
21 had intended—and demanded—that the letter be filed with the Court as a public document.  
22 Moreover, Mr. Hanson also authorized Committee counsel to file his first transmittal email with the  
23 Court, thereby doubly confirming that his March 13 emails contained no confidential information  
24 that Committee counsel would have been required to preserve. *See*, Exhibit F.

1           **The William Hanson Resignation from the Committee**

2           On March 13, 2017, Committee counsel advised the Committee that the Trustee had  
3 reached an agreement with Mr. Bressler, under which Mr. Bressler agreed not to oppose the  
4 Trustee's substantive consolidation claims against Ross Hansen and Medallic.

5           The next morning (March 14, 2017) Committee counsel received a call from Trustee's  
6 counsel, advising that Mr. Bressler's lawyer (Tom Lerner) had called Trustee's counsel and had  
7 informed him that Medallic's lawyer (Tom Bucknell) had called Mr. Lerner and wanted to know  
8 about the agreement between Bressler and the Trustee. Trustee's counsel further advised  
9 Committee counsel that Bressler had received an email that morning from Ross Hansen stating  
10 that "Northrup said that you have sold your interest in Medallic to Calvert." *See*, Exhibit I.

11           In prior Committee meetings, Committee counsel had made it clear to Committee  
12 members that strategic litigation information was confidential and never to be revealed to Ross  
13 Hansen. In the wake of the morning events, on March 14, 2017 Committee counsel advised the  
14 Committee as follows: 1.) The morning's events strongly suggest the obvious: one of you  
15 disclosed my email to the Committee to Ross Hansen. This is intolerable. 2.) It is my initial  
16 recommendation that any Committee member who disclosed this confidential information to  
17 Ross either voluntarily resign from the Committee or face a forced removal. 3.) Ross cannot  
18 have a mole on the Committee. Communicating with Ross is not a violation of Committee  
19 members' fiduciary duty but disclosing strategic confidential Committee information to Ross  
20 certainly is. 4.) The draft letter that William Hanson sent yesterday sounded like it came from  
21 Ross, with many of his usual talking points and themes. Who drafted that text? What is its  
22 source?

23           On March 14, 2017, Committee counsel spoke by telephone with Mr. Hanson. During  
24 the call, Mr. Hanson admitted that he had revealed the Bressler settlement information to Ross  
25 Hansen. Mr. Hanson then advised that he would voluntarily resign from the Committee. This

1 outcome was consistent with the reaction expressed by other Committee members. *See*, the  
2 March 15, 2017 email from David Petteys to the Committee (Exhibit J):<sup>5</sup>

3 I entirely agree with Mark—regardless of your opinion of  
4 Calvert’s performance and conduct, the unauthorized disclosure of  
5 information conveyed in confidence to the Committee is  
6 unacceptable and a clear breach of fiduciary duty...In sum, if a  
7 member of the Committee did in fact pass this information on to  
8 Ross Hansen, that member should do the right thing and  
9 immediately tender his or her resignation.

10 By email to Committee counsel dated March 20, 2017, Mr. Hanson subsequently  
11 appeared to renege on his offered resignation from the Committee. *See*, Exhibit K. Thereafter,  
12 on March 21, 2017 at 11:24 a.m., Trustee’s counsel transmitted an email to each of the  
13 Committee members in their individual capacities (not collectively to the Committee). *See*,  
14 Exhibit L. In the email, Trustee’s counsel advised Committee members that the Trustee had  
15 become aware of the Bressler disclosure and instructed Committee members to preserve and  
16 produce any records they might have of communications with Ross Hansen. Less than two  
17 hours after Trustee’s counsel transmitted his email, Mr. Hanson responded by his own email  
18 (March 21, 2017 at 1:10 p.m.), admitting that he had made the Bressler disclosure and  
19 voluntarily resigning from the Committee. *See*, Exhibit M. In a subsequent email dated March  
20 22, 2017 (8:40 a.m.), Mr. Hanson also submitted his formal resignation to Martin Smith at the  
21 Office of the U.S. Trustee. *See*, Exhibit N.

22 Committee counsel viewed the Hanson resignation from the Committee as being both  
23 appropriate and warranted. Throughout the case, Mr. Hanson had remained in contact with Ross  
24 Hansen, who consistently tendered all manner of false allegations to creditors, including Mr.  
25 Hanson: the judge was going to convert the case to a Chapter 7 on his own motion at the next

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26 <sup>5</sup> Mr. Petteys’ email was originally marked “privileged” and “confidential.” Mr. Petteys has waived the privilege  
for the purpose of authorizing inclusion of the email in this Supplemental Declaration.



1 hearing; the FBI was investigating the Trustee, not Ross Hansen and Diane Erdmann; there was  
2 a shadow committee forming in the wings to take over the case; the bankruptcy process was  
3 rigged and it was the deliberate plan of all the estate bankruptcy professionals to kill the Mint  
4 business, liquidate its assets, pay themselves from the sale proceeds, and walk away leaving all  
5 creditors with nothing. Ross Hansen deployed these scare tactics in an attempt to seduce  
6 creditors—including Committee members—to abandon the Trustee and consider making a deal  
7 under which Ross Hansen would continue his involvement in the Mint business. The March 13  
8 letter (Exhibit G) that Mr. Hanson demanded that Committee counsel transmit to the Court was  
9 an overt manifestation of Ross Hansen’s strategy. Indeed, Mr. Hanson admitted to Committee  
10 counsel that Ross Hansen—the arch-enemy of estate creditors—was the one who personally  
11 “suggested” the drafting of the March 13 letter, which Mr. Hanson and “a different committee  
12 member” drafted. *See*, Exhibit O.

