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Honorable Christopher M. Alston
Chapter 11
Hearing Location: Rm. 7206
Hearing Date:
Hearing Time:
Response Date:

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

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

Case No. 16-11767-CMA

DECLARATION OF JERRY MORAN IN
SUPPORT OF MOTION FOR ORDER
APPROVING THE SALE OF CERTAIN OF
THE DEBTOR'S ASSETS TO MEDALCRAFT
MINT, INC.

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15 Jerry Moran declares as follows:

16 1. I am the President and Chief Executive Officer of Medalcraft Mint, Inc.
17 (“Medalcraft”). I have been employed by Medalcraft since 2007, and have been involved in the
18 custom minting industry for more than 11 years. I am over eighteen (18) years of age and I am
19 competent in all ways to testify. Unless otherwise stated, I make the following statements based on
20 my personal knowledge. I submit this Declaration in support of the Motion for Order Approving the
21 Sale of Certain of the Debtor’s Assets to Medalcraft Mint, Inc. (the “Motion”).

22 2. Medalcraft is a privately owned mint located in Green Bay, Wisconsin that has
23 operated since 1948. Medalcraft manufactures die-struck medals, medallions, coins, key tags, and
24 lapel pins for award, gift, and commemorative items.

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DECLARATION OF JERRY MORAN- 1

501035700 v3

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1 3. Medalcraft has entered into a Asset Purchase Agreement (the “APA”) with Mark
2 Calvert in his capacity as the Chapter 11 Trustee (the “Trustee”) of the consolidated estates of
3 Northwest Territorial Mint (“NWTM”) and Medallic Art Company, LLC (“MACLLC”). Under the
4 terms of the APA, Medalcraft has committed to purchase certain assets of MACLLC, including
5 MACLLC’s name and website, customer list and specific items of equipment. In addition,
6 Medalcraft has committed to purchase dies owned by MACLLC which have been used to fill
7 customer orders in the last twenty years (the “MACLLC Recent Customer Dies”).

8 4. I negotiated the APA on behalf of Medalcraft. The agreed-upon purchase price for
9 the assets which Medalcraft has committed to purchase is \$700,000. Medalcraft has acted in good
10 faith at all times during its negotiations with the Trustee. The negotiations between Medalcraft and
11 the Trustee were free from any fraud, collusion or bad faith.

12 5. Neither I nor Medalcraft has any connection to or relationship with the Trustee,
13 NWTM, MACLLC or Ross Hansen. Medalcraft has not colluded with any other potential purchaser
14 of assets of NWTM or MACLLC.

15 6. I am aware that certain customers of NWTM and MACLLC have asserted that they
16 may own the dies and sculpts which were created to fulfill their orders. Based upon my knowledge
17 of the custom minting industry, my dealings with NWTM and MACLLC over many years, and my
18 interviews of certain former employees, with some limited exceptions, I do not believe that NWTM
19 and MACLLC customers owned the dies that were created for their projects. Rather, as is the
20 custom in the industry, the dies and sculpts created for customer jobs remain the property of the
21 company.

22 7. I am certain that Medalcraft’s purchase of the MACLLC dies is of benefit to
23 customers of MACLLC, because Medalcraft can and will treat the MACLLC customers fairly and
24 will produce quality products for them. If Medalcraft did not purchase these dies, there is risk that
25 they will not be preserved and maintained. Medalcraft has no interest in using the dies for any
26 purpose other than the creation of works for the customers for which the dies were created.

DECLARATION OF JERRY MORAN- 2

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1 8. It has always been Medalcraft's policy, as reflected in the brochure attached hereto as
2 Exhibit A that dies created by Medalcraft remain Medalcraft's property, but that such dies are
3 retained for the exclusive use of the individual customer for whom they were created. Medalcraft
4 does not ever, and will not ever, produce products from a customer's die without the specific
5 direction and consent of the customer.

6 9. With respect to the Dies which Medalcraft has agreed to purchase, it will commit to
7 honoring the same policies that Medalcraft has always honored with customers for whom it has
8 manufactured dies in the past. To the extent that a Die contains images that are the intellectual
9 property of a prior Medallic customer, Medalcraft will not produce a product using such Dies without
10 the express consent of the customer.

11 10. It is not Medalcraft's intent to use the Dies in any manner that would infringe on
12 another party's intellectual property rights. The Dies represent, to Medalcraft, an opportunity to
13 work with prior MACLLC customers to continue production of their product to the benefit of both
14 parties.

15 11. Medalcraft understands that it will take title and possession of the Dies with the
16 knowledge that certain customers may come forward with claims to ownership of the Dies.
17 Medalcraft understands that the sale is only of the Dies that are owned by MACLLC and is without
18 warranty of title. Medalcraft will work with customers post closing of the sale to address any
19 customer's claim to ownership of the Dies.

20 12. Since it has become publically known that Medalcraft has made an offer to purchase
21 the MACLLC Recent Customer Dies, Medalcraft has been contacted by several former customers of
22 MACLLC that need to have orders fulfilled in short order for various reasons such as spring events.
23 Medalcraft would like to close the sale as quickly as possible so that it can start to meet the needs of

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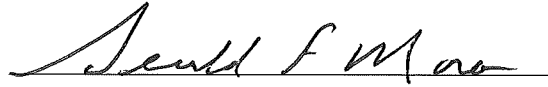
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DECLARATION OF JERRY MORAN- 3

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1 these parties.

