

1 **BUCKNELL STEHLIK SATO & STUBNER, LLP**  
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4 (206) 587-0144 fax (206) 587-0277

JUDGE: Christopher M. Alston  
DATE: Ex Parte  
TIME: Ex Parte  
CHAPTER: 11  
LOCATION: Seattle  
RESPONSE DATE:

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

8 In re: ) No. 16-11767-CMA  
9 )  
9 NORTHWEST TERRITORIAL MINT, LLC, ) **DECLARATION OF ROSS B.**  
10 ) **HANSEN IN SUPPORT OF**  
11 ) **MOTION FOR ORDER**  
11 Debtor. ) **COMPELLING PRODUCTION OF**  
12 ) **DOCUMENTS AND**  
12 ) **AUTHORIZING DEPOSITIONS OF**  
13 ) **RECORDS CUSTODIANS**  
13 \_\_\_\_\_ )

14 I, Ross B. Hansen, declare as follows:

15 1. I am personally familiar with and competent to testify to all matters stated herein and  
16 would so testify if called before the court.

17 2. Medallic Art Company, LLC ("MAC") is a Nevada limited liability corporation. I  
18 own 50% and Richard Bressler owns 50%. MAC was formed in 2009 for the purpose of acquiring  
19 the assets of Medallic Art Company, Inc. (a different entity owned by Robert and Connie Hoff).

20 Those purchased assets include numerous pieces of valuable manufacturing and production  
21 equipment, intellectual property and customer goodwill itemized on Exhibit A to this declaration.

22 These assets were purchased with \$5,000,000 in capital contributions made by both me and  
23 Mr. Bressler. I contributed \$2,000,000 and Mr. Bressler contributed \$3,000,000.  
24

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1           3.           I am the managing member of MAC. I am also the former CEO of Northwest  
2 Territorial Mint, LLC (hereafter referred to as NWTM), the debtor in this case. I maintained my  
3 primary business office at the NWTM offices in Federal Way, Washington. Most, if not all, of  
4 MAC's business records are located in this office in physical files in my and the corporate counsel's  
5 offices and in the accounting department or stored electronically on the company's computer system.  
6

7           4.           The records custodians who have/had possession and control of relevant records are  
8 the Chief Accountant for the company, Annette Trunkett, and legal assistant, Maura Richardson.  
9 Ms. Trunkett is the custodian of financial information, including sales, payments for equipment  
10 rental and royalty payments, sales records and other relevant financial information. Ms. Richardson,  
11 was the custodian of agreements, contracts, titles, and ownership and corporate governance  
12 documents. During his first week as Trustee, Mr. Calvert appointed Ms. Richardson as my point of  
13 contact for the production of any documents I requested. Unfortunately, Ms. Richardson was very  
14 slow to respond and produced almost none of the documents I requested. She, in fact, told me her  
15 lack of prompt response was on orders of Mr. Calvert. It is my understanding that she has now left  
16 the company so my documents are now in the care of the Trustee or his designees.  
17

18           5.           The majority of the equipment and assets located in the Dayton, Nevada facility being  
19 used by the debtor in its manufacturing operation belong to MAC. Other assets of MAC have been  
20 loaned to other manufacturing and office facilities of NWTM, including Tomball, Texas; Auburn,  
21 Washington; Federal Way, Washington; Alexandria, Virginia and Green Bay, Wisconsin. MAC's  
22 manufacturing facility in Dayton, Nevada is under a 10-year lease by me, personally, and the lease is  
23 guaranteed by a pledge of MAC's equipment.  
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28 Declaration of Ross B. Hansen - 2

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1           6.           Soon after I signed the lease for the Dayton, Nevada facility and MAC closed on the  
2 acquisition of the Hoff's' company, NWTM was allowed to move some of its manufacturing and  
3 equipment to MAC's Dayton, Nevada facility. In consideration of this move, the following terms  
4 were agreed to:

5           (a)       NWTM is to pay the total rent of the building, including any triple net costs;

6           (b)       NWTM is to maintain the building in Dayton, Nevada to the lease standards;

7           (c)       NWTM is to pay \$25,000 per month for the use of MAC's equipment;

8           (d)       NWTM is to maintain MAC's equipment in good working condition;

9           (e)       NWTM is to indemnify MAC against any claims arising from its use of the Dayton,  
10 Nevada building or equipment therein;

11           (f)       NWTM is to insure the Dayton, Nevada building and its contents from damage or  
12 third-party claims;

13           (g)       NWTM is to pay a royalty of 10% of the invoiced amount on any sales made to a  
14 previous MAC customer, or any sale made under the MAC brand, or on any coin or medallion 2  
15 inches in size or larger

16           (h)       No action taken by NWTM is to damage MAC's reputation or brand image; and

17           (i)       NWTM is to keep confidential any trade secrets or proprietary information, such as,  
18 but not limited to, sales history, customer lists, intellectual property, trade practices and processes  
19 and any other information deemed confidential.