13 In the opinion of Committee counsel, pursuing the course of action that Mr. Hanson was  
14 apparently demanding on March 13, if carried forward, would inevitably have undermined and  
15 undercut the Trustee’s administration of the bankruptcy at a crucial stage in the case. The  
16 Trustee had been operating the Mint business for a full year, with his production personnel in  
17 place; the all-important Medallion trial was mere weeks away from starting and the Trustee’s  
18 counsel and accountants had performed enormous amounts of work in preparation for that event.  
19 Removal of the Trustee—if that was the ultimate goal of one or two Committee members—was  
20 not an outcome proposed, advocated, demanded, or presented for a vote by the balance of the  
21 Committee, and correctly so. Such an event would have thrown the entire case into chaos—with  
22 no identifiable administrative alternative—and could well have exposed the Committee to  
23 charges of breaching their fiduciary duties to other creditors by derailing any potential  
24 reorganization. Through March 2017 the Chapter 11 ride with the Trustee was sometimes  
25 certainly rough and subject to fair criticism but throwing the pilot out of the plane in mid-flight

1 was neither warranted nor a prudent option—a conclusion that Mr. Hanson himself apparently  
2 recognized in his March 13 letter (Exhibit G), in which he asserts that he has personally  
3 concluded that the Trustee “must be replaced” but then immediately asserts that he does “not  
4 actually expect this to happen, particularly because of the upcoming trial.”

5 **Question by the Court:** Did Committee counsel authorize Trustee’s counsel to contact  
6 Mr. Hanson and the members of the Committee?

7 **Response.** As the result of the March 14 call from Mr. Lerner, Trustee’s counsel was  
8 aware of the release of the Bressler information even before Committee counsel. On March 21,  
9 2017 at 11:23 a.m., Trustee’s counsel transmitted the following email to Committee members,  
10 copying Committee counsel:

11 Committee Members:

12 I am sending this notice to each of you individually and not  
13 to the committee as a whole.

14 The Trustee has learned that some members of the  
15 committee have had ongoing communications with and have  
16 collaborated with Ross Hansen in adversity to the interests of the  
17 bankruptcy estate. The Trustee has also learned that certain  
18 members of the committee have disclosed confidential information  
19 to Ross Hansen in violation of the written confidentiality  
20 agreement between the Trustee and the members of the committee.

21 This constitutes the Trustee’s formal notice of a  
22 requirement for each member of the committee to preserve any and  
23 all records of communications between any committee member  
24 and Ross Hansen or his representatives. This is to include all  
25 email or other electronically preserved documents as well as any  
26 hard copy documents. The Trustee demands immediate production  
of any and all such records of communications between any  
committee member and Ross Hansen or his representatives. Thank  
you for your cooperation in the Trustee’s investigation of these  
serious matters.

See, Exhibit L.

1 Committee counsel has no recollection of formally authorizing Trustee's counsel to  
2 contact Committee members; however, under the circumstances Committee counsel did not find  
3 Mr. Gearin's email to individual Committee members inappropriate or something that required  
4 prior authority from Committee counsel. First, Trustee's counsel appropriately copied  
5 Committee counsel on the email. Second, Mr. Gearin made it clear that he was not addressing  
6 the Committee and its members as a represented legal entity but was addressing individual  
7 Committee members in their individual capacities regarding their personal conduct unrelated to  
8 Committee business. This would be akin to an exercise by the Trustee of his independent right,  
9 for example, to conduct a Rule 2004 examination of any party in interest to a case. *See, also*, 7  
10 *Collier on Bankruptcy* ¶1103.03[7] at p. 1103-13 (16<sup>th</sup> ed.) ("A professional retained by a  
11 committee represents the committee and only the committee...The professional does not  
12 represent the members of the committee in their roles as members of the committee...."). Here,  
13 the process was resolved with dispatch. Mr. Hanson quickly responded to Trustee's counsel by  
14 voluntarily resigning from the Committee (Exhibits M, N); and the balance of the Committee  
15 members responded satisfactorily to Trustee counsel's request for information.

16 **Question by the Court:** Did Committee counsel have any discussions with the U.S.  
17 Trustee's Office regarding William Hanson?

18 **Response.** Committee counsel had no communications with the U.S. Trustee regarding  
19 Mr. Hanson, with the exception of a March 23, 2017 (4:46 p.m.) email in which Committee  
20 counsel simply asked Martin Smith to confirm Hanson's removal from the Committee. *See*,  
21 Exhibit P. Mr. Smith confirmed the removal by return email dated March 23, 2017 (4:48 p.m.).  
22 *See*, Exhibit Q.

23 On June 5, 2018, Committee counsel spoke with Mr. Dyer of the Office of the U.S.  
24 Trustee regarding case issues unrelated to Mr. Hanson. Committee counsel prepared no  
25 materials for, and provided no documents to, Mr. Dyer at that meeting.

6.) **Tom Lerner Communication**

**Question by the Court.** At the December 7 hearing, the Court asked Committee counsel: “You had a call with Tom Lerner on May 17, 2017 regarding settlement of the Bressler claim. What was that all about, do you recall?”

**Response.** To be precise, Committee counsel’s time entry for May 17, 2017, identifies a brief (0.2 hr.) telephone conversation with Mr. Lerner “regarding proposed Bressler claim.” Committee counsel has no recollection of the details or specific subject of this telephone conference. Nor does Committee counsel have any recollection that Mr. Lerner provided any information about any specific creditor claim, including the creditor claim that Mr. Lerner eventually filed weeks later on behalf of Mr. Bressler (June 26, 2017; Claim #3094). Committee counsel has no statutory power to allow, disallow, or administer creditor claims, so there would have been no practical or procedural purpose for Mr. Lerner to provide any claim information to Committee counsel.

Committee counsel believes that the call with Mr. Lerner was informational, in which Committee counsel and Mr. Lerner may have initially conversed about the Court’s recent (April 28, 2017) rejection of the Bressler settlement (with its proposed allowance of a \$3 million general unsecured claim for Bressler) but closed the conversation with Committee counsel simply advising Mr. Lerner that the Trustee was in the process of obtaining a bar date for Medallion-related creditor claims. This is consistent with the contemporaneous facts that: a) the Trustee submitted his Ex Parte Motion for a Medallion Bar Date immediately thereafter (on May 19, 2017; Dkt. #1038); and Committee counsel transmitted to Mr. Lerner a copy of the Order Setting Bar Date on the immediately following Monday (May 22, 2017). *See*, Exhibit R.

