

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
Hearing Location: Seattle, Rm. 7206
Hearing Date: Friday, February 1, 2019
Hearing Time: 11:00 a.m.
Response Date: January 25, 2019

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

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

Case No. 16-11767-CMA
DECLARATION OF MICHAEL J.
GEARIN IN SUPPORT OF
CONSOLIDATED SUPPLEMENTAL
REPLY IN SUPPORT OF FEE
APPLICATIONS OF TRUSTEE AND
TRUSTEE'S PROFESSIONALS

14 I, Michael J. Gearin, declare as follows:

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16 1. I am a partner in the law firm of K&L Gates LLP ("K&L Gates"), attorneys for
Chapter 11 Trustee Mark Calvert ("Trustee") and am duly authorized to practice law in this Court. I
17 submit this Declaration in Support of the Trustee's First Application for Compensation (Dkt. No.
18 1926) (the "Trustee Application"); the First Application for Compensation of Cascade Capital Group
19 LLC as Accountants for the Chapter 11 Trustee (Dkt. No. 1924) (the "Cascade Application"); and
20 K&L Gates LLP Application for Compensation (Dkt. No. 1928) (the "K&L Gates Application," and
21 together with the Trustee's Application and the Cascade Application, the "Fee Applications").

22
23 2. This declaration supplements my Supplemental Declaration of Michael J. Gearin in
Support of K&L Gates LLP First Application for Compensation for Continued Hearing February 1,
24 2019 [Dkt. 1980], which was filed on January 18, 2019 (the "January 18 Declaration"). As
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DECLARATION OF MICHAEL J. GEARIN IN SUPPORT
OF CONSOLIDATED SUPPLEMENTAL REPLY IN
SUPPORT OF FEE APPLICATIONS OF TRUSTEE AND
TRUSTEE'S PROFESSIONALS - 1

502064521 v2

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

1 described in the January 18 Declaration, on or about April 3, 2017, Bill Hanson, pursuant to my
2 written request, produced copies of his email communications with Ross Hansen. Attached as
3 Exhibit A are copies of two of the emails produced to me by Bill Hanson.

4 3. In December 2018, Martin Smith of the United States Trustee's office brought to my
5 attention an email that he had received from Joshua Gibbons. Mr. Smith asked me to provide a
6 response to the allegations contained in the Gibbons email. Attached hereto as Exhibit B is a copy
7 of the letter I sent to Martin Smith on January 10, 2019 regarding the false allegations in the Gibbons
8 email.

9 DATED this 29th day of January, 2019.

11 /s/Michael J. Gearin
12 Michael J. Gearin

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DECLARATION OF MICHAEL J. GEARIN IN SUPPORT
OF CONSOLIDATED SUPPLEMENTAL REPLY IN
SUPPORT OF FEE APPLICATIONS OF TRUSTEE AND
TRUSTEE'S PROFESSIONALS - 2

502064521 v2

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

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CERTIFICATE OF SERVICE

The undersigned declares as follows:

That she is a paralegal in the law firm of K&L Gates LLP, and on January 29, 2019, 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.

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 29th day of January, 2019 at Seattle, Washington.

/s/ Denise A. Lentz
Denise A. Lentz

EXHIBIT A

From: Bill Hanson bill.beach101@gmail.com
Subject: Re: Fw:
Date: Feb 16, 2017, 8:48:25 PM
To: Ross Hansen rosshansen1984@outlook.com

Ross, the problem is there is nobody who will replace Calvert. I think that Calvert should be neutralized (or neutered) in the even that he cannot be replaced. With no money left, no other person would be willing to become the trustee. I still have not gotten any response from any committee member re: negotiating with you on revisions to the reorg plan you presented. I cannot imagine what they think. We are assured of nothing with Calvert. I am thinking about resigning on my own from the committee, and might send this letter, revised a little, just to leave inaction behind.

Sent from my iPad

On Feb 16, 2017, at 7:22 PM, Ross Hansen <rosshansen1984@outlook.com> wrote:

Bill,

May I suggest a letter like this?

<northrup letter-3.docx>

From: Ross Hansen rosshansen1984@outlook.com
Subject: Re: Fw:
Date: Feb 17, 2017, 9:02:35 AM
To: Bill Hanson bill.beach101@gmail.com

I think the letter is good, I had the same problem. Are you going to send to other committee members?

From: Bill Hanson <bill.beach101@gmail.com>
Sent: Friday, February 17, 2017 8:07:04 AM
To: Ross Hansen
Subject: Re: Fw:

I tried to do a little editing and could not.

