

Honorable Christopher M. Alston
Hearing Date: October 18, 2019
Hearing Time: 9:30 a.m.
Location: Seattle
Chapter 11

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON

In re
NORTHWEST TERRITORIAL MINT LLC,
Debtor.

No. 16-11767
RESPONSE IN SUPPORT OF
NORTHWEST TERRITORIAL MINT
LLC'S MOTION TO APPROVE
SETTLEMENT WITH BRADLEY
STEPHEN COHEN AND COHEN ASSET
MANAGEMENT AND KATHRYN A.
ELLIS AND TO AUTHORIZE SALE OF
SEIZED PROPERTY

COMES NOW Kathryn A. Ellis, the Chapter 7 Trustee of the bankruptcy estate of Diane Erdmann, Bk. No. 19-41238, by and through the undersigned attorney, and submits the attached Reply to Objections that has been filed in the Erdmann estate (Bk. No. 19-41238, Docket No. 84) as a Response in support of Northwest Territorial Mint LLC's Motion to Approve Settlement with Bradley Stephen Cohen and Cohen Asset Management and Kathryn A. Ellis and to Authorize Sale of Seized Property.

DATED this 17th day of October, 2019.

/s/ Kathryn A. Ellis
Kathryn A. Ellis, WSBA #14333
Attorney for Trustee

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**RESPONSE IN SUPPORT OF NORTHWEST TERRITORIAL MINT
LLC'S MOTION TO APPROVE SETTLEMENT WITH BRADLEY
STEPHEN COHEN AND COHEN ASSET MANAGEMENT AND KATHRYN
A. ELLIS AND TO AUTHORIZE SALE OF SEIZED PROPERTY - 1**

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5506 6th Ave S
Suite 207
Seattle, WA 98108
(206) 682-5002

Honorable Mary Jo Heston
Hearing Date: October 22, 2019
Hearing Time: 9:00 a.m.
Response Date: October 15, 2019
Location: Tacoma
Chapter 7

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON

In re

No. 19-41238

DIANE ERDMANN,

REPLY TO OBJECTIONS OF ERDMANN,
PEHL AND HANSEN TO MOTION TO
APPROVE SETTLEMENT AND SALE OF
ESTATE’S INTEREST IN COIN AND
METAL INVENTORY

Debtor.

COMES NOW Kathryn A. Ellis, the Chapter 7 Trustee herein, and in reply to the
Objections of the Debtor and Paula and Richard Pehl to the Motion to Approve Settlement filed
in this preceding, and the Objection of Ross Hansen filed in the bankruptcy estate of Northwest
Territorial Mint LLC (Bk. No. 16-11767, Docket No. 2128) that was not filed in this proceeding,
but is anticipated, states as follows:

I. REPLY TO FACTS - ERDMANN

The debtor’s objection claims that the motion to sell her “personal property” is for the
benefit of Bradley Cohen and the estate of Northwest Territorial Mint, and contends they are not
her creditors. However, those parties have competing interests in the assets and accordingly,
while they are not creditors of her estate, and will receive no distribution by the estate, it is
necessary to settle their adverse claims of interest to allow this estate’s assets to be liquidated.

For clarification, items listed on the inventory, including numbers 4 (Apple iPad Pro), 52
(Dell desktop computer and monitor), and 78 (files and papers), are not part of the sale (they are

**REPLY TO OBJECTIONS OF ERDMANN, PEHL AND HANSEN
TO MOTION TO APPROVE SETTLEMENT AND SALE OF
ESTATE’S INTEREST IN COIN AND METAL INVENTORY - 1**

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1 marked N/A) and either were seized by the FBI or returned to Mr. Ross. In any event, they are
2 not a part of the sale.

3
4 The Trustee's motion proposes to sell the estate's interest to Bellevue Rare Coins or to
5 the party making the highest and best offer at or prior to the time of the hearing. The Trustee has
6 solicited other offers and has received, at this juncture, four higher bids, with the highest bid to
7 date in the amount \$147,500.00¹ from American Rarities Rare Coin Company located in
8 Boulder, CO. The items will continue to be marketed and, as stated in the motion, it is the
9 Trustee's intention to accept the highest and best offer she receives at or prior to the hearing on
10 this motion.
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12 **II. REPLY TO FACTS - PEHL**

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14 The debtor's bankruptcy schedules do not list the Pehls as creditors. See Docket No. 39.
15 Further, the Pehls have not filed a Proof of Claim asserting that they are creditors of Ms.
16 Erdmann. The debtor has listed the assets at issue as property of her estate. See Docket No. 39,
17 page 10, and Docket No. 60, page 15. The debtor has also asserted ownership by herself in the
18 case of Northwest Territorial Mint (see Bk. No. 16-11767, Docket No. 1319). The Pehls are
19 correct that ownership has not been established and there are competing claims to property of
20 this estate by the bankruptcy estate of Northwest Territorial Mint and Bradley Cohen/Cohen
21 Asset Management Inc. for the reasons set forth in the Trustee's motion. The settlement of the
22 competing interest in the assets is in the best interest of the estate as the cost of litigation would
23 significantly diminish, if not eliminate, any meaningful net recovery to the estate. The Trustee
24 has considered all of the factors set forth in *In re A & C Properties*, 784 F.2d 1377 (9th Cir.
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¹ This amount was reduced to \$147,000.00 due to the exclusion of the eleven items subsequently identified by Ross Hansen.

1 1986).

2 Exhibit 1 to the Trustee's motion, which contains the inventory of the Ross Hansen
3 seized property, refers to a gold price as of the date of the preparation of that inventory, May 10,
4 2016. The reference in the motion to \$1,004.00 per ounce was a typographical error. The
5 current spot price of gold is \$1,493.07.
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7 **III. REPLY TO FACTS - HANSEN**

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9 Although Mr. Hansen's response was not filed in this bankruptcy proceeding, only in the
10 estate of Northwest Territorial Mint LLC (see Bk. No. 16-11767, Docket No. 2128), the same is
11 addressed here. To the extent of eleven items identified totaling a claimed amount of \$3,297.50
12 in value, Mr. Hansen has not filed any exemption pursuant to any particular statute; his attorney
13 only references RCW 6.15.010, without any section identified. Presuming that Mr. Hansen
14 refers to RCW 6.15.010 (1)(d)(ii) (other personal property), Mr. Hansen can file a claim of
15 exemption identifying the property claimed exempt and identify the specific law that allows the
16 exemption (Official Form 106C), and those items identified and claimed exempt can be removed
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18 from the sale.
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IV. SUMMARY

In sum, Trustee has solicited offers from various other coin/precious metal buyers/dealers, one of which has made a higher and better offer. Three other bidders have made offers in excess of the current proposed buyer, but those bidders have made their offers subject to inspection of the inventory and/or are in lesser amounts than the highest and best offer received to date. The Trustee will accept the highest and best offer received at or prior to the hearing on this motion.

DATED this 17th day of October, 2019.

/s/ Kathryn A. Ellis
Kathryn A. Ellis, WSBA #14333
Attorney for Trustee

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