**Closing Comment.** Through three and a half decades of private practice, Committee counsel has represented countless clients, including Chapter 11 creditor committees. The instant case and Committee engagement has been extraordinarily challenging, owing chiefly to the failure of the case to produce any return for unsecured creditors. Regardless of case outcome and, frankly,

1 the personal criticisms direct at him by certain Committee members, Committee counsel has  
2 resolutely attempted: 1) to impart to Committee members a respect for the fundamental integrity of  
3 the bankruptcy process; and 2) above all, always to provide the Committee with sound legal advice.  
4 These things Committee counsel has done to the best of his ability and professional judgment  
5 from the outset of the case.

6 Given at Seattle, Washington, under penalty of perjury under the laws of the State of  
7 Washington this 18<sup>th</sup> day of January, 2019.

8 /s/ Mark D. Northrup  
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SUPPLEMENTAL DECLARATION OF MARK D.  
NORTHROP IN SUPPORT OF FINAL APPLICATION  
FOR PAYMENT OF FEES AND REIMBURSEMENT  
OF EXPENSES OF COUNSEL FOR THE OFFICIAL  
UNSECURED CREDITORS' COMMITTEE (MILLER  
NASH GRAHAM & DUNN LLP) -- 13  
Case No. 16-11767-CMA4846-7510-9509.1

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# **EXHIBIT A**

Honorable Christopher M. Alston  
Chapter 11  
Hearing Date: September 30, 2016  
Hearing Time: 9:30 a.m.  
Response Date: September 28, 2016  
Location: Seattle, Room 7206

UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF WASHINGTON AT SEATTLE

In re

NORTHWEST TERRITORIAL MINT, LLC,  
EIN: 30-0143641

Debtor.

Case No. 16-11767-CMA

RESPONSE OF THE OFFICIAL  
UNSECURED CREDITORS'  
COMMITTEE TO TRUSTEE'S MOTION  
TO APPROVE TERMS OF  
EMPLOYMENT FOR PRODUCTION  
MANAGER

The Official Unsecured Creditors Committee (the "Committee"), by its undersigned counsel, responds as follows to the Trustee's Motion to Approve Terms of Employment for Production Manager (Dkt. #711; the "Employment Motion"):

- 1.) The Committee supports the Employment Motion, as described herein.
- 2.) The claims bar date in this case was September 1, 2016. The Committee understands that the total amount of claims filed was approximately \$85 million, the vast bulk of which are unsecured. Examination of the claims will likely identify duplications, errors and discrepancies that will ultimately reduce the total amount of allowed claims to an amount less than \$85 million; but it is painfully obvious that creditors in this case face enormous losses.

1           3.)     The Committee believes that any meaningful recovery for creditors must come  
2 from a reorganized and ongoing business operation; and the Committee recognizes that  
3 achieving this result will require resolution of a number of issues currently before the Court,  
4 including the determination of the ownership of certain Medallie Art Company LLC assets and  
5 the assumption of the Debtor's Dayton, Nevada, lease.

6           4.)     The Committee also recognizes that a successful reorganization will require the  
7 hiring and retention of a skilled, productive, and well managed workforce. The Committee is  
8 familiar with Mr. White's extensive experience and work history in the industry and views the  
9 hiring of Mr. White as a necessary and wholly positive initial step in the reorganization process;  
10 however, the Committee is concerned that the scope of Mr. White's authority and duties as  
11 Production Manager has not been adequately set forth in the brief "employment offer"/letter  
12 agreement attached as Exhibit A to the Declaration of Mark Calvert (Dkt. #712) filed in support  
13 of the Employment Motion. At a minimum, the Committee believes that the contractual  
14 agreement between the Trustee and Mr. White should address and clarify the following issues:

15           a.)     The Committee understands that there is already a Production Manager at the  
16 Debtor's Dayton location. What is or will be the relationship between Mr. White and the current  
17 Production Manager?

18           b.)     What specific authority does Mr. White have to make personnel decisions,  
19 particularly personnel retention decisions that affect production?

20           5.)     Mr. White has left a responsible position to work for the Trustee and, ultimately,  
21 the creditors in this case. The Committee applauds Mr. White for his decision and simply wants  
22 to make sure that Mr. White is given the resources, support and authority to do his job: stabilize,  
23 build, manage, and enhance the Debtor's production at the Dayton facility.

24                   DATED this 28th day of September, 2016.  
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MILLER NASH GRAHAM & DUNN LLP

/s/ Mark D. Northrup

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Attorneys for the Official Unsecured Creditors'  
Committee

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# **EXHIBIT B**

**From:** Northrup, Mark D.  
**Sent:** Tuesday, September 27, 2016 2:23 PM  
**To:** paulapehl@yahoo.com  
**Subject:** RE: Offer letter

I have spoken with Mike. He confirms that Tom Boyle seems to be the worst Ross stooge, who believes that Ross will be back in charge "after October 10." He is skeptical of Wagner. He thinks that Rob is a chameleon but probably not pro-Ross. He thinks that Goodfellow will probably be ok to work with and that they will be able to work together on production management. He said that Calvert conducted a telephonic management call this morning at which Mike was present. He was confident of his abilities to "sell success" and didn't think that anyone would impede his efforts, although he is reserving the right to modify that view, depending on "how many walls he starts to run into." As to the immediacy of tomorrow's court filing, I think that I should file a statement confirming that the Committee supports White's hiring and believes that it is critical to the operation, based on his experience and prior track record. I think the Committee agreed on that at our last meeting, so I feel comfortable doing that. I wouldn't go much beyond that clear statement of support. I did discuss with Mike whether he would support (or demand) being given the additional power to hire and fire personnel. His reaction was that that would likely be in the future but was reluctant to make a play for that now because he thought it would have a chilling effect on the existing work force (to have a new guy show up with the power to terminate current employees).