Sent from my iPad

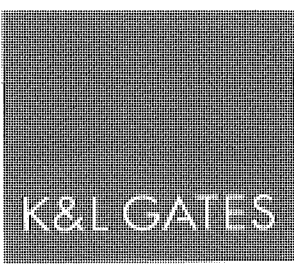
On Feb 16, 2017, at 7:22 PM, Ross Hansen <rosshansen1984@outlook.com> wrote:

Bill,

May I suggest a letter like this?

<northrup letter-3.docx>

EXHIBIT B



January 10, 2019

Michael J. Gearin
michael.gearin@klgates.com

T 206 370 6666
F 206 370 6067

Martin L. Smith Esq.
Office of the US Trustee
700 Stewart Street, Suite 5103
Seattle WA 98101-3100

Re: Response to False Allegations of Joshua Gibbons, In re Northwest Territorial Mint, USBC # 16-11767 (“NWTM or “Mint”)

Dear Martin:

Per your request, this is to respond to the spurious allegations contained in the email dated December 7, 2018 from Mr. Gibbons to you. I am frustrated that we are forced to expend resources responding to Mr. Gibbon’s baseless accusations. We cannot fathom why Mr. Gibbons believes that he has any right to insert himself into the affairs of this bankruptcy case. His repeated accusations of fraudulent and negligent acts are false and defamatory.

Mr. Gibbons Allegation that The Trustee was Responsible for a Lost Shipment of Gold Worth \$260,000:

There was no such lost shipment. In May, 2017, the Mint accepted Order #170997 from WR Berkley for 7,000 one ounce silver medallions. Copy Attached as Exhibit 1. The total purchase price for that order was \$261,550. The order was not for gold, but silver. WR Berkley requested that portions of the order be shipped to its customers at certain event sites. NWTM shipped items to roughly 70 different locations. One of the packages that was part of the WR Berkley order was lost. The lost package was to be shipped to Union Standard Insurance Group in Irvine TX. This portion of the order was for 194 one ounce units of silver and at the time spot price was \$17.50 which puts the value of the shipment at \$3,395.00.

We cannot say if NWTM was given the wrong address or if NWTM input the incorrect address when shipping, but the package was delivered to a hotel within a mile of the proper address. UPS was instructed to pick up the package and deliver to the correct location but unfortunately UPS could not retrieve the package as the hotel did not acknowledge that it had received it. The Mint exerted significant effort to track and recover the lost shipment through UPS and through the hotel, but the shipment was not recovered. As the Mint did not want to alienate this client and was seeking collect the large receivable from the client, it decided to restrike and redeliver the 194 units of precious metal. There was considerable margin built into this order to do so. The re-shipment was done in August, 2017 at a cost of less than \$4,000. A copy of the replacement purchase order is attached as Exhibit 2. A copy of the packing slip for the

replacement shipment is attached as Exhibit 3. Notably, the emails that Mr. Gibbons attached to his email to you reflect discussions regarding attempts to recover 194 items of silver from a location in Texas, so how Mr. Gibbons could justify his speculation that \$260,000 worth of gold had been lost is a source of wonder.

In conclusion, Mr. Gibbons' allegations that a \$260,000 shipment of gold was lost and handled negligently is false. Mr. Gibbons was wrong in alleging that gold had been shipped rather than silver and was wrong that the lost shipment was worth \$260,000.

Mr. Gibbons Allegations of Fraud Regarding the NWTM Amazon Account:

Mr. Gibbons' speculation is baseless and false. NWTM has items on Amazon to sell with the payments coming directly from Amazon to NWTM's general bank account via ACH. Paul Wagner has no ability to sell any of these items for the account of Sierra Mint or to have Sierra Mint collect the proceeds from these sales. All items are marketed as NWTM and all proceeds go directly to NWTM. Sierra Mint's phone number is on the website in case there are questions regarding the product as it is Mr. Wagner who has knowledge about the product that is offered for sale on the Amazon account. Sierra Mint does have a few of their own items on Amazon, published and paid for by Sierra Mint with their own SKU's under a Sierra Mint account. These items are from sales coming from product produced for Sierra Mint by MedalCraft, completely separate from NWTM.

Mr. Gibbons has published and filed with the Court a great number of false and defamatory allegations. The allegations he made in his email to you of December 7, 2018 are among them.

Please let me know if you need any further information regarding these matters.

Very truly yours,



Michael J. Gearin

Attachments

EXHIBIT 1



NORTHWEST TERRITORIAL MINT LLC

Remit To:
P.O. Box 2148
Auburn, WA 98071
Phone: 800-344-6468
Fax: 253-735-2210

Sales Order: 170997

Sales Order Acknowledgement

Sold To:

ANNE THOMPSON
W. R. BERKLEY CORPORATION
ATTN: ANNE THOMPSON
475 STEAMBOAT RD
GREENWICH CT 06830
UNITED STATES

Ship To:

(See Below)

Order Date:	3/20/2017	Sales Person:	Marty Colwell
Contact:	W. R. BERKLEY CORPORATION	Phone:	203-629-3002
Customer ID:	1028296	Email:	athompson@wrberkley.com
Terms:	Due on receipt of Inv.	Ship Via:	UPS Ground
PO Number:		Due Date:	5/31/2017

Precious Metal Purchases

Prices are based on the spot price of the metal and are good for today only, Tuesday, March 21, 2017. To lock in these prices the funds must be received by Northwest Territorial Mint by 4:00 PST on Thursday, March 23, 2017.