2 EXECUTED this 14th day of February, 2018, at Green Bay, Wisconsin.

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5 Jerry Moran
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DECLARATION OF JERRY MORAN- 4

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CERTIFICATE OF SERVICE

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The undersigned declares as follows:

That she is a Paralegal in the law firm of K&L Gates LLP, and on February 16, 2018, 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.

Also on February 16, 2018, she caused the foregoing document to be placed in the mail to the Parties at the addresses listed below:

Northwest Territorial Mint LLC
c/o Ross Hansen, Member
P.O. Box 2148
Auburn, WA 98071-2148

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 16th day of February, 2018 at Seattle, Washington.

/s/ Denise A. Lentz
Denise A. Lentz

EXHIBIT A

ARTWORK/REFERENCE

The following guidelines will help to assure an accurate reproduction of all customer supplied reference materials:

1. Electronic Artwork

Electronic artwork is preferred. Vector based artwork saved as an EPS file is acceptable for disk or e-mail. Files must contain no placed images, and fonts should be converted to outlines. To e-mail artwork, contact Customer Service for further information.

2. Hard Copy Artwork

Original, high contrast black & white art with a minimum of 600 DPI and a scale of 4:1 is acceptable. Sharp, precisely defined edges are critical. No gray or fuzzy areas.

Artwork not complying with these guidelines may require additional development or conversion costs. We reserve the right to quote die charges if art supplied is different than originally quoted or doesn't meet the above requirements.

If any part of the design is 3-dimensional, please include additional quality reference materials such as photographs, line drawings, etc. to ensure customer expectations are closely met.

DIE SERVICE FEE

A one-time service fee will be charged for all new dies created to produce (die strike) your corporate logo, design or advertising message. Service fees vary and are based on time, material and simplicity/complexity of design. Call Customer Service for a quotation.

Included in the die service fee is a built-in insurance policy. As long as The Medalcraft Mint retains the die on our premises, the customer is ensured that they can request coinage utilizing that die. Should the die ever break, The Medalcraft Mint will replace it at no additional cost to you. Dies remain the property of The Medalcraft Mint, retained for your exclusive use.

Dies are cut by masters who pay strict attention to detail, absolute quality and your design specifications. Our sculptors and die engravers work diligently to reproduce your design exactly, but interpretation and the medium are an important factor. Some things, such as water or glass, are transparent in nature and are difficult to render in metal. Portrait dies are subject to the interpretation of the sculptor or die engraver; interpretations may differ. A lead proof approval will be required prior to striking.

LEAD PROOFS

When your die is completed, a lead proof will be furnished at no charge. Production will not begin without approval. Medalcraft Mint will not be responsible for the final acceptance of any product for which you or your customer have refused to inspect and approve a lead proof made from the die.

TRADEMARKS

The Medalcraft Mint assumes clients are authorized to use trademarks presented to us for reproduction. We assume no liability in trademark or copyright disputes. The logos, designs, insignias and trademarks imprinted on products shown in this catalog have been reproduced only as examples of the type and quality of our production processes. They are not presented for resale, nor are they to be construed as endorsements.

REVERSE SIDE OPTIONS

Most of the products in this catalog could be produced with a custom imprint on the backside or second side. In every instance of backside imprints, contact your Customer Service Rep for complete information. Backside imprint options:

1. Die Striking

Achieved simultaneously with the front side striking, this imprint method does not create any additional run charge, but does involve a second die charge.

2. Engraving

A wide range of engraving styles are available, including Diamond-cut, Deep Rout and burnishing. Quote required for Deep Rout and burnishing. Typed instructions are required.

PRECIOUS METALS

The Medalcraft Mint can strike in fine silver and karat gold materials, as well as other precious metals. Due to market fluctuations, you must contact The Medalcraft Mint for current "spot" pricing information.

ORDERING INFORMATION

Custom orders require a customer purchase order in writing. A 5% over/under production run constitutes completion of order billed pro rata. Any quantity less than listed minimum requires factory approval and quotation and may be subject to an additional set up charge.

CATALOG PRICING

Prices shown in catalog are subject to change without notice. Every effort will be made to provide advance notice of price changes.

CORRECTIONS/CANCELLATIONS

Any cancellation or significant change of an order in process is required in writing and will be subject to costs incurred to-date plus a \$62.50(G) cancellation fee.

DROP SHIPMENTS

When an order is shipped to multiple destinations, a drop-ship charge of \$6.50(G) per destination applies. Freight charge additional.

SPLIT SHIPMENTS

When order calls for delayed split shipments, merchandise will be produced and billed with shipments delayed per your request within a 12 month period of time. A charge of \$15.00(G) per split shipment applies.

CUSTOMER-SUPPLIED INSERTIONS

For insertion of a customer-supplied card or literature piece (in suitable size), add \$.15 (G) each.

SHIPPING

Medalcraft Mint merchandise is shipped F.O.B. The Medalcraft Mint. Unless a specific method of shipment is requested, we will use our judgement in selecting the mode of shipment. Responsibility for the merchandise ordered is transferred, with the proper transfer of goods, to a recognized carrier. If merchandise is damaged as a result of the carrier's negligence, call the appropriate carrier for inspection. We will assist in processing the claim.

RETURNS & ADJUSTMENTS

Every effort is made to produce your order to exact specifications. Should a misunderstanding occur, please contact your Customer Service representative. Prior to returning product, contact your Customer service representative for a Receiving Authorization number (RA#) within 20 days of receipt of merchandise. Medalcraft Mint is not responsible for circumstances beyond our control.

FREE VIRTUAL SAMPLES

Ideal for showing your clients what a product might look like with their design on it. More than 50 products are available as virtual samples at www.medalcraft.com.