20           7.           On April 12, 2016, one day after the appointment of Mark Calvert as Trustee, I  
21 resigned my position at NWTM, but still maintain my position as managing member of MAC.  
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Declaration of Ross B. Hansen - 3

1 Neither I, nor MAC, is in bankruptcy and MAC is not subject to the control of Mr. Calvert. Before  
2 my resignation I learned that Mr. Calvert was in the process of changing locks, security codes and  
3 combinations at all of NWTM's facilities and that he planned to do the same at the MAC facility.  
4 On that day I sent Mr. Calvert a letter reminding him that the MAC facility is a separate entity from  
5 NWTM and is not subject to his authority. Mr. Calvert never responded to my letter and it is my  
6 understanding that he did indeed change the combinations, security codes and locks and has failed to  
7 provide them to me. In addition, he has instructed the security guards to ban me from all of NWTM  
8 and MAC buildings and has gone so far as to issue an edict to NWTM and MAC employees not to  
9 communicate with me under threat of firing. A copy of his letter to employees is attached as  
10 Exhibit B.

11  
12 8. Since 2009, NWTM has always paid the building rental up until the appointment of  
13 the Trustee. It has also fulfilled its other contractual obligations to pay maintenance and insurance,  
14 but has fallen behind on its equipment and royalty payments, currently owing MAC approximately  
15 \$1.5 million. NWTM also assumed the responsibility of maintaining the equipment and assets.  
16 Records of these payments are in NWTM's and MAC's records in possession and control of Annette  
17 Trunkett.  
18

19  
20 9. MAC, through counsel, has made written demand to the Trustee, Mr. Calvert, to  
21 resume the \$25,000 per month payments for the use of the equipment. A copy of the demand letter  
22 is attached as Exhibit C. Mr. Calvert has not responded to this demand and has made no payments.  
23

24  
25 10. MAC pledged the equipment to secure the underlying lease obligation to Connie and  
26

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1 Robert Hoff for the Dayton, Nevada manufacturing facility. The Trustee refused to pay the full rent  
2 for the month of May and in fact paid only half of the rent. I, as managing member of MAC, paid  
3 the other half of the rent to avoid the landlord declaring a default and enforcing its security interest  
4 in MAC's equipment. MAC needs access to its records as soon as possible in order to protect its  
5 rights in the equipment and if appropriate, seek protection and relief from this Court.

6  
7 11. NWTM is also obligated to pay a 10% royalty to MAC for all sales of MAC products  
8 and for sales made under the MAC brand. The amount of royalties owed to MAC can only be  
9 derived from NWTM's sales records. Despite demand, Mr. Calvert has refused to provide any  
10 records of sales of MAC products. Again, I believe that Ms. Trunkett has records of these sales.

11 12. MAC made a respectful, written demand upon Mr. Calvert for access to the records  
12 sought by MAC's motion. Mr. Calvert did not provide the courtesy of a response. Because I was  
13 unable to get any response from Mr. Calvert to my requests for business records, I went to NWTM's  
14 offices in Federal Way on May 18, 2016 to try to obtain these records. The day before, I had called  
15 Patrick Ward, a security guard, as I had been asked to do, to ask if I could retrieve records. He told  
16 me he would check with Mr. Calvert and if there was a problem he would get back to me. He did  
17 not call back so I assumed I was going to be allowed in.

18  
19 13. While at the offices I spoke briefly with Ms. Trunkett who told me that she had  
20 assembled a file of MAC business records for me but that Mr. Calvert took those record from her  
21 and instructed her not to give me any records whatsoever and that if she spoke to me or gave me any  
22 information she would be fired. This is consistent with a memo that Mr. Calvert disseminated to all  
23 NWTM and my MAC employees instructing them not to speak with me or provide information to  
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1 me, and if they did not obey they would be fired (Exhibit B).

2 14. While I was at NWTM's offices, Dave Huffmann, chief of security, was able to reach  
3 Mr. Calvert by phone. Mr. Huffmann said he had been instructed to inform me that I would get no  
4 records under any circumstances, that he was to allow no one to speak with me, and that under  
5 instruction he had called the police to have me removed because I was trespassing. Not wishing to  
6 have any kind of confrontation, I complied with their wishes and left immediately.  
7

8 15. In previous conversations with Mr. Calvert he had told me that he would return any  
9 personal items or legal and business documents that I wanted; he just wanted me to check with him  
10 or his security officer first, and he reserved the right to inspect any items I removed from the  
11 company. I agreed to those terms. Since that time, Mr. Calvert has completely denied me access to  
12 any of my personal items and documents.  
13

14 16. I believe that Mr. Calvert is intentionally keeping business records from me to make  
15 it more difficult for MAC to enforce its legal rights.

16 I swear under penalty of perjury that the foregoing is true and correct to the best of my  
17 knowledge and belief.

18 DATED this \_\_\_\_\_ day of May, 2016.  
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21 \_\_\_\_\_  
Ross B. Hansen

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13 more difficult for MAC to enforce its legal rights.

14 I swear under penalty of perjury that the foregoing is true and correct to the best of my  
15 knowledge and belief.

16 DATED this 23rd day of May, 2016.

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Ross B. Hansen

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28 Declaration of Ross B. Hansen - 6

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