We accept wire transfers, cashier's checks and debit cards.

If paying by a debit card, there will be a 3-1/4% surcharge on the cost of the metal.

Total funds required to lock this price in is the Spot Price x Troy ounces: \$122,500.00

RUSH EVENT IN HANDS DATE: 04-17-17

THIS PRICE IS FOR 4,000 PIECES TO BE DELIVERED BEFORE APRIL 17, 2017.
THE REMAINDER OF 3,000 PIECES TO BE DELIVERED BY MAY 15TH, 2017.

SHIPPING AND HANDLING TBD AND ADDED TO INVOICE

03/22/2017 - Rcvd Wire Transfer for \$122,500.00. jrf

Line	Qty	Part Number / Description	Unit Price	Amount
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NORTHWEST TERRITORIAL MINT LLC

Remit To:
P.O. Box 2148
Auburn, WA 98071
Phone: 800-344-6468
Fax: 253-735-2210

Sales Order: 170997

Sales Order Acknowledgement

Line	Qty	Part Number / Description	Unit Price	Amount
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1	7,000.00	MC03201701 / 39MM ONE TROY OUNCE .999 SILVER PROOF STRUCK MEDALLION WITH SELECTIVE 24K GOLD PLATING ENCAPSULATED AND PACKAGED IN A GREEN VELOUR POUCH WITH LOGO - WR BERKLEY 50TH ANNIV MEDALLION	\$35.50	\$248,500.00
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Ship To: W.R. BERKLEY EUROPE AG
JAN TINUS LARSEN
HENRIK ISBENS GT. 100
P.O. BOX 835
OSLO 0255
NORWAY

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2	7,000.00	03105 / CAPSULE, 39MM DIRECT FIT SET (H39)	\$0.50	\$3,500.00
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Ship To: ANNE THOMPSON
W. R. BERKLEY CORPORATION
475 STEAMBOAT RD
GREENWICH CT 06830
UNITED STATES

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.....

4	1.00	N 2 88 / NEW OBERSE DIE	\$400.00	\$400.00
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Ship To: ANNE THOMPSON
W. R. BERKLEY CORPORATION
475 STEAMBOAT RD
GREENWICH CT 06830
UNITED STATES

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NORTHWEST TERRITORIAL MINT LLC

Remit To:
P.O. Box 2148
Auburn, WA 98071
Phone: 800-344-6468
Fax: 253-735-2210

Sales Order: 170997

Sales Order Acknowledgement

Line	Qty	Part Number / Description	Unit Price	Amount
5	1.00	N 2 89 / NEW REVERSE DIE	\$400.00	\$400.00
Ship To: ANNE THOMPSON W. R. BERKLEY CORPORATION 475 STEAMBOAT RD GREENWICH CT 06830 UNITED STATES				
.....				
6	7,000.00	S-10646G / 2 X 2.5 GREEN POUCHES	\$1.25	\$8,750.00
Ship To: ANNE THOMPSON W. R. BERKLEY CORPORATION 475 STEAMBOAT RD GREENWICH CT 06830 UNITED STATES				
.....				

Line Total:	\$261,550.00
Line Miscellaneous Charges:	\$0.00
Order Miscellaneous Charges:	\$0.00
Order Total	\$261,550.00

EXHIBIT 2



NORTHWEST TERRITORIAL MINT LLC

Remit To:
 P.O. Box 2148
 Auburn, WA 98071
 Phone: 800-344-6468
 Fax: 253-735-2210

Sales Order: 185145

Sales Order Acknowledgement

Sold To:

ANNE THOMPSON
 W. R. BERKLEY CORPORATION
 ATTN: ANNE THOMPSON
 475 STEAMBOAT RD
 GREENWICH CT 06830
 UNITED STATES

Ship To:

KEITH MITCHELL - 972-719-2400
 UNION STANDARD INSURANCE GROUP
 222 LAS COLINAS BLVD. W, SUITE 1300
 IRVING TX 75039-5433
 UNITED STATES

Order Date:	8/7/2017	Sales Person:	Marty Colwell
Contact:	W. R. BERKLEY CORPORATION	Phone:	203-629-3002
Customer ID:	1028296	Email:	athompson@wrberkley.com
Terms:	Due on receipt of Inv.	Ship Via:	UPS Next Day Saver
PO Number:		Due Date:	8/18/2017