# **EXHIBIT C**

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**From:** "Northrup, Mark D." <Mark.Northrup@millernash.com>  
**To:** "paulapehl@yahoo.com" <paulapehl@yahoo.com>  
**Sent:** Wednesday, September 28, 2016 4:52 PM  
**Subject:** RE: loose ends

Paula—I am recommending a change in course here. I have additional information from Calvert/Gearin. I think it is better that we not raise the issues of hiring/firing/Goodfellow. I am concerned that this may unnecessarily open a can of worms with our judge that will delay Mike's approval and employment.

**Mark D. Northrup**

Partner

**Miller Nash Graham & Dunn LLP**

Pier 70 | 2801 Alaskan Way - Suite 300 | Seattle, Washington 98121

*Direct:* 206.777.7536 | *Office:* 206.624.8300 | *Fax:* 206.340.9599

**E-Mail | Web | Social | Blogs**

Honorable Christopher M. Alston  
Chapter 11  
Hearing Date: September 30, 2016  
Hearing Time: 9:30 a.m.  
Response Date: September 28, 2016  
Location: Seattle, Room 7206

UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF WASHINGTON AT SEATTLE

In re

NORTHWEST TERRITORIAL MINT, LLC,  
EIN: 30-0143641

Debtor.

Case No. 16-11767-CMA

RESPONSE OF THE OFFICIAL  
UNSECURED CREDITORS'  
COMMITTEE TO TRUSTEE'S MOTION  
TO APPROVE TERMS OF  
EMPLOYMENT FOR PRODUCTION  
MANAGER

The Official Unsecured Creditors Committee (the "Committee"), by its undersigned counsel, responds as follows to the Trustee's Motion to Approve Terms of Employment for Production Manager (Dkt. #711; the "Employment Motion"):

1.) The Committee supports the Employment Motion.

2.) The claims bar date in this case was September 1, 2016. The Committee understands that the total amount of claims filed was approximately \$85 million, the vast bulk of which are unsecured. Examination of the claims will likely identify duplications, errors and discrepancies that will ultimately reduce the total amount of allowed claims to an amount less than \$85 million; but it is painfully obvious that creditors in this case face enormous losses.

3.) The Committee believes that any meaningful recovery for creditors must come from a reorganized and ongoing business operation; and the Committee recognizes that achieving this result will require resolution of a number of issues currently before the Court,

RESPONSE OF THE OFFICIAL UNSECURED CREDITORS'  
COMMITTEE TO TRUSTEE'S MOTION TO APPROVE TERMS OF  
EMPLOYMENT FOR PRODUCTION MANAGER - 1

MILLER NASH GRAHAM & DUNN LLP  
ATTORNEYS AT LAW  
T: 206.624.8300 | F: 206.340.9599  
PIER 70  
2801 ALASKAN WAY, SUITE 300  
SEATTLE, WASHINGTON 98121

1 including the determination of the ownership of certain Medallic Art Company LLC assets and  
2 the assumption of the Debtor's Dayton, Nevada, lease.

3 4.) The Committee also recognizes that a successful reorganization will require the  
4 hiring and retention of a skilled, productive, and well managed workforce. The Committee is  
5 familiar with Mr. White's extensive experience and work history in the industry and views the  
6 hiring of Mr. White as a necessary and wholly positive initial step in the reorganization process.

7 DATED this 28th day of September, 2016.

8 MILLER NASH GRAHAM & DUNN LLP

9  
10 /s/ Mark D. Northrup

11 Mark D. Northrup, WSB No. 16947

12 mark.northrup@millernash.com

13 Geoffrey Groshong, WSB No. 6124

14 geoff.groshong@millernash.com

15 Attorneys for the Official Unsecured Creditors'  
16 Committee  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

# **EXHIBIT D**



**From:** paulapehl@yahoo.com  
**Sent:** Wednesday, September 28, 2016 5:21 PM  
**To:** Northrup, Mark D.  
**Subject:** Re: loose ends

Well, if you recall, I also had said that firing Goodfellow may not be politic. But we do not mention him by name. The statement is generic.

Do what you think is best from the legal perspective, but I feel a moral obligation to Mike who has been badly handled, and I see our restructuring plan unraveling because of Calvert's bad ..... (I do not know what drives or motivates him, so I lack the word).

So what would your amended the text now to say?

I suppose Calvert/Gearin have gutted it?

Then the Committee has no say, no authority, and we are constantly being mocked.

There is no point being on the Committee. Gearin does not even respect us: he should have copied us documentation on this matter long before so we could understand the issues and negotiate a comfortable settlement of the same.

I am getting very cynical. I don't trust Calvert anymore and feel that this last-minute stuff is a planned strategy to force their position on us, no matter how detrimental to the creditors' interests.

I am now beginning to wonder if Calvert is being paid off by Paul Wagner.....

# **EXHIBIT E**

On Mon, Feb 6, 2017 at 11:39 AM, Petteys, David <[david@stollpetteys.com](mailto:david@stollpetteys.com)> wrote:

All,

In the past, we've discussed retaining a financial consultant to assist the Committee.

In my view, the Committee has an immediate need for and would benefit from the expertise of a qualified forensic accountant, and I propose that we retain one as soon as possible. I think our experience with respect to the engagement of Atalla and evaluation of the trustee's monthly operating reports and financial projections, etc. amply demonstrates this need.

Attached is the CV for Lorraine Barrick, a CPA and forensic accountant that my firm has used on a number of matters. Lorraine has always provided outstanding, cost-effective services, and she has substantial experience with bankruptcy-related matters. Her billing rate is \$350 per hour, but she also has the ability to leverage the support of staff at lower billing rates. I think Lorraine would be a great fit, but I think we should consider at least three candidates -- if anyone has any suggestions, please chime in.

