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JUDGE: Christopher M. Alston  
DATE: May 26, 2016  
TIME: 1:30 p.m.  
CHAPTER: 11  
LOCATION: Seattle  
RESPONSE DATE: May 23, 2016

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

8 In re: ) No. 16-11767-CMA  
9 )  
10 NORTHWEST TERRITORIAL MINT, LLC, ) **DECLARATION OF ROSS B.**  
11 Debtor. ) **HANSEN SUPPORTING**  
12 ) **OBJECTION TO SALE OF**  
13 ) **DEBTOR'S TOMBALL, TEXAS**  
14 ) **ASSETS FREE AND CLEAR OF**  
15 ) **LIENS**

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, coining dies, intellectual property and customer goodwill. These assets were purchased  
22 with \$5,000,000 in capital contributions made by both me and Mr. Bressler. I contributed  
23 \$2,000,000 and Mr. Bressler contributed \$3,000,000.  
24  
25

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1           3.           In 2011, acting in my role as CEO of Northwest Territorial Mint, LLC ("NWTM"), I  
2 acquired Graco Awards Manufacturing ("Graco") for slightly more than \$3,000,000. And while it is  
3 a division of NWTM, Graco has kept separate accounting and balance sheets.

4           4.           Graco's primary business is the manufacture of military ribbons and medals. Since  
5 1903, MAC has also produced military ribbons and medals. When NWTM acquired Graco, MAC's  
6 medals manufacturing was combined with Graco's to facilitate operational efficiency.  
7

8           5.           Since its acquisition, equipment has been both purchased for, and loaned to, Graco,  
9 with much of it over the years coming from MAC, including equipment, supplies and intellectual  
10 property rights. Acting in my capacity as managing member of MAC, I loaned, without transferring  
11 ownership or title, numerous assets to the Graco plant which include, but are not limited to the items  
12 listed below. This list is based on my memory, for I cannot provide a definitive list without access  
13 to MAC's records, which the Trustee has refused to provide me with despite my repeated requests.  
14

- 15           (a)       Numerous steel die sets;
- 16           (b)       Numerous trim tools;
- 17           (c)       Coining dies;
- 18           (d)       Marking and punching machinery;
- 19           (e)       A large tumbler (a machine that polishes coins);
- 20           (f)       Tumbling media that goes with the tumbler;
- 21           (g)       Racking and fixtures to hold and store medallions;
- 22           (h)       A Coining press;
- 23           (i)       Brass, steel and other metal finished and raw goods;
- 24
- 25
- 26

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- 1 (j) Ribbons and findings (which are parts of medals);
- 2 (k) Numerous hand tools;
- 3 (l) Intellectual property rights (many of the designs used for some of Graco's products
- 4 were designed by MAC's artisans and are copyrighted by MAC);
- 5 (m) Boxes and packaging goods that were in the inventory when MAC acquired the assets
- 6 of Medallic Art Company, Inc., have been moved to Graco; and
- 7
- 8 (n) The Website (many of the images and designs on Graco's site originated with MAC,
- 9 were produced with MAC labor and are copyrighted by MAC).

10 6. These items, and additional items that may be identified in MAC's records, are owned

11 by MAC and do not belong to Graco/NWTM. The equipment, supplies and intellectual property

12 owned by MAC may not be sold as part of the proposed sale of Graco's assets. MAC objects to and

13 does not consent to the sale of its property.

14

15 7. The assets of MAC that are on loan to Graco have a value far in excess of the

16 Trustee's proposed sale price of \$600,000. Before any sale of Graco can occur, a full audit must be

17 conducted and MAC's assets must be identified, segregated from the sale and returned to MAC.

18 And MAC must be compensated for any damage, wear, loss or consumption of those assets.

19

20 8. MAC also allowed certain trade accounts to be assumed by Graco. Those accounts

21 need to be identified and either returned or compensation given.

22 //

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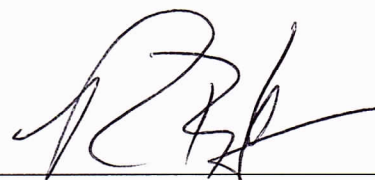
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28 Declaration of Ross B. Hansen - 3

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

3 DATED this 23 day of May, 2016.

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5 \_\_\_\_\_  
6 Ross B. Hansen

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28 Declaration of Ross B. Hansen - 4

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