

The Honorable Christopher M. Alston  
Chapter 11  
Hearing Date: June 13, 2018  
Hearing Time: 9:30 a.m.  
Location: Courtroom 7206  
Response Date: June 1, 2018

UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF WASHINGTON

In re

NORTHWEST TERRITORIAL MINT, LLC,

Debtor.

No. 16-11767-CMA

RESPONSE TO PARISH  
DECLARATION

**I. INTRODUCTION**

On April 1, 2016, Northwest Territorial Mint (NWTM) filed for relief under chapter 11 of the Bankruptcy Code (ECF 1). On April 11, 2016, the Court entered an order approving the appointment of Mark Calvert as chapter 11 trustee for NWTM (the “Trustee”). ECF 51. Since that date, Mr. Calvert has been in possession of the records and assets of NWTM. During a May 18, 2018 hearing regarding the Trustee’s responsibility to possess and preserve the records of NWTM,<sup>1</sup> this Court directed Ross Hansen, through his bankruptcy counsel, to respond to the Declaration of Michael Parish filed May 17, 2018. ECF 1665 (the “Parish Declaration”).

<sup>1</sup> The Trustee had the NWTM records boxed and placed in storage in Nevada where one of the offices of NWTM was located but without, to counsel’s knowledge, indexing the records or any record-keeping to track the inventory. Whether the Trustee is now allowed to abandon a server, thus deleting the data stored therein, or the approximately 500 boxes of NWTM records, by a date certain has been repeatedly raised by the Trustee and his counsel, and rejected by this Court, most recently at the hearing held May 18, 2018, but remains a contested issue that is now before the Honorable Richard A. Jones, United States District Court Judge, in *United States v. Hansen*, CR 18-92RAJ (W.D. Wash. 2018) for consideration and further instruction. *See* Dkt. 30 (Motion for Order to Prevent Spoliation of Evidence filed in *United States v. Hansen*, CR 18-92RAJ).

1 This statement is filed in response to the Court's direction after consultation with Mr.  
2 Hansen's criminal defense attorneys.<sup>2</sup> Requiring Mr. Hansen to respond, under oath, to the  
3 letter implicates Mr. Hansen's Due Process and Fifth Amendment rights in the pending criminal  
4 case. This Court should simply strike the original letter, ECF 1648, rather than requiring Mr.  
5 Hansen to respond further.

## 6 II. FACTS

7 As the Court is aware, it approved the sale of a significant portion of NWTM's assets to  
8 Industrial Assets, Inc. on March 14, 2018. ECF 1531. The Parish Declaration and a conditional  
9 objection filed by Mr. Parish's counsel on May 3, 2018 ECF 1636 (the "Conditional  
10 Objection") outline a number of events that apparently occurred subsequent to approval of the  
11 sale to Industrial Assets:

- 12 • Sometime in late April 2018, Mr. Parish and Copper Leaf LLC purchased the  
13 assets previously sold to Industrial Assets by NWTM.
- 14 • Mr. Parish, through a former NWTM employee, Steven Firebaugh, sought  
15 access to NWTM's Dayton facility to view the assets. Mr. Firebaugh was  
16 denied access to the Dayton facility.
- 17 • On the evening of May 2, 2018, Mr. Parish apparently hired counsel to assist  
18 him in protecting his rights to the assets purchased.
- 19 • On May 4, 2018, Mr. Parish apparently signed a letter regarding a request to  
20 *inter alia*, suspend or remove the Trustee from his current position and grant Mr.  
21 Parish access to the assets he had purchased. The Parish Declaration states that  
22 the letter (identified by Mr. Parish as "Exhibit A") "was prepared for talking  
23 points at the May 4, 2018, hearing. It was only intended to be filed if required at  
24 the hearing."

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26 <sup>2</sup> Other than the statements contained in footnote 3, the Declaration of Debra Malcom being filed  
27 concurrently with this statement, and as otherwise indicated, counsel believes that all facts outlined in  
the Facts section are reflected in filed pleadings and hearing transcripts.