I suggest that we schedule a quick call as soon as possible to discuss. Thanks.

Regards,  
David

David Petteys  
**STOLL PETTEYS PLLC**  
ATTORNEYS AT LAW  
1455 NW Leary Way, Suite 400  
Seattle, WA 98107  
[+1 \(206\) 456-6697](tel:+12064566697) (main)  
[+1 \(206\) 876-7828](tel:+12068767828) (direct)  
[E-Mail](#) | [Web](#) | [Social](#)

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# **EXHIBIT F**

-----Original Message-----

From: Bill Hanson [mailto:bill.beach101@gmail.com]

Sent: Monday, March 13, 2017 2:05 PM

To: Northrup, Mark D.

Cc: paulapehl@yahoo.com; Larry Chiappellone; dickpehl@yahoo.com; David Petteys

Subject: Up coming letter to the you and the court.

Mark.

I am sending to you, under a separate mailing, a letter expressing the committee's dissatisfaction with Mr. Calvert. . We cannot let this go ignored any longer. Almost all the committee members agree with me and it would have come up for a vote at the last committee call but you told us that Mr Calvert would never be replaced. We still need to show our dissatisfaction with him. He works independently of the committee and cares not what we think. You have reminded us several times that he does not need any opinion or approval from the committee for his actions. We have seen no indication that he is interested in any recovery for the creditors, and recovery is the obligation of the Unsecured Creditors Committee.

I expect you to deliver this letter, and perhaps this cover letter to the court tomorrow. If that does not happen, a similar letter will be written about you. I would like a confirmation of this delivery to be made to me and the committee.

Thank you in advance. Bill Hanson

Sent from my iPad

# **EXHIBIT G**

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**From:** Bill Hanson [mailto:bill.beach101@gmail.com]  
**Sent:** Monday, March 13, 2017 2:06 PM  
**To:** Northrup, Mark D.  
**Cc:** paulapehl@yahoo.com; Dick Pehl; David Petteys  
**Subject:** Letter to Mark Northrup and Judge Alston.

MR MARK. NORTHRUP  
MILLER NASH GRAHAM AND DUNN. LLP  
2801. ALASKA. WAY. #300  
PIER 70  
SEATTLE, WA. 98121

RE: Replacement of Mark Calvert as Trustee for Northwest Territorial Mint  
Case Number # 16-11767-CMA

Mr. Northrup:

As you well know, the members of the UCC (Unsecured Creditors Committee) have been -- to varying degrees and for various reasons -- dismayed and distraught by the Calvert administration of the Estate. You have represented the Committee and have been our interface with the judge. Our concerns and discomfort with the Trustee's performance have been discussed with you by various members of the Committee and within Committee meetings, but it appears that we have really had no voice. Our recommendations have been met with "you have no say in the matter, this is the Trustee's call" both from Gearin as well as you. Meanwhile, Mr Calvert has failed to meet any of the important economic and legal targets he identified as important in his discussions with us; we watched while your firm and K&L Gates and Mr Calvert have allowed the estate to become administratively insolvent, and run up debts to the professionals of over \$3,000,000. To our knowledge, Committee's counsel has not informed the court of the severe reservations and sometimes outright objections of the Committee.

At our last UCC meeting, on Feb 28, Committee members were amply clear that they would not accept Calvert as a liquidation trustee if our Ch 11 converts to a Ch 7. You assured us we have a choice in the matter; however, it has been our experience that when the chips are down we never have a choice or a voice. In fact, recently the Committee has been excluded from decisions and has not even been informed of actions pending or taken.

This cannot go on. Under the circumstances, I have reached the conclusion that Mr Calvert must be replaced as

Trustee for the Mint. I do not actually expect this to happen, particularly because of the upcoming trial. However, our dissatisfaction needs to be formally registered and put on the record.

The damage has been great. It was a great error to approve Mr. Calvert's own firm as auditor. Committee members, except one, did not object at the beginning when we were asked to approve the auditor; but now we see how inadvisable the appointment of Cascade was. It was with great shock that we learned at the Nov 29, 2015 meeting in Seattle, from Mark Calvert himself, that he had a deal with those in the DOJ who handle the bankruptcy cases to use his own auditing firm. And apparently this has been a recurring accommodation. Throughout this BK process there has not been a proper system of checks and balances. For this reason and because of the many questions that have arisen we voted at the Feb 10, 2017 meeting for an audit of Calvert's books and operations. This somehow became the appointment of a "financial adviser" before the Court.

We are very sorry that this situation exists, but we owe a fiduciary duty to all creditors and need to speak out about the manner in which this estate has been administered and the dire economic straits that have resulted from the conduct of Mr Calvert and other professionals, realizing that it is our obligation to do our best to achieve some recovery for the creditors.

William L. Hanson  
Co-Chair, Unsecured Creditors Committee.  
Northwest Territorial Mint  
Sent from my iPad



# **EXHIBIT H**

**From:** Northrup, Mark D.  
**Sent:** Monday, March 13, 2017 2:33 PM  
**To:** Gearin, Mike  
**Subject:** Letter to Mark Northrup and Judge Alston.

Mike--FYI

---

**From:** Bill Hanson [mailto:bill.beach101@gmail.com]  
**Sent:** Monday, March 13, 2017 2:06 PM  
**To:** Northrup, Mark D.  
**Cc:** paulapehl@yahoo.com; Dick Pehl; David Petteys  
**Subject:** Letter to Mark Northrup and Judge Alston.