REPLACEMENT ORDER APPROVED BY PAUL WAGNER / ORIGINAL ORDER 170997
 RUSH EVENT IN HANDS DATE 08/18/2017
 SHIP NEXT DAY AIR

Line	Qty	Part Number / Description	Unit Price	Amount
1	194.00	MC03201701 / 39MM ONE TROY OUNCE .999 SILVER PROOF STRUCK MEDALLION WITH SELECTIVE 24K GOLD PLATING ENCAPSULATED AND PACKAGED IN A GREEN VELOUR POUCH WITH LOGO - WR BERKLEY 50TH ANNIV MEDALLION	\$0.00	\$0.00
2	194.00	03105 / CAPSULE, 39MM DIRECT FIT SET (H39)	\$0.00	\$0.00
3	194.00	S-9673G / 3X4 GREEN POUCHES	\$0.00	\$0.00

Line Total: \$0.00
 Line Miscellaneous Charges: \$0.00
 Order Miscellaneous Charges: \$0.00

Order Total \$0.00

EXHIBIT 3



NORTHWEST TERRITORIAL MINT LLC

P.O. Box 2148
 Auburn, WA 98071
 Phone: 800-344-6468
 Fax: 253-735-2210

Packing Slip

Page: 1 of 2

Ship To:

UNION STANDARD INSURANCE GROUP
 221 LAS COLINAS BLVD. WEST
 SUITE 1300
 IRVING TX 75039
 UNITED STATES

Sold To:

ANNE THOMPSON
 W. R. BERKLEY CORPORATION
 475 STEAMBOAT RD
 GREENWICH CT 06830
 UNITED STATES

Pack Slip:	179015	Customer ID:	28296
Ship Date:	4/12/2017	Phone:	203-629-3002
Ship Via:	FedEx Ground	Email:	athompson@wrberkley.com
Order Number:	170997	Terms:	Due on receipt of Inv.
Order Date:		PO Number:	

Line	Part Number / Description	Quantity Ordered	Quantity Shipped	Quantity Remaining
1	MC03201701 / 39MM ONE TROY OUNCE .999 SILVER PROOF STRUCK MEDALLION WITH SELECTIVE 24K GOLD PLATING ENCAPSULATED AND PACKAGED IN A GREEN VELOUR POUCH WITH LOGO - WR BERKLEY 50TH ANNIV MEDALLION	194	194	0



NORTHWEST TERRITORIAL MINT LLC

P.O. Box 2148
Auburn, WA 98071
Phone: 800-344-6468
Fax: 253-735-2210

Packing Slip

Line	Part Number / Description	Quantity Ordered	Quantity Shipped	Quantity Remaining
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-- Obv. Name:W.R. BERKLEY CORPORATION 50 -- Obv. Art#:A057451V2 -- Obv. Die#:N 2 88
 -- Rev. Name:W.R. BERKLEY CORPORATION LOGO -- Rev. Art#:A057452 V2-- Rev. Die#:N 2 89
 --Box/Puff Name: -- Box Art#: -- Box Die#:BD0539

-- Product:MEDALLION -- Size:39 MM -- Shape:ROUND
 -- Blank Thickness:
 -- Weight:ONE TROY OZ -- Material:.999 SILVE-- Finish:PROOF-LIKE
 -- Strike Quality:PROOF-LIKE -- Lacquer:NO -- Edge Finish:SINGLE BAR

-- Serial #:NO -- Hallmark:SEE NOTES -- Gold Select:YES

Engraving:NO
 -- Enamel Obv. PMS Colors:NO
 -- Enamel Rev. PMS Colors:NO

Production Notes:RUSH EVENT DATE: 04-17-17 FOR 4,000

EDGE MARK: ".999 FINE SILVER" @ 6:00

EVENT IN HANDS DATE: 05-15-17 FOR 3,000

EDGE MARK: ".999 FINE SILVER" @ 6:00

-- Capsule:03105 -- Pouch Size:2 X 2.5 -- Pouch Color:GREEN
 -- Box Type:NO -- Box Color:NO
 -- Box Sleeve Imprint:NO -- Box Puff Imprint:
 -- Ribbon:NO --Ribbon Type:NO
 --Certificate:NO

Shipping Notes:RUSH EVENT DATE: 04-17-17 FOR 4,000

EVENT IN HANDS DATE: 05-15-17 FOR 3,000

PLEASE PACKAGE IN 03105 CAPSULES (PO#32244) AND PLACE INSIDE POUCH #S-10646G (PO#32243) THAT HAS BEEN STAMPED WITH BOX DIE #BD0539 (NO FOIL)

SP - MARTY COLWELL

PB - DARLENE MOORE FOR DEBI DAVIS