

May 1, 2019

VIA ECF

The Honorable Christopher M. Alston
U.S. Bankruptcy Court
700 Stewart Street
Chambers Room 7216
Seattle, WA 98101

Re: *In re Northwest Territorial Mint LLC*, Cause No. 16-11767-CMA

Dear Judge Alston:

I write to address to the untruthful statements contained in the letter Mr. Bill Atalla ("Atalla") filed with the Court on April 1, 2019 under Docket number 2066. Mr. Atalla has previously filed communications with the Court purportedly in connection with the pending fee applications of professionals. As the Court has previously confirmed that Mr. Atalla has no standing in this case and that his submissions are not being considered with respect the fee applications, I am addressing Mr. Atalla's most recent communication to the Court via this responsive letter rather than by declaration.

Mr. Atalla's letter to the Court has resulted in a number of inquiries from creditors in part due to continued inaccurate blog statements relying on Atalla's letter and I seek to correct the record for the benefit of creditors.

In his letter submission of April 1, 2019 to the Court, Atalla falsely asserts that I have misled the Court regarding the events of Tuesday, February 6, 2018 when I stated at the March 13, 2019 hearing that I had Atalla come in in the middle of the night picking up stuff and that I had to go chase him down. Atalla asserts that he did not come into the business premises in the middle of the night. Atalla provides a copy of a self-serving written statement from Matthew Lee which contains inaccuracies seeking to justify his actions.¹

I did not mislead the Court. Atalla intentionally circumvented the security provisions that I had in place for the Dayton premises after I closed the business in December 2017 in order to gain access to the Dayton facility under false pretenses. Atalla brought two other individuals² with him into the Dayton facility without my permission and conducted a search/inspection and

¹ The letter from Matthew Lee was prepared by Mr. Lee at my request in connection with my investigation of the breach of security at the Dayton facility by Mr. Lee, Atalla and Mr. White.

² The security breach was possible only because Mr. White had a key to the facility and Mr. Lee had knowledge of the security codes. Atalla could not have obtained access to the facility without the participation of White and Lee.

photographic documentation of the facility that lasted nearly two hours. Atalla obtained access to secured areas within the facility without my permission to recover certain inventory samples and took those from the facility without my permission. After these events became known to me, I was forced to investigate, including taking statements from Matthew Lee and others and was forced to incur the expense to change the locks at the facility.³

Atalla's employment with the Mint was terminated with the majority of the other employees as of December, 2017. After his employment was terminated, Atalla had no right or reason to obtain access to the business premises. As the facility contained valuable equipment, precious metals and other assets, I limited access to the facility to only those current employees and other parties that were necessary to the liquidation of the business assets. Terminated employees were allowed to recover their personal items during business hours under the supervision of Mint retained employees and inspection of the personal items that were being removed from the premises.

In early February, 2018, Atalla asked for my permission to access the Dayton premises for the purpose of retrieving his personal belongings from his former office. I granted him that permission with the instruction to work with Edgar Chacon to obtain access to the facility.

Atalla knew that Edgar Chacon continued to work for the Mint and that Mr. Chacon provided security at the Dayton facility. I obtained a statement from Mr. Chacon regarding the events surrounding Atalla's after hours' tour of the Dayton facility. A copy of that statement is attached hereto as Exhibit A. In his statement, Mr. Chacon indicates that he received a text from Atalla on February 3, 2018 asking for access to the facility on Monday, February 5, 2018. Mr. Chacon told Atalla that he would be at the facility on February 5. But Atalla did not come to the Dayton offices on February 5 to obtain access through Mr. Chacon. Instead, he waited until after business hours and after dark on February 6, 2018 when he knew that Mr. Chacon would not be there. And Atalla brought with him two other former employees of the Mint who had keys and security passwords to the facility: Mike White (keys) and Matthew Lee (security codes). I did not give permission to either Matthew Lee or Mike White to enter the business premises after hours and after dark and I did not know that they had done so until I commenced my investigation of Atalla's visit to the premises.

The Dayton premises were equipped with a security camera system. I asked Edgar Chacon to make digital copies of the footage on the security cameras for the evening of February 6, 2018. He did so, and I have complete DVD copies of the footage from three separate security cameras. The video footage confirms that Atalla, Mike White and Matthew Lee entered the facility at 5:42 p.m. on February 6, 2018 and departed at 7:32 p.m. Attached as Exhibit B are certain screen shots from the video footage.