MR MARK. NORTHRUP  
MILLER NASH GRAHAM AND DUNN. LLP  
2801. ALASKA. WAY. #300  
PIER 70  
SEATTLE, WA. 98121

RE: Replacement of Mark Calvert as Trustee for Northwest Territorial Mint  
Case Number # 16-11767-CMA

Mr. Northrup:

As you well know, the members of the UCC (Unsecured Creditors Committee) have been -- to varying degrees and for various reasons -- dismayed and distraught by the Calvert administration of the Estate. You have represented the Committee and have been our interface with the judge. Our concerns and discomfort with the Trustee's performance have been discussed with you by various members of the Committee and within Committee meetings, but it appears that we have really had no voice. Our recommendations have been met with "you have no say in the matter, this is the Trustee's call" both from Gearin as well as you. Meanwhile, Mr Calvert has failed to meet any of the important economic and legal targets he identified as important in his discussions with us; we watched while your firm and K&L Gates and Mr Calvert have allowed the estate to become administratively insolvent, and run up debts to the professionals of over \$3,000,000. To our knowledge, Committee's counsel has not informed the court of the severe reservations and sometimes outright objections of the Committee.

At our last UCC meeting, on Feb 28, Committee members were amply clear that they would not accept Calvert as a liquidation trustee if our Ch 11 converts to a Ch 7. You assured us we have a choice in the matter; however, it has been our experience that when the chips are down we never have a choice or a voice. In fact, recently the Committee has been excluded from decisions and has not even been informed of actions pending or taken.

This cannot go on. Under the circumstances, I have reached the conclusion that Mr Calvert must be replaced as

Trustee for the Mint. I do not actually expect this to happen, particularly because of the upcoming trial. However, our dissatisfaction needs to be formally registered and put on the record.

The damage has been great. It was a great error to approve Mr. Calvert's own firm as auditor. Committee members, except one, did not object at the beginning when we were asked to approve the auditor; but now we see how inadvisable the appointment of Cascade was. It was with great shock that we learned at the Nov 29, 2015 meeting in Seattle, from Mark Calvert himself, that he had a deal with those in the DOJ who handle the bankruptcy cases to use his own auditing firm. And apparently this has been a recurring accommodation. Throughout this BK process there has not been a proper system of checks and balances. For this reason and because of the many questions that have arisen we voted at the Feb 10, 2017 meeting for an audit of Calvert's books and operations. This somehow became the appointment of a "financial adviser" before the Court.

We are very sorry that this situation exists, but we owe a fiduciary duty to all creditors and need to speak out about the manner in which this estate has been administered and the dire economic straits that have resulted from the conduct of Mr Calvert and other professionals, realizing that it is our obligation to do our best to achieve some recovery for the creditors.

William L. Hanson  
Co-Chair, Unsecured Creditors Committee.  
Northwest Territorial Mint  
Sent from my iPad

# **EXHIBIT I**

**From:** Gearin, Mike [<mailto:Mike.Gearin@klgates.com>]  
**Sent:** Tuesday, March 14, 2017 11:30 AM  
**To:** Northrup, Mark D.  
**Cc:** Calvert, Mark (EXTERNAL)  
**Subject:** RE: Letter to Mark Northrup and Judge Alston. [KLG-USW\_Active01.FID52176]

Mark: I have been digesting this. I do not think it accidental that this email comes from Mr. Hanson after we asked for discovery of his communications with Ross Hansen. This letter does not look like it was written by Mr. Hanson. It uses much of the same language that we have seen from Ross Hansen and his lawyers. I would like to renew my request for full disclosure of any contacts that Mr. Hanson has had with Ross Hansen or Ross Hansen's lawyers, including his emails.

It is not true that the estate is administratively insolvent. There is no intent to convert this case to chapter 7. These are myths that Ross Hansen seeks to spread in order to derail this estate from pursuing its objectives in this case.

This morning, I received a call from Tom Lerner. I just spoke with him. He tells me that Mr. Bressler received an email this morning from Ross Hansen stating that "Northrup said that you have sold your interest in Medallic to Calvert". This raises serious concerns for me as to who has told Ross Hansen that there is an agreement with Mr. Bressler. The only source of that information is a member of the committee. I request that the committee immediately investigate these issues and that we have a full and immediate disclosure of any communications between any committee member and Ross Hansen.

**Michael J. Gearin**  
**K&L Gates LLP**  
925 Fourth Avenue, Suite 2900  
Seattle, WA 98104  
(206) 370-6666 Direct  
(206) 940-2500 Mobile  
Fax (206) 370-6067 Direct  
[michael.gearin@klgates.com](mailto:michael.gearin@klgates.com)  
<http://www.klgates.com>

# **EXHIBIT J**

**From:** Petteys, David <david@stollpetteys.com>  
**Sent:** Wednesday, March 15, 2017 11:23 AM  
**To:** Northrup, Mark D.  
**Cc:** Bill Hanson; paulapehl@yahoo.com; Larry Chiappellone; dickpehl@yahoo.com  
**Subject:** Re: Committee Breach of Confidentiality

**ATTORNEY-CLIENT PRIVILEGED COMMUNICATION -- DO NOT FORWARD**

I entirely agree with Mark -- regardless of your opinion of Calvert's performance and conduct, the unauthorized disclosure of information conveyed in confidence to the Committee is unacceptable and a clear breach of fiduciary duty. Furthermore, the disclosure has compromised the credibility and integrity of the entire Committee. Moreover, I don't know the details of the agreement between Calvert and Bressler, but this breach of confidence may well have a significant adverse impact on the unsecured creditors' best opportunity to realize any meaningful recovery.

In sum, if a member of the Committee did in fact pass this information on to Ross Hansen, that member should do the right thing and immediately tender his or her resignation.

