

Honorable Christopher M. Alston
Chapter 11
Hearing Date: March 13, 2019
Hearing Time: 9:30 a.m.
Response Date: March 4, 2019

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON
AT SEATTLE

In re:) No. 16-11767-CMA
NORTHWEST TERRITORIAL MINT, LLC,)
Debtor.) SECOND SUPPLEMENTAL
DECLARATION OF MARK D. NORTHRUP
IN SUPPORT OF FINAL APPLICATION
FOR PAYMENT OF FEES AND
REIMBURSEMENT OF EXPENSES OF
COUNSEL FOR THE OFFICIAL
UNSECURED CREDITORS' COMMITTEE
(MILLER NASH GRAHAM & DUNN LLP)

For his Supplemental Declaration, Mark D. Northrup states as follows:

1.) I am a partner in the Seattle office of the law firm of Miller Nash Graham & Dunn LLP ("Miller Nash") and have acted in this case as counsel for the Official Unsecured Creditors' Committee (the "Committee"). I have personal knowledge of the facts set forth herein and, if called, would be competent to testify to them.

2.) **Procedural Background.** On October 12, 2018, I filed the Final Application for Payment of Fees and Reimbursement of Expenses of Counsel for the Official Unsecured Creditors Committee (Dkt. #1894; the "Miller Nash Fee Application"). In support of the Miller Nash Fee

SECOND SUPPLEMENTAL DECLARATION OF
MARK D. NORTHRUP IN SUPPORT OF FINAL
APPLICATION FOR PAYMENT OF FEES AND
REIMBURSEMENT OF EXPENSES OF COUNSEL
FOR THE OFFICIAL UNSECURED CREDITORS'
COMMITTEE (MILLER NASH GRAHAM & DUNN
LLP) -- 1

MILLER NASH GRAHAM & DUNN LLP
Pier 70, 2801 Alaskan Way ~ Suite 300
Seattle, Washington 98121-1128
(206) 624-8300/Fax: (206) 340-9599

Case No. 16-11767-CMA4829-8651-2521.1

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1 Application I also filed my Declaration in Support of Final Application for Payment of Fees and
2 Reimbursement of Expenses of Counsel for the Official Unsecured Creditors Committee (Dkt.
3 #1895). At the Court's request, I subsequently filed a Supplemental Declaration of Mark D.
4 Northrup in Support of Final Application for Payment of Fees and Reimbursement of Expenses
5 of Counsel for the Official Unsecured Creditors' Committee (Dkt. #1979).

6 At the February 1, 2019 hearing on the Miller Nash Fee Application, the Court instructed
7 Committee counsel to submit this Second Supplemental Declaration in order to address additional
8 document requests identified by the Court.

9 3.) In response to the Court's February 1 request, attached hereto as Exhibit A is a copy
10 of the By-Laws of the Committee.

11 4.) In response to the Court's February 1 request, attached hereto as Exhibit B (Group)
12 are minutes of Committee meetings.

13 5.) In response to the Court's February 1 request, attached hereto as Exhibit C is an
14 email (with attachments) that I transmitted to Mr. Michael Gearin on March 29, 2017.

15 6.) In response to the Court's February 1 request, attached hereto as Exhibit D (Group)
16 are emails that I transmitted to K & L Gates (and any and all attorneys of that firm) during the period
17 from February 1, 2017 to the present that mention Richard Pehl, Paula Pehl, and/or William Hanson.

18 Given at Seattle, Washington, under penalty of perjury under the laws of the State of
19 Washington this 4th day of March, 2019.

20 /s/ Mark D. Northrup

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26 SECOND SUPPLEMENTAL DECLARATION OF
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EXHIBIT A

BYLAWS OF THE
OFFICIAL UNSECURED CREDITORS' COMMITTEE
IN THE CHAPTER 11 CASE OF
NORTHWEST TERRITORIAL MINT, LLC

Dated May 13, 2016

Case No. 16-11767-CMA

Pending in the UNITED STATES BANKRUPTCY COURT
for the WESTERN DISTRICT OF WASHINGTON
(the "Court")

ARTICLE I

Name

1.1 This committee shall be known as the Official Unsecured Creditors' Committee of Northwest Territorial Mint, LLC, and is referred to in these bylaws as the "Committee."