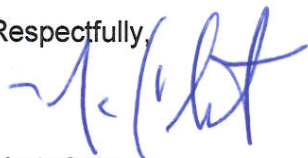
My investigation of the events of that evening disclosed that Atalla had removed some samples and packaging from the facility, including a Titanic Medal in a wooden box and a silver

³ The Court is aware that the charges for the lock replacement were made on my credit card because the security breach gave rise to an urgent need to change the locks.

bullet. Some samples had been removed from Atalla's former office by Edgar Chacon and securely stored in a locked room. Atalla obtained access to this secured room through Mike White who had the necessary keys and took samples from that room. While these items were not of significant value, I had not given permission to Atalla to take them. When I pressed Atalla to provide disclosures and information regarding what was picked up from the premises, Atalla became and has remained hostile. Attached as Exhibit C is a copy of my email exchange with Atalla of February 7, 2018 following my conversation with him about his unauthorized actions of the prior day. Attached as Exhibit D is a copy of my email exchange with Atalla of February 10 and 11, 2018 which reflects Atalla's change in attitude as a consequence of my investigation of these matters.

I stand by my statement to the Court at the March 13, 2019 hearing. While 6:00 p.m. may not technically be the middle of the night, it was after business hours and after dark and the point of that phrase was that Atalla had furtively gained access to the Dayton premises, circumventing the security measures he knew were in place. Atalla did pick up stuff from the facility including taking samples and packaging from a secured room that he was not authorized to enter. I did not give Atalla permission to bring others into the facility and I did not give him permission to take anything but his personal belongings from the premises. If Atalla had followed my instructions to work with Edgar Chacon, his removed personal items would have been inspected, removing any doubt as to what he removed from the premises. I did have to chase Atalla down and I did have to expend considerable resources investigating the matter and changing the locks in the facility as a consequence of his unauthorized actions.

Respectfully,



Mark Calvert

EXHIBIT A

Edgar A. Chacon

On Saturday February 3rd, 2018, (10:25am) I received a phone text from Bill Atalla (707) 363-2676 stating the following:

[Screen shot taken from Edgar A. Chacon iPhone (775)291-6935]

Saturday 10:25 AM

Hey Edgar—I will miss working with you. Your very talented and will continue to be successful going forward. Best of luck to you and thanks for being so supportive. Bill

Hi Edgar—I will need to get into the office Monday. Are you there?

I (Edgar A. Chacon) responded Saturday February 3rd, 2018, (5:43pm).

Saturday 5:43 PM

Thank you, I will be there Monday.

I (Edgar A. Chacon) on Monday February 5th, 2018, removed the following items out of Bill Atalla's office into a secure location that was locked, the IT ROOM. I never removed these items off company property.

- **(1) Silver 1.5 oz. Trump Bullet not plated**
- **(1) Replica Titanic Medal 3 inch Medallion**
- **(3) Brass Princess & Frog 3 inch Medallions**
- **(2) Nevada Copper Belt Buckles**
- **(1) 39mm medallion GS, [I do not remember what this was]**

I (Edgar A. Chacon) did this because of prior incidents of theft from former employees.

I (Edgar A. Chacon) did not HEAR FROM NOR SEE Bill Atalla on Monday February 5th, 2018 at all. I (Edgar A. Chacon) did not HEAR FROM or receive any communication from anyone regarding Bill Atalla visiting the Medallic Art Company office.

I (Edgar A. Chacon) did not HEAR FROM NOR SEE Bill Atalla on Tuesday February 6th, 2018 at all. I (Edgar A. Chacon) did not HEAR FROM or receive any communication from anyone regarding Bill Atalla visiting the Medallic Art Company office.

On Wednesday February 7th, 2018, during my morning walk through the building, I noticed that the office of Bill Atalla was cleaned out. I then Phone texted Mathew Lee and Bill Atalla. See Below:

Conversation between Edgar A. Chacon and Mathew Lee:

[After the response text, I did not continue any more communication with Mathew Lee]

Good morning, do u have anything u need to tell me

Just trying to keep you out of the middle. Bill had permission from Mark Calvert to enter the building last night and get some stuff. He photographed some equipment and cleaned out his office. Mike has keys, I was allowed to use the master code. We did have calverts permission. I know Bill had another conversation with Calvert this morning about what he took from his office.

Conversation between Edgar A. Chacon and Bill Atalla:

[After the response text, I did not continue any more communication with Bill Atalla]

Good morning Bill can you let me know what time you came to work tonight

Delivered

Calvert already has that information and more. I don't appreciate having items taken from my office!