Regards,  
David

David Petteys  
**STOLL PETTEYS PLLC**  
**ATTORNEYS AT LAW**  
1455 NW Leary Way, Suite 400  
Seattle, WA 98107  
+1 (206) 456-6697 (main)  
+1 (206) 876-7828 (direct)  
[david@stollpetteys.com](mailto:david@stollpetteys.com)  
[www.stollpetteys.com](http://www.stollpetteys.com)

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# **EXHIBIT K**



> On Mar 20, 2017, at 9:08 PM, Bill Hanson <bill.beach101@gmail.com> wrote:

>

>

> Mark. I did not resign, but did offer to. You told me it was "not necessary." So, at this point, I look forward to representing the creditors and working for their benefit on the committee. Bill Hanson

> Sent from my iPad

>

# **EXHIBIT L**

**From:** Gearin, Mike <mike.gearin@klgates.com>  
**Sent:** Tuesday, March 21, 2017 11:24 AM  
**To:** David James; paulapehl@yahoo.com; David Petteys; Larry Chiappellone; Virginia Seip; Bill Hanson; Dick Pehl  
**Cc:** Calvert, Mark (EXTERNAL); Northrup, Mark D.  
**Subject:** Litigation Hold Notice and Document Production Request [KLG-USW\_Active01.FID52176]

**Committee Members:**

I am sending this notice to each of you individually and not to the committee as a whole.

The Trustee has learned that some members of the committee have had ongoing communications with and have collaborated with Ross Hansen in adversity to the interests of the bankruptcy estate. The Trustee has also learned that certain members of the committee have disclosed confidential information to Ross Hansen in violation of the written confidentiality agreement between the Trustee and the members of the committee.

This constitutes the Trustee's formal notice of a requirement for each member of the committee to preserve any and all records of communications between any committee member and Ross Hansen or his representatives. This is to include all email or other electronically preserved documents as well as any hard copy documents. The Trustee demands immediate production of any and all such records of communications between any committee member and Ross Hansen or his representatives.

Thank you for your cooperation in the Trustee's investigation of these serious matters.

**Michael J. Gearin**  
**K&L Gates LLP**  
925 Fourth Avenue, Suite 2900  
Seattle, WA 98104  
(206) 370-6666 Direct  
(206) 940-2500 Mobile  
Fax (206) 370-6067 Direct  
[michael.gearin@klgates.com](mailto:michael.gearin@klgates.com)  
<http://www.klgates.com>

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# **EXHIBIT M**

**From:** Gearin, Mike <mike.gearin@klgates.com>  
**Sent:** Tuesday, March 21, 2017 1:22 PM  
**To:** Calvert, Mark (EXTERNAL); Northrup, Mark D.  
**Subject:** FW: Litigation Hold Notice and Document Production Request [KLG-USW\_Active01.FID52176]

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**From:** Bill Hanson [mailto:bill.beach101@gmail.com]  
**Sent:** Tuesday, March 21, 2017 1:10 PM  
**To:** Gearin, Mike  
**Subject:** Re: Litigation Hold Notice and Document Production Request [KLG-USW\_Active01.FID52176]

Mike. I am the one. And, I am going to resign from the committee. I only disclosed one item, a serious one, and it was totally by accident. Bill Hanson

Sent from my iPad

On Mar 21, 2017, at 11:23 AM, Gearin, Mike <[Mike.Gearin@klgates.com](mailto:Mike.Gearin@klgates.com)> wrote:

Committee Members:

I am sending this notice to each of you individually and not to the committee as a whole.

The Trustee has learned that some members of the committee have had ongoing communications with and have collaborated with Ross Hansen in adversity to the interests of the bankruptcy estate. The Trustee has also learned that certain members of the committee have disclosed confidential information to Ross Hansen in violation of the written confidentiality agreement between the Trustee and the members of the committee.

This constitutes the Trustee's formal notice of a requirement for each member of the committee to preserve any and all records of communications between any committee member and Ross Hansen or his representatives. This is to include all email or other electronically preserved documents as well as any hard copy documents. The Trustee demands immediate production of any and all such records of communications between any committee member and Ross Hansen or his representatives.

Thank you for your cooperation in the Trustee's investigation of these serious matters.

**Michael J. Gearin**  
**K&L Gates LLP**  
925 Fourth Avenue, Suite 2900  
Seattle, WA 98104  
(206) 370-6666 Direct  
(206) 940-2500 Mobile  
Fax (206) 370-6067 Direct  
[michael.gearin@klgates.com](mailto:michael.gearin@klgates.com)  
<http://www.klgates.com>

# **EXHIBIT N**

-----Original Message-----

From: Bill Hanson [mailto:bill.beach101@gmail.com]

Sent: Wednesday, March 22, 2017 8:40 AM

To: martin.l.smith@usdoj.gov; Mike Gearin; Northrup, Mark D.

Subject: Committee Resignation

Gentlemen: At this time I would like to resign from my position on the Unsecured Creditors Committee for the bankruptcy of The Northwest Territorial Mint. From this point I will not be involved in committee dealings or meetings.  
William L. Hanson

Sent from my iPad

# **EXHIBIT O**



---

**From:** Bill Hanson [mailto:bill.beach101@gmail.com]  
**Sent:** Tuesday, March 14, 2017 5:01 PM  
**To:** Northrup, Mark D.  
**Subject:** Re: Letter to Mark Northrup and Judge Alston.

Ross did not write it. He did make the suggestion. A different committee member wrote it. I did a draft. You probably know who heard who helped.

Sent from my iPad

On Mar 14, 2017, at 3:30 PM, Northrup, Mark D. <[Mark.Northrup@millernash.com](mailto:Mark.Northrup@millernash.com)> wrote:

Bill—Thank you for your call. Can you tell me who participated in drafting your letter? Or at least confirm that Ross had no part in it? Thanks again.

**Mark D. Northrup**

Partner

**Miller Nash Graham & Dunn LLP**

Pier 70 | 2801 Alaskan Way - Suite 300 | Seattle, Washington 98121

Direct: 206.777.7536 | Office: 206.624.8300 | Fax: 206.340.9599

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# **EXHIBIT P**

**From:** Northrup, Mark D.  
**Sent:** Thursday, March 23, 2017 4:46 PM  
**To:** martin.l.smith@usdoj.gov  
**Subject:** RE: NW Territorial Mint Committee Resignation

Martin--Can you confirm that you have removed Bill Hanson from the Committee? I believe that Mike Gearin was going to reach out to you to give you some background, if you were interested. I can also provide information, if you have questions. Thanks.