1 Additional facts relevant to this matter include the following:

- 2 • During March 2018, the Court held at least two hearings on a proposed sale of  
3 assets by NWTM to Medalcraft. It could not have been clearer during those  
4 hearings that the Trustee would seek to avoid selling any of NWTM's assets to  
5 anyone connected with Mr. Hansen. The Court ultimately denied the Trustee's  
6 initial motion to sell the assets to Medalcraft on March 19, 2018 because of  
7 irregularities in the Trustee's conduct of the sale process. ECF 1539.
- 8 • On April 12, 2018, a Grand Jury indicted Mr. Hansen and his partner, Diane  
9 Erdman, with twenty counts of fraud related to the NWTM business that  
10 culminated in these bankruptcy proceedings. *See* Dkt. 1, *United States v.*  
11 *Hansen, et. al.*, CR 18-92RAJ (W.D. Wash. 2018). Mr. Hansen self-surrendered  
12 and was released on an Appearance Bond that restricts his employment with  
13 precious metals and any travel without the United States Probation Department's  
14 permission. *Id.* at Dkt. 13 (Appearance Bond).
- 15 • Despite the indictment, on or about May 2, 2018, Mr. Parish advised Mr.  
16 Hansen's defense counsel in the criminal case that he valued Mr. Hansen's  
17 knowledge of the industry and of the assets purchased, such that he hoped Mr.  
18 Hansen could join him in Nevada to "reconstitute this historic and valuable  
19 company." *See* Declaration of FPD Investigator Debra Malcolm, and April 30,  
20 2018 Letter by Michael Parish attached to the Malcom Declaration.
- 21 • Mr. Parish's counsel withdrew the previously filed supplemental objection.
- 22 • Mr. Parish's May 4, 2018 letter was later filed with the Court on May 10, 2018.<sup>3</sup>  
23 Five days later, the Parish Declaration was filed, asserting that Mr. Parish

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26 <sup>3</sup> During the afternoon of May 4, 2018, Mr. Parish's counsel advised Mr. Hansen's defense counsel in  
27 the criminal case and Mr. Hansen's undersigned counsel that Mr. Parish wished further communications  
to be through counsel. For the avoidance of any doubt, undersigned counsel had no prior knowledge of  
and did not participate in the filing of Mr. Parish's letter.

1 suspects Mr. Hansen or an agent filed the letter without his permission, and  
2 further asserting that the contents of the letter are not entirely accurate.

### 3 III. DISCUSSION

4 A few points are apparent from the above. First, the statement in the Parish Declaration  
5 that the letter (identified by Mr. Parish as “Exhibit A”) “was prepared for talking points at the  
6 May 4, 2018, hearing. It was only intended to be filed if required at the hearing”<sup>4</sup> – is a far cry  
7 from any claim that Mr. Parish was an unwitting author, or its contents entirely inaccurate. Mr.  
8 Parish apparently intended at some point to present those points to the Court on May 4.

9 Second, the Parish Declaration states that his signature is not forged and at worst states  
10 that he does not recall all of the details contained in the letter. If the letter was filed without his  
11 permission – whether by mistake or, as implied, intentionally – and Mr. Parish now cannot  
12 recall its details, then Mr. Parish, by his counsel, should be permitted to move to strike the letter  
13 from the record.

14 Third, in making allegations that understandably give this Court pause, the Parish  
15 Declaration puts Mr. Hansen in the impossible position of remaining silent (with this Court  
16 inferring from that silence potentially improper conduct), or engaging in a point-by-point he-  
17 said/he-said with Mr. Parish under oath that could negatively impact Mr. Hansen’s due process  
18 rights in a criminal trial, including the right to testify on his own behalf. It also unnecessarily  
19 puts Mr. Parish in the position of having to explain apparently conflicting statements. Given  
20 the current situation, that appears wholly unnecessary – the Parish Declaration is not relevant to  
21 any issues now before the Court or likely to be before the Court. Requiring either Mr. Hansen  
22 or Mr. Parish to submit further sworn declarations regarding the events described above is  
23 therefore unwarranted. With criminal charges pending against Mr. Hansen, Mr. Hansen, on  
24 advice of his appointed counsel in the criminal case, cannot submit a declaration responding to  
25 the Parish Declaration.

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<sup>4</sup> Parish Declaration at p. 2, line 5.

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**III. CONCLUSION**

For the reasons stated above, in the interests of justice and in keeping with Mr. Hansen's Fifth Amendment Due Process rights, Mr. Hansen should not be required to answer the various allegations contained therein and instead, respectfully asks this Court to simply strike ECF 1648.

Respectfully submitted this 1st day of June, 2018.

Davis Wright Tremaine LLP  
Attorneys for Ross Hansen

By /s/ Ragan L. Powers  
Ragan L. Powers, WSBA #11935

1 **PROOF OF SERVICE**

2 I certify that on June 1, 2018, I electronically filed the foregoing with the Clerk of the  
3 Court using the CM/ECF system, which will send notification of such filing to those attorneys  
4 of record registered on the CM/ECF system:

5  
6 DATED this 1st day of June, 2018.

7 /s/ Ragan L. Powers  
8 Ragan L. Powers, WSBA #11935