Hi Edgar—good try to cover your ass. Calvert knows the truth. I told him that you and Paul are exactly what everyone knows. You have chosen poorly. Good luck going forward.

The items missing from the IT Room are as follows:

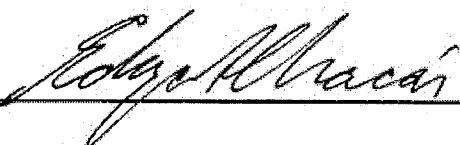
- **(1) Silver 1.5 oz. Trump Bullet not plated**
- **(1) Replica Titanic Medal 3 inch Medallion**
- **(1) 39mm medallion GS, [I do not remember what this was]**

I will also be supplying video and screen shots on DVD's which I will mail to Mark Calvert, Paul Wagner and Mike Gearin.

I Edgar A. Chacon, swear that the statements on this document are true and accurate; I have in no way alternated or falsified my statement.

Edgar A. Chacon

(775)750-2373 (Personal Cell Phone)

X 

Date: 2/8/18

EXHIBIT B



SOUTH ENT STAIRWELL

02-06-2018 Tue 17:58:13 (W)



ARCHIVE HALLWAY

02-06-2018 Tue 19:10:13 (W)



PROD BREAKROOM

02-06-2018 Tue 19:14:29 (U)



SOUTH ENT STAIRWELL

02-06-2018 Tue 19:14:36 (W)



2nd FLR NORTHEAST

02-06-2018 Tue 19:14:41 (W)



PROD BREAKROOM

02-06-2018 Tue 19:15:42 (U)



2nd FLR NORTHEAST

02-06-2018 Tue 19:19:09 (W)



2nd FLR NORTHEAST

02-06-2018 Tue 19:20:03 (W)



2nd FLR NORTHEAST
02-06-2018 Tue 19:27:08 (W)

EXHIBIT C

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

From: Mark Calvert

Sent: Wednesday, February 7, 2018 10:57 AM

To: Bill Atalla <atallamcs@aol.com>

Subject: RE: Our conversation

Bill,

I am aware of your text directly to Edgar....

I am also disappointed in your text and the email below...

Why, though we had already covered my concerns on the phone just an hour ago.....

We need to stay calm and professional and do our jobs.

My comment to you was that I just wished we (both you and me) had thought this through better.

Yes, I approved you going in to take pictures and to see if Frank might make an offer on assets to start a new business.

That sounded good to me and to run down any open options to maximize the value of the assets...

In our call this morning you said you took nothing...

But that was not true... you took a number of things.... late at night and not during normal business hours...

My only wish is that we would have let you in during normal business hours... to collect your belongings...

Just like we did with other employees, escorted in and out...

Not a problem just wish we had thought about this a little more....

So.. relax... --- You are an old bull... right?

It is ok that you voice your opinions...

But just relax... focus on the big picture you are a CEO...
Do not get in the trenches, enough is enough... and I am sorry you are "Majorly Disappointed"

And no... I do have complete confidence with Edgar.
He is a very professional and loyal employee and he is a straight shooter...
He tells me both the good and bad.... and yes I understand you and he have had differences...

This I appreciate your comments, but I have a job and I am doing it....
And I appreciate you and the hard work you have done to make thing happen.
Just wish one of them would have come through....

Thanks you.
Once this is all done,
I am looking forward to that glass of wine we discussed.

Mark

Mark Calvert
CPA, CIRA, CTP, CFE, PI

1501 4th Avenue Suite 2840
Seattle Washington 98101
Cell: 206.909.3636
Mark@Cascadecapitalgroup.com

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

From: Bill Atalla [<mailto:atallamcs@aol.com>]
Sent: Wednesday, February 7, 2018 10:02 AM
To: Mark Calvert <mark@cascadecapitalgroup.com>
Subject: Our conversation

Mark

I am disappointed with our conversation.

I would think you would stand up for me rather than listen to someone else.

These sales samples I had made for me and were what resulted in SALES.

I was proud to have a restrike from our archives, which proved my idea would be a new revenue opportunity for Medallic.

The bullet was used for modeling new packaging ideas such as the revolver cylinder, which also brought in new revenues.

Both landmark items for me and both new sales opportunities.

I think I have tried too hard to make a corrupt organization into something else.

