

1 Michael J. Gearin, WSBA # 20982
David C. Neu, WSBA # 33143
2 Brian T. Peterson, WSBA # 42088
K&L GATES LLP
3 925 Fourth Avenue, Suite 2900
Seattle, WA 98104-1158
4 (206) 623-7580

Honorable Christopher M. Alston
Chapter 11

5
6
7 UNITED STATES BANKRUPTCY COURT
8 WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

9 In re:

10 NORTHWEST TERRITORIAL MINT, LLC,
11 Debtor.

Case No. 16-11767-CMA

DECLARATION OF PAUL WAGNER
IN RESPONSE TO LETTER FROM
CHAMBERS DATED NOVEMBER 6,
2018

12
13
14 Paul Wagner declares as follows:

15 1. I am over the age of 18 years old and, if called as a witness, could and would testify
16 to the matters set forth herein based on my personal knowledge. Unless otherwise stated herein, I
17 make the following statements based upon my personal knowledge.

18 2. I am the former President and Chief Information Officer of Northwest Territorial
19 Mint, LLC ("NWTM"). I worked for NWTM from 2012 until May, 2018 as an employee. In May,
20 2018, I became an independent contractor, providing assistance to the Trustee in winding up the
21 affairs of NWTM and liquidating its remaining assets.

22 3. In mid-February, 2018, I registered Sierra Mint, LLC ("Sierra Mint") with the
23 Washington Secretary of State. I created Sierra Mint as primarily an import business for
24 promotional products such as challenge coins, belt buckles, keychains, etc. Shortly after forming the
25 company, I employed Marty Colwell and Jason Fleet who had been terminated by the Trustee in
26

501953881 v1925 FOURTH AVENUE, SUITE 2900

SEATTLE, WASHINGTON 98104-1158
TELEPHONE: (206) 623-7580
FACSIMILE: (206) 623-7022

DECLARATION OF PAUL WAGNER - 1
501953582 v1

1 December, 2017. Marty was a former salesperson at NWTM, and Jason Fleet was a graphic artist.

2 4. Even though Sierra Mint had no significant business until approximately May, 2018, I
3 hired Marty and Jason in February, knowing they would have other employment opportunities. I
4 also intended to hire Jenifer Baker, however she accepted employment at Medalcraft, LLC. Sierra
5 Mint has never employed Jenifer Baker or Brenda Johnson, contrary to assertions made by Ms. Pehl
6 in her letter to the Court.

7 5. Given the relationships I had formed with manufacturers of promotional materials in
8 China, and the availability of some experienced former NWTM employees, I believed that I could
9 successfully operate a company that would supply promotional materials produced by overseas
10 suppliers.

11 6. In early March, 2018, before Sierra Mint had any business operations, I informed
12 Mark Calvert of my intentions with respect to Sierra Mint. I informed him that I did not believe that
13 Sierra Mint had any need for any of the assets of NWTM or Medallic Arts Company, LLC, although
14 I indicated it might bid on some office furniture if it came up for auction. Mr. Calvert asked me to
15 provide a memo to him confirming these facts which I did provide on or about March 21, 2018. A
16 copy of that memo is attached hereto as Exhibit A. Ultimately, Sierra Mint purchased some office
17 supplies through the online auction conducted by Industrial Assets which had previously purchased
18 them from NWTM.

19 7. Sierra Mint does not and has not used dies that were manufactured by Chinese
20 manufacturers to create product for NWTM or its former customers. For each product ordered by
21 Sierra Mint for a customer, including former NWTM customers, the Chinese manufacturer has
22 created new dies which Sierra Mint has paid for.

23 8. Sierra Mint does not possess the art or design files that belong to NWTM. Contrary
24 to "suspicions" by Paula Pehl, no NWTM hardware is stored at Sierra Mint, and NWTM art servers
25 are not set up in my house "or some other location convenient for Jason Fleet." Jason Fleet does not
26

501953881 v1925 FOURTH AVENUE, SUITE 2900

DECLARATION OF PAUL WAGNER - 2

501953582 v1

SEATTLE, WASHINGTON 98104-1158
TELEPHONE: (206) 623-7580
FACSIMILE: (206) 623-7022

1 have access to NWTM's art files, nor does Sierra Mint use them.

2 9. Neither I nor Sierra Mint possesses or uses NWTM's customer list.

3 10. In summary, neither I, Sierra Mint or to my knowledge any of Sierra Mint's
4 employees have ever taken possession of or used assets of the bankruptcy estate.

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

7 EXECUTED this 14th day of November, 2018, at Bellevue, Washington.

8
9 
10 Paul Wagner

11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
501953881 v1925 FOURTH AVENUE, SUITE 2900

DECLARATION OF PAUL WAGNER - 3

501953582 v1

SEATTLE, WASHINGTON 98104-1158
TELEPHONE: (206) 623-7580
FACSIMILE: (206) 623-7022

1 **CERTIFICATE OF SERVICE**

2 The undersigned declares as follows:

3 That she is a Paralegal in the law firm of K&L Gates LLP, and on November 14, 2018, she
4 caused the foregoing document to be filed electronically through the CM/ECF system which caused
5 Registered Participants to be served by electronic means, as fully reflected on the Notice of
6 Electronic Filing.

7 I declare under penalty of perjury under the laws of the State of Washington and the United
8 States that the foregoing is true and correct.

9 Executed on the 14th day of November, 2018 at Seattle, Washington.

10 /s/ Denise A. Lentz

11 Denise A. Lentz

12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
501953881 v1925 FOURTH AVENUE, SUITE 2900

SEATTLE, WASHINGTON 98104-1158
TELEPHONE: (206) 623-7580
FACSIMILE: (206) 623-7022

DECLARATION OF PAUL WAGNER - 4

501953582 v1

EXHIBIT A

March 21, 2018

Mark,

Per our conversation last week, it is true that I am inching toward standing up an entity called Sierra Mint, LLC. This is very much in its infancy.

So it's known, this is not so much a mint as it is an import business of promotional products, more akin to an ASI business. I don't produce anything – other than a brand. I'm making this work based on my supply-chain and ASI experience and relationships I've forged over the years with overseas suppliers -- and partnering with good folks no longer with NWTM that also want to make this business work.

For the time being, there are no assets that I can make use of from Medallic/NWTM. When the auction comes around, I may make a bid on a couple of office desks, folding tables, a few racks, postage meter, some corrugated materials, maybe a few other things. Although not needed, I would like to obtain the custom import customer list if it's not wrought with legal issues around the sale/transfer of personally identifiable information. Added, the phone number for NWTM Custom (not medallic) – 800.843.9854 could be useful.

I did file for a business license in WA and trying to get one in NV. I'm working toward establishing banking, standing up a web site, an 800-number, credit card processing, office space, promotional/brochures, distributed phone system, etc. It's far from having enough infrastructure to call it much of a business. I don't have as much time right now to focus on Sierra as I would like, but I have employed Greg Fullington, Jason Fleet and Marty Colwell to work on it. I do plan to hire Jen Baker once her duties at NWTM have ceased.

At present I see no conflict of interest but will advise you should one develop. Should the time to stand up Sierra Mint conflict with responsibilities I have with NWTM, you will get my resignation. I do anticipate that the work with NWTM will end in May.



Paul Wagner