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4 (206) 623-7580

Honorable Christopher M. Alston  
Chapter 11

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6  
7 UNITED STATES BANKRUPTCY COURT  
8 WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE  
9

10 In re:

11 NORTHWEST TERRITORIAL MINT, LLC,  
12 Debtor.

Case No. 16-11767-CMA

DECLARATION OF DAVID NEU IN  
SUPPORT OF TRUSTEE'S MOTION  
CONTINUE DIANE ERDMANN'S  
MOTION TO COMPEL RELEASE  
AND DISBURSAL OF FUNDS HELD  
BY CHAPTER 11 TRUSTEE

13  
14  
15 I, David C. Neu, hereby declare as follows:

16 1. I am a partner at the law firm of K&L Gates, LLP, legal counsel to the Chapter 11  
17 Trustee ("Trustee") in the above-captioned proceeding. I submit this declaration in support of the  
18 Trustee's Motion to Continue Diane Erdmann's Motion to Compel Release and Disbursal of Funds  
19 Held by Chapter 11 Trustee ("Continuance Motion"). I am over eighteen (18) years of age, and I  
20 competent in all ways to testify. Unless otherwise stated herein, I make the following statements  
21 based on my personal knowledge.

22 2. I am the primary attorney handling the Trustee's pending lawsuit against Diane  
23 Erdmann in Adversary Proceeding No. 16-01217-CMA (the "Erdmann Lawsuit"). I am also the  
24 primary attorney handling all matters related to the funds at issue in Diane Erdmann's Motion to  
25 Compel Release and Disbursal of Funds Held by Chapter 11 Trustee ("Motion to Compel") (Dkt.

DECLARATION OF DAVID C. NEU - 1

500548902 v2

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925 FOURTH AVE, SUITE 2900  
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1 No. 1152).

2 3. The Motion to Compel is presently set for hearing on September 1, 2017. The  
3 Trustee intends to file a motion for a writ of attachment in the Erdmann Lawsuit in order to  
4 preserve the funds that are the subject of the Motion to Compel as a source of recovery for any  
5 judgment obtained by the Trustee in that suit. The filing of the motion for a writ of attachment has  
6 been delayed by the Trustee's extended absence in August. The Trustee is presently out of the  
7 country and will not return until August 27, 2017.

8 4. If the Motion to Compel is heard and granted by the Court before a hearing is held  
9 on the Trustee's to-be-filed motion for a writ of attachment, the Trustee's motion for writ of  
10 attachment will become moot. Ms. Erdmann has testified under oath that she has no other assets  
11 that could be used to satisfy a judgment obtained by the Trustee in the Erdmann Lawsuit. Relevant  
12 portions of Ms. Erdmann's testimony are attached hereto as Exhibit A.

13 5. Additional cause exists to continue to the Motion to Compel. I am unavailable for  
14 the hearing on September 1, 2017, as I will be out of State with my family to celebrate my father's  
15 80th birthday.

16 6. On August 14, 2017, I had a telephone conversation with counsel for Diane  
17 Erdmann, in which I requested that Ms. Erdmann agree to a continuance of her Motion to Compel.  
18 Mr. Quinlan, Ms. Erdmann's counsel, informed me that he did not have authority to agree to any  
19 continuance of the Motion to Compel.

20 I declare under penalty of perjury of the laws of the United States that the foregoing is true  
21 and correct to the best of my knowledge.

22 EXECUTED this 15th day of August, 2017, at Seattle, Washington.

23  
24 /s/ David C. Neu

25 David C. Neu

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**CERTIFICATE OF SERVICE**

The undersigned declares as follows:

That she is a practice assistant in the law firm of K&L Gates LLP, and on August 15, 2017, she 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.

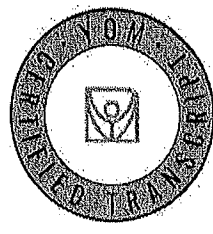
Executed on the 15th day of August, 2017 at Seattle, Washington.