ARTICLE II

Purpose

2.1 The purpose of the Committee is to represent the interests of creditors holding unsecured claims in the chapter 11 case of Northwest Territorial Mint, LLC.

ARTICLE III

Committee Membership

3.1 Appointment. The members of the Committee shall be those persons appointed by the United States trustee or ordered to be appointed by the Court.

3.2 Representatives. Each member shall designate a primary representative and may designate an alternative representative and an attorney to attend and participate in Committee and subcommittee meetings and to exercise all the member's powers. A member may change its designated representative at will by giving written notice of any such change to the co-chairs of the Committee, with copies to the Committee secretary and the Committee lawyer. Richard H. Pehl and Paula Pehl are together a member of the Committee.

3.3 Proxies. A member of the Committee may, by written proxy, authorize any other member of the Committee to vote on its behalf and in its absence with respect to any specific issue or with respect to all matters that may arise at a Committee or subcommittee meeting.

3.4 Vacancy. If a member resigns or is removed, and the Committee desires to nominate a replacement member, it shall, as soon as practicable, notify the United States trustee of

its recommendation. When appointed, any replacement member shall have all the rights and duties of an original member, but shall not act on any subcommittee until appointed by the chair. An original member, or other resigning or removed member, shall not retain any rights as a Committee member, and shall specifically not have the right to participate in and vote on matters before the Committee.

ARTICLE IV

Officers

4.1 The officers of the Committee shall be a chair and a secretary, each to be elected by a majority vote of the Committee and each to serve until replaced by a majority vote of the Committee. The chair shall be the primary representative of members of the Committee. The co-chairs shall be William L. Hanson and David L. James. If there is more than one chair, any co-chair may fulfill the duties designated to the "chair" below. The secretary shall be Mark Northrup, Geoffrey Groshong, and John Knapp, the lawyers for the Committee.

ARTICLE V

Duties of Officers

5.1 Chair. The chair shall:

- (a) Notify members of meetings of the Committee and subcommittee;
- (b) Preside at the meetings of the Committee;
- (c) Cause agendas to be prepared for the meetings of the Committee;
- (d) Appoint appropriate subcommittees;
- (e) Serve as ex officio members of all subcommittees to which the chair is not appointed as a member; and
- (f) Perform such other duties as may be delegated to the chair by the Committee that are not inconsistent with these bylaws.

5.2 Secretary. The secretary shall:

- (a) Prepare and distribute in advance of each meeting an agenda for each meeting of the Committee and subcommittees;
- (b) Notify members of meetings of the Committee and subcommittees if so directed by the chair;
- (c) If requested by the chair, make the physical arrangements appropriate for meetings of the Committee and subcommittees, including telephonic meetings;

(d) Cause attendance rosters for meetings of the Committee and subcommittees to be completed, and retain all attendance rosters;

(e) Take, transcribe, and distribute the minutes of each meeting of the Committee and subcommittees to the members of the Committee, to the professionals employed generally by the Committee, and to such other persons as the Committee may direct; and

(f) Perform such other duties as may be directed by the Committee and that are not inconsistent with these bylaws.

ARTICLE VI

Subcommittees

6.1 Generally. If the Committee determines that its work would be facilitated thereby, the Committee may, by majority vote, from time to time, establish one or more subcommittees.

6.2 Appointment. Each subcommittee shall consist of two or more members appointed by the chair and shall be presided over by a subcommittee chair selected by the Committee chair.

6.3 Powers and Duties. Subject only to the basic responsibilities of members of the Committee, which may not be abdicated, each subcommittee so established shall have those duties and may exercise those powers delegated by the Committee to such subcommittee.

6.4 Meetings. Notices of and procedures for meetings, and requirements for quorums, shall be as provided by these bylaws or, in the absence of provision herein, as prescribed by the chair of each subcommittee. Meetings of any subcommittee may be called by the chair or any two members of the subcommittee.