The real issue is Edgar stole from me. And to quote Edgar—if someone (me) is trying to burn him, “I will burn this place down”. And this is where you place your trust?

Good luck with that.

Majorly disappointed.

Bill Atalla

EXHIBIT D

From: Bill Atalla [<mailto:atallamcs@aol.com>]
Sent: Sunday, February 11, 2018 2:28 PM
To: Mark Calvert <mark@casadecapitalgroup.com>
Subject: Re: Wrapping up

Just let me know what you need.

As for what I picked up—it was per your direction, only what is in your office. That is exactly what I did; my books, old paperwork and medals. Not sure of why we are still having this discussion. None of it has value so if you want it all back, just say so. FYI the Titanic Replica is \$8.00 and the sample bullet is \$17. All in my office and not worth all this discussion. Feel like some, off the street wage earner with all this about my office. I think the problem is “I trust you to go into the building” just as long as someone else is there. Really? The CEO of a company? I have such a bad taste about all this, I’m going to toss all of it in the trash. I moved all the way here and worked my butt off only to be questioned by the foxes watching the hen house. This is pathetic and degrading. If you think there is some legal issue please advise as I welcome a discussion about this and other greater matters.

BTW. I have expenses, salary, termination fees and other monies owed. Do you want me to submit to you or Jody.

Bill

> On Feb 11, 2018, at 1:45 PM, Mark Calvert <mark@casadecapitalgroup.com> wrote:

>

> Bill

> Appreciate the comments

> I think you summarized it very well...

> That is exactly how I felt about my job...

> Give as many shots as I am taking...

> Might need you to give me an affidavit of your thought...

>

> In court on Friday the follow happened

> 1) Paula made a number of statements on my performance and use of my accounting firm

> 2) A storage customer stated to the court she knows her inventory was there when I took over...

> 3) Then Ross re-instated Medallic LP and states that he owns the equipment we are trying to sale

> 4) The judge is concerned about the ownership of the dies... more specifically the copy write of the designs in the dies

> 5) We have a hearing on the ownership of the dies now...

>

> So... I have a ton of issues... and need a little help...

> One of the issues I need to address is the night you picked up your stuff...

> We will need to get this done right... not to mention address the Paul and Jeff issues...

> So... I will get to this next week...

> I will be in touch...

> Mark

>

>

> Mark Calvert

> CPA, CIRA, CTP, CFE, PI

>

> 1501 4th Avenue Suite 2840
> Seattle Washington 98101
> Cell: 206.909.3636
> Mark@Cascadecapitalgroup.com

>

>

> -----Original Message-----

> From: Bill Atallamcs [<mailto:atallamcs@aol.com>]
> Sent: Saturday, February 10, 2018 12:10 PM
> To: Mark Calvert <mark@cascadecapitalgroup.com>
> Cc: michael.gearin@klgates.com
> Subject: Wrapping up

>

> Hi Mark,

>

> I have finally come to the realization, (after continuing my daily efforts, including weekends, until now), that 'saving the Mint' for the benefit of the employees, their families and the estate/creditors is just not going to happen.

>

> I know you and I have tried to find the right investors so we could maximize the return for the creditors. You were always diligent about putting them first in the equation without ignoring the interests of the employees. Thank you for extending the time for us to try and make something happen. You cannot be faulted for your continued efforts. You went way beyond what most would do in your position. And I appreciate that because your intentions were always clear; find the best solution.

>

> As you and I know, it has not been easy with the stigma of the bankruptcy and the weight of the creditors, to rebuild a company while trying to counteract a less than favorable reputation. Not exactly an easy task but without a doubt all channels and opportunities were explored. We did our best and I hope others will appreciate that, namely the employees and the creditors.

>

> I will say that one of the biggest reasons for investors turning away was the weight of the oversized building and its monthly lease/tax costs. The second most shared reason was the 'Ross Hansen' shadow, what was done to the creditors and the reputation in the small world of Mints and Bullion traders. The third obstacle for investors was the inaccurate reporting of events on the www.aboutag.com website.

>

> Daunting were the exact words of several of the investors. So regardless of what some may think, they all saw the value in the growing business, but just could not get over the past cloud around the operation.

>

> I know it has been a thankless effort by the way you were/are pulled left and right, but coming from my world, Silicon Valley, I can say that you have done an outstanding job trying to navigate a difficult situation. I believe that at a minimum, if the creditors had given you more support, things might have been different.

>

> Thanks Mark from all the employees and me.

>

> Regards,

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