/s/ Benita G. Gould  
Benita G. Gould

# EXHIBIT A

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UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF WASHINGTON AT SEATTLE



IN RE: )  
NORTHWEST TERRITORIAL MINT, LLC, )  
Debtor. ) 16-11767-CMA

EXAMINATION OF DIANE ERDMANN  
PURSUANT TO  
BANKRUPTCY RULE 2004

10:58 A.M.  
AUGUST 3, 2017  
925 FOURTH AVENUE, SUITE 2900  
SEATTLE, WASHINGTON

REPORTED BY: SHARI L. WHEELER, CCR NO. 2396



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A P P E A R A N C E S

FOR THE CHAPTER 11 TRUSTEE:

DAVID C. NEU

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FOR DIANE ERDMANN:

THOMAS P. QUINLAN, II

Smith Alling, PS

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ALSO PRESENT:

MARK CALVERT



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1 pounds of silver; is that right?

2 MR. QUINLAN: Five zero, is that what you  
3 said?

4 MR. NEU: Five zero.

5 A. No.

6 Q. (BY MR. NEU) How much does each canvas bag  
7 hold?

8 A. Usually about 28.

9 Q. 28 pounds, okay. Is this 90 percent valued by  
10 weight, or is it valued based on the coins themselves?

11 A. The face value of the coins.

12 Q. The face value of the coins. Okay. Do any  
13 other friends hold precious metal on your behalf?

14 A. No.

15 Q. What happened to the silver that Don Schwenk  
16 was holding for you?

17 A. I took it back.

18 Q. When did you take it back?

19 A. I don't recall. Sometime last year.

20 Q. Was it after the bankruptcy was filed?

21 A. Yes.

22 Q. And what did you do with the bags of silver?

23 A. Some of it has been sold.

24 Q. How much of that silver do you still have left?

25 A. A thousand dollars face value.



1 Q. What other precious metals do you still own?

2 MR. QUINLAN: Do you mean in her possession  
3 or control?

4 Q. (BY MR. NEU) Possession or control, or  
5 somebody else holding it for you?

6 MR. QUINLAN: Other than the list that  
7 we've identified, that the trustee has?

8 MR. NEU: Correct.

9 MR. QUINLAN: Other than what the trustee  
10 has in his possession right now, the question is: Do  
11 you have any other precious metals, coins, bullion,  
12 other than what you've identified in the thousand  
13 dollars' worth of coins?

14 A. No. Just the thousand dollars.

15 Q. (BY MR. NEU) Do you know if Mr. Hansen has any  
16 precious metal that he owns?

17 A. He does not.

18 Q. So it's your testimony today that, with the  
19 exception of what the trustee holds and this thousand  
20 dollars in silver, that you have sold all the other  
21 precious metal that you own?

22 A. Yes.

23 Q. When did you move the precious metals from the  
24 safe at your grandparents' house to the safe at your  
25 house?





1           A. Yeah.

2           Q. (BY MR. NEU) Okay. Flip to the next page,

3 page 70. He continues to ask -- he says: How do you

4 plan on paying the rent once the thousand dollars and

5 six ounces of gold is spent?

6           And your answer was: I haven't figured that

7 out yet.

8           Do you see that?

9           A. Yes.

10          Q. Then he says: Do you have any other assets --

11 or do you have any other cash or precious metals,

12 besides the thousand dollars and the six ounces of gold

13 in your safe-deposit box?

14          ANSWER: Yes.

15          QUESTION: What precious metals -- or what is

16 that?

17          ANSWER: Silver.

18          QUESTION: And is that the silver being held by

19 Mr. Schwenk?

20          ANSWER: Yes.

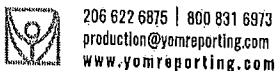
21          QUESTION: Okay. Anything else?

22          ANSWER: No.

23          Is that accurate?

24          A. That's what it says.

25          Q. So were you lying in your deposition?



1           A. I was under extreme duress, having just had my  
2 home raided. And I was just having had things taken.  
3 So I guess I should've mentioned that there was a bunch  
4 of stuff with the trustee.