-----Original Message-----

From: Bill Hanson [mailto:bill.beach101@gmail.com]  
Sent: Wednesday, March 22, 2017 8:40 AM  
To: martin.l.smith@usdoj.gov; Mike Gearin; Northrup, Mark D.  
Subject: Committee Resignation

Gentlemen: At this time I would like to resign from my position on the Unsecured Creditors Committee for the bankruptcy of The Northwest Territorial Mint. From this point I will not be involved in committee dealings or meetings.  
William L. Hanson

Sent from my iPad

# **EXHIBIT Q**

**From:** Northrup, Mark D.  
**Sent:** Thursday, March 23, 2017 4:48 PM  
**To:** Smith, Martin (USTP)  
**Subject:** RE: NW Territorial Mint Committee Resignation

Thank you.

-----Original Message-----

From: Smith, Martin (USTP) [mailto:Martin.L.Smith@usdoj.gov]  
Sent: Thursday, March 23, 2017 4:48 PM  
To: Northrup, Mark D.  
Subject: RE: NW Territorial Mint Committee Resignation

Yes, he is removed. Mike and I spoke at length about the issues. Because of people's schedules, the amended appointment will probably not be filed until Monday. Martin

Martin L. Smith  
Trial Attorney  
U.S. Department of Justice  
Office of the United States Trustee  
700 Stewart Street, Suite 5103  
Seattle, WA 98101-1271  
(206) 553-2000 ext 251

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-----Original Message-----

From: Northrup, Mark D. [mailto:Mark.Northrup@millernash.com]  
Sent: Thursday, March 23, 2017 4:46 PM  
To: Smith, Martin (USTP)  
Subject: RE: NW Territorial Mint Committee Resignation

Martin--Can you confirm that you have removed Bill Hanson from the Committee? I believe that Mike Gearin was going to reach out to you to give you some background, if you were interested. I can also provide information, if you have questions. Thanks.

Mark D. Northrup  
Partner

Miller Nash Graham & Dunn LLP  
Pier 70 | 2801 Alaskan Way - Suite 300 | Seattle, Washington 98121

# **EXHIBIT R**

**From:** Northrup, Mark D.  
**Sent:** Monday, May 22, 2017 10:53 AM  
**To:** Tom Lerner  
**Subject:** Medallic Bar Date  
**Attachments:** 1041 (signed) Ex Parte Order Setting Deadline to File POCs for Creditors of Medallic Art Co.pdf

Tom—FYI, the Medallic bar date is June 30. Regards.

Below is the Order of the Court.



**Christopher M. Alston**  
**U.S. Bankruptcy Judge**

(Dated as of Entered on Docket date above)

UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF WASHINGTON AT SEATTLE

In re:

NORTHWEST TERRITORIAL MINT, LLC,  
Debtor.

Case No. 16-11767-CMA

*EX PARTE* ORDER SETTING  
DEADLINE FOR FILING PROOFS OF  
CLAIM FOR CREDITORS OF  
MEDALLIC ART COMPANY LLC

**BAR DATE: June 30, 2017**

This matter having come before the Court on Mark Calvert's (the "Trustee") *Ex Parte* Motion for entry of an order pursuant to Sections 105(a), 501, 502 and 1111(a) of the Bankruptcy Code fixing the bar date for filing proofs of claim for creditors of Medallic Art Company LLC ("MACLLC" or "MACLLC Creditors"); the Court has reviewed the files and records herein and finds that no further notice or opportunity for hearing on the Motion is necessary; the relief to be granted under this Order is reasonable and appropriate, and in the best interests of the estate; and that good cause exists to grant the relief requested. Therefore it is hereby ORDERED as follows:

1. The Motion is GRANTED.
2. Pursuant to Section 105(a) of the Bankruptcy Code and Bankruptcy Rule 3003(c)(3), all Persons and Entities, including without limitation, individuals, partnerships, corporations, estates,

ORDER ESTABLISHING CLAIMS BAR DATE FOR THE  
CREDITORS OF MEDALLIC ART COMPANY LLC - 1  
500386598 v3

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



**Below is the Order of the Court.**

1 and trusts, holding or wishing to assert claims against or interests in MACLLC arising on or before  
2 April 1, 2016, are required to electronically file a Proof of Claim (the "Proof of Claim") on account  
3 of any claims such creditors hold or wish to assert against MACLLC, so that the Proof of Claim is  
4 actually received on or before June 30, 2017 (the "MACLLC Creditor Bar Date"). Proofs of Claim  
5 should be filed electronically via the Court's website:

6 <http://www.wawb.uscourts.gov/eclaims.htm>. Alternative filing information (for traditional mail or  
7 hard-copy filing) is also available on the Court's website.

8 3. No later than May 31, 2017, the Trustee shall serve a copy of this order on:

- 9 1. Ross Hansen
- 10 2. Diane Erdmann
- 11 3. Bucknell Stehlik Sato & Orth, LLP
- 12 4. Colvin & Hallett, P.S.
- 13 5. Michael Parish
- 14 6. Robert & Connie Hoff
- 15 7. Richard Bressler

16  
17 ///END OF ORDER///

18 Presented by:

19 K&L GATES LLP

20  
21 /s/ Michael J. Gearin

22 Michael J. Gearin, WSBA #20982

23 David C. Neu, WSBA #33143

24 Brian T. Peterson, WSBA #42088

25 Attorneys for Mark Calvert, Chapter 11 Trustee

26  
ORDER ESTABLISHING CLAIMS BAR DATE FOR THE  
CREDITORS OF MEDALLIC ART COMPANY LLC - 2  
500386598 v3

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925 FOURTH AVENUE  
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