ARTICLE VII

Meetings

7.1 Place of Meeting. Regular or special meetings of the Committee shall be held at any place that has been designated from time to time by the Committee. In the absence of such designation, meetings shall be held at the offices of Miller Nash Graham & Dunn LLP, Seattle, Washington.

7.2 Regular Meeting. Regular meetings of the Committee may be held without call or notice, at such dates, times and places as may be fixed by the Committee. Regular meetings shall initially be scheduled for telephonic participation every Friday at 2:00 p.m., Pacific Standard Time.

7.3 Special Meetings. Special meetings of the Committee for any purpose or purposes may be called at any time by the chair or any two members of the Committee.

7.4 Notice. Special meetings of the Committee shall be held upon at least 24 hours' notice, given by e-mail. Any such notice shall be addressed or delivered to the primary representative (or in such representative's absence, to the alternate representative) of each member at the address shown on the Committee roster. Any other written notice shall be deemed to have been given at the time it is personally delivered to the recipient or actually transmitted by the person giving the notice by e-mail, or other electronic means, to the recipient. Oral notice shall be deemed to be given at the time it is communicated in person or by telephone to the recipient.

7.5 Waiver of Notice. Notice of a meeting need not be given to any member whose representative signs a waiver of notice or a written consent to the holding of a special meeting, whether before or after the meeting, or whose representative signs an approval of the minutes thereof, or attends the meeting without protesting prior thereto or at its commencement the lack of notice to such member. A consent sent by e-mail and identifying the name of the sender shall be deemed by these bylaws to be a signed, written consent by the sender. All such waivers, consents and approvals shall be made a part of the minutes of the special meeting.

7.6 Participation in Meetings by Conference Telephone. Representatives of members of the Committee may participate in a meeting of the Committee, or any subcommittee thereof, through the use of a conference telephone, so long as all participants in such meeting can hear and communicate with one another.

7.7 Quorum. A majority in number of the members of the Committee, or of any subcommittee, as the case may be, present by a duly authorized representative constitutes a quorum of the Committee or of a subcommittee for the transaction of business at a meeting, except to adjourn as provided in Section 7.9 below. Except as otherwise required by these bylaws, every act or decision done or made by a majority of the members at a meeting duly held at which a quorum is present shall constitute the act of the Committee or subcommittee. A meeting at which a quorum was initially present may continue to transact business notwithstanding the withdrawal of members, if any action taken is approved by at least a majority of the required quorum for such meeting.

7.8 Attendance at Meetings. Meetings of the Committee or of any subcommittee may be attended by the duly authorized representatives and attorneys of members, the secretary (if not a member), and professionals employed by the Committee, provided that, by majority vote of the Committee or subcommittee, any person may be invited to attend any meeting or portion thereof as the guest of the Committee or subcommittee.

7.9 Adjournment. A majority of the members present by a duly authorized representative, whether or not a quorum is present, may adjourn any meeting of the Committee or a subcommittee to another time and place. If a meeting is adjourned for less than 24 hours, notice of the time and place of holding the adjourned meeting need not be given to absent members. If a meeting is adjourned for more than 24 hours, reasonable notice of the time and place of holding the adjourned meeting shall be given to the members who were not present at the time of the adjournment.

7.10 Unanimous Action Without a Meeting. Any action required or permitted to be taken by the Committee or any subcommittee may be taken without a meeting if all the members thereof shall consent to such action. Such consent shall have the same effect as a unanimous vote of the Committee or subcommittee and a record thereof shall be kept by the secretary in the same

manner as minutes of the meetings of the Committee or any subcommittee. Such consent may be provided by email or facsimile communication.

7.11 Emergency Action Without a Meeting. Any action required or permitted to be taken by the Committee or any subcommittee may be taken without a meeting if the chair and the Committee lawyer determine that an emergency exists justifying such action without a meeting and if a majority of the members consent to such action. The statement of the circumstances constituting the emergency shall be signed by the chair and the Committee lawyer, and a record of the vote of the Committee shall be kept by the secretary in the same manner as minutes of the meeting of the Committee or any subcommittee.

7.12 Actions by the Chair without a meeting. The chair, with the agreement of the Committee lawyer, may take action on behalf of the Committee without the necessity for specific approval by the Committee when the amount at issue is less