5           Q. What about the 700,000-plus dollars of precious  
6 metals that you've sold subsequent to this deposition?

7           MR. QUINLAN: You mean other than the  
8 silver that's mentioned at line 11, Counsel?

9           Q. (BY MR. NEU) Other than the silver that's  
10 mentioned at line 11?

11          A. Well, he was on a fishing expedition, and I  
12 needed to protect myself.

13          Q. The question is: Is the answer you gave  
14 Mr. Hamell -- was it accurate, or was it not accurate?

15          MR. QUINLAN: Given the nature of the  
16 question, I'm going to advise you not to answer that at  
17 this point.

18          Q. (BY MR. NEU) You're going to assert your fifth  
19 amendment privilege?

20          MR. QUINLAN: I think that would be the  
21 privilege at this point. I'm counseling her, given the  
22 posture of this case and the other case that's  
23 referenced in the record here, and knowing now what I  
24 know from Friday's conversation with outside counsel.

25          MR. NEU: Fair enough.



1 Q. (BY MR. NEU) I just ask that if you're going  
2 to assert the fifth, that you do it on the record.

3 MR. QUINLAN: You're asking her to admit to  
4 lying under oath. My advice to her is to assert the  
5 fifth amendment privilege.

6 That's the question that was asked, so go  
7 ahead.

8 A. Yes, I assert that.

9 Q. (BY MR. NEU) You assert the fifth amendment?

10 A. Yes.

11 Q. That's fine. Does Ross Hansen have any bank  
12 accounts, that you know of?

13 A. No.

14 Q. None, okay. Does Ross Hansen, to your  
15 knowledge, have any precious metals?

16 A. He does not.

17 Q. Does he have any cashier's checks, to your  
18 knowledge?

19 A. He does not.

20 Q. Does he have any cash, to your knowledge?

21 A. No.

22 Q. Where are you keeping your cash and cashier's  
23 checks at this point?

24 MR. QUINLAN: I'm going to object to the  
25 form of the question. That assumes she's holding



1 cashier's checks at this point. Let's start with that.

2 MR. NEU: Well, I think she testified that  
3 she is.

4 Q. (BY MR. NEU) Do you have any cashier's checks  
5 at this point?

6 A. No.

7 Q. I want to go back briefly here to your precious  
8 metal trading. By your testimony, you started with  
9 \$80,000 worth of precious metal. And by late 2016, the  
10 value of that was well over \$700,000, correct?

11 A. Correct.

12 Q. Without any records, how did you prepare, for  
13 example, your tax returns?

14 A. I'm not going to answer any questions about my  
15 taxes.

16 MR. QUINLAN: It is beyond the scope of  
17 what the Court has authorized.

18 Q. (BY MR. NEU) How much cash do you have left  
19 right now, Ms. Erdmann, from the coin sales?

20 A. I'm not sure.

21 Q. This is the cash that's necessary for you to  
22 live off of, correct?

23 A. Correct.

24 Q. And you don't know how much you have?

25 A. Not specifically, no.



1 Q. How about generally?

2 A. Probably a few thousand dollars.

3 Q. What's your plan for funding your life going  
4 forward?

5 A. I'm not going to answer that.

6 Q. You don't get to choose whether you answer a  
7 question or not.

8 MR. QUINLAN: Rephrase the question.

9 Q. (BY MR. NEU) How do you intend to fund your  
10 living expenses on a going-forward basis?

11 A. I'm sure I will figure it out. Perhaps some  
12 family members will help.

13 MR. NEU: Why don't you give us a few  
14 minutes. I think we're almost done.

15 (Recess taken.)

16 Q. (BY MR. NEU) When did you get the silver back  
17 from Don Schwenk?

18 A. Sometime last year.

19 Q. Early last year? Late last year?

20 A. I don't remember. About the middle. I don't  
21 know.

22 Q. The middle of last year. Where did you take it  
23 after you got it back from Don Schwenk?

24 A. My storage unit.

25 Q. Did you pick it up from Don Schwenk, or did he

