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Honorable Christopher M. Alston
Chapter 11
Hearing Location: Rm. 7206
Hearing Date: June 3, 2016
Hearing Time: 1:30 p.m.

8 UNITED STATES BANKRUPTCY COURT
9 WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

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

Case No. 16-11767-CMA

SUPPLEMENTAL DECLARATION OF
MARK CALVERT IN SUPPORT OF
APPLICATION FOR ORDER
AUTHORIZING EMPLOYMENT OF
CASCADE CAPITAL GROUP, LLC AS
ACCOUNTANTS FOR TRUSTEE

15 I, Mark Calvert hereby declare as follows:

16 1. I am the Chapter 11 Trustee (“Trustee”) of the Debtor, and a principal of Cascade
17 Capital Group, Inc. (“Cascade”). I submit this supplemental declaration in support of my
18 application to employ Cascade as accountants for the Trustee and the facts herein are based on
19 my personal knowledge. I previously submitted a declaration in support of the Cascade
20 application (Dkt. No. 62), which I incorporate herein by reference.

21 2. Since my appointment as Chapter 11 Trustee, I have conducted an investigation
22 of the financial affairs and the business of the Debtor. The Debtor’s business and financial affairs
23 are complex. The Debtor has multiple business locations, and had more than two hundred
24 employees as of the time of my appointment. The Debtor has not completed financial statements
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SUPPLEMENTAL DECLARATION OF MARK
CALVERT IN SUPPORT OF APPLICATION TO
EMPLOY CASCADE CAPITAL GROUP, LLC AS
ACCOUNTANTS FOR TRUSTEE - 1

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1 for filed tax returns since at least 2011. All the prior financial professionals employed by the
2 Debtor have resigned or have been fired by Mr. Hansen, the principal of the Debtor. At the time
3 of my appointment, the Debtor did not have even the most basic of accounting practices and
4 financial controls in place.

5 3. The Debtor is in the business of the sale of precious metals and the minting of
6 medals, coins and awards. There are concerns regarding the Debtor's disposition of precious
7 metals including some precious metals that were stored by customers of the Debtor. As Trustee, I
8 have the need for the services of accounting professionals to provide financial services for the
9 estate in connection with the regular business affairs of the estate as well as forensic accounting
10 services related to my investigation of certain transactions and business affairs of the Debtor.

11 4. At the time of my appointment, it was imperative that I have the support of an
12 accounting firm immediately. I had an urgent need to conduct an inventory of the precious
13 metals and cash of the estate and to gain an understanding of the cash requirements of the
14 Debtor's business. I had hundreds of creditors imploring me to determine whether assets of the
15 Debtor had been preserved or whether assets had been transferred out of the control of the
16 Debtor.

17 5. I have requested that the Court authorize me to retain the services of Cascade
18 Capital Group, a firm of which I am the principal. Cascade is well qualified to provide the
19 services which are needed by this estate. Cascade has unique capabilities to provide accounting
20 and forensic accounting services for the estate. As stated in my prior declaration, I am a
21 Certified Public Accountant, Certified Turnaround Professional, Certified Insolvency and
22 Restructuring Advisor and a Certified Fraud Examiner. Mr. Tod McDonald provides consulting
23 services through Cascade. Mr. McDonald is a Certified Public Accountant and Certified
24 Insolvency and Restructuring Advisor and holds a certification in Financial Forensics from the
25 AICPA. Jody Cannady also provides consulting services through Cascade. Ms. Cannady has

SUPPLEMENTAL DECLARATION OF MARK
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1 been an accounting manager in multiple organizations for more than twenty years. I have worked
2 with Mr. McDonald and Ms. Cannady for more than fifteen years and we have developed
3 efficient ways to work on cases like this case which require extensive effort to produce timely
4 work product. Cascade is regularly hired to perform accounting services such as those required
5 in this case. In fact, Cascade has been employed in other chapter 11 cases in this District as well
6 as chapter 11 cases in other jurisdictions.

7 6. Cascade has extensive experience in working in environments with inadequate
8 financial records. Cascade has a depth and breadth of knowledge in the areas of management
9 systems, internal controls, operational cost accounting, corporate overhead reduction systems
10 and automation, forensic work, and insolvency expertise. Cascade's team has a diverse and
11 complimentary set of skills with a unique level of hands-on operational experience of distressed
12 businesses. I believe that in order to provide the level of financial services necessary in this case,
13 absent the employment of Cascade, the estate would have to engage a national financial services
14 firm whose rates would be significantly higher than those of Cascade and who could not deliver
15 services as efficiently as Cascade.

16 7. In other chapter 11 cases, Cascade has efficiently reconstructed financial records
17 of commercial debtors, most importantly providing an ability to trace the uses of cash. This skill
18 will be especially important in this case.

19 8. Cascade has the resources necessary to provide timely support to the bankruptcy
20 estate. For example, Cascade had the ability to immediately conduct a thorough detail inventory
21 of precious metals and coins of the estate, to quickly develop cash tracking and reporting
22 processes and to develop analytics of cost savings that were essential to the business decisions
23 faced by me as the Trustee.

24 9. Cascade's billing rates for this case are consistent with the rates of other
25 professionals providing accounting services. Due to the increased scope of the financial services

SUPPLEMENTAL DECLARATION OF MARK
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1 that will be required in this case, I have agreed to discount my rate for accounting services
2 provided through Cascade on this engagement to \$350 per hour (from my previously disclosed
3 rate of \$400) and Mr. McDonald has agreed to discount his rate to \$300 per hour (from his
4 previously disclosed rate of \$350). I believe the estate will have a material cost savings due to
5 the rate discounts we have offered as well as the synergies resulting from the knowledge I will
6 gain in my role as Trustee and the talents of the core group of Cascade professionals.

7 10. Cascade will bill its time only for work as accountants to the Trustee. As Trustee,
8 I will not bill services provided in my capacity as trustee through Cascade. I routinely segregate
9 my billings on accounting matters from my records regarding my services as Trustee and will
10 continue to do so in this case.

11 11. Cascade has already provided valuable services to this estate which are reflected
12 in the detailed accounting records submitted to the court recently and the thorough inventory of
13 precious metals which has been done for the benefit of creditors. I believe that the retention of
14 Cascade is in the best interest of the bankruptcy estate in this case and respectfully request that
15 the court approve Cascade's appointment on a final basis.

16 I declare under penalty of perjury that the foregoing is true and correct.

17 EXECUTED this 2nd day of June, 2016, at Seattle, Washington.

18
19 /s/Mark Calvert

20 Mark Calvert
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SUPPLEMENTAL DECLARATION OF MARK
CALVERT IN SUPPORT OF APPLICATION TO
EMPLOY CASCADE CAPITAL GROUP, LLC AS
ACCOUNTANTS FOR TRUSTEE - 4

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CERTIFICATE OF SERVICE

The undersigned declares as follows:

That he is an attorney in the law firm of K&L Gates LLP, and on June 2, 2016, he 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 2nd day of June, 2016 at Tucson, Arizona.

/s/Brian T. Peterson
Brian T. Peterson

SUPPLEMENTAL DECLARATION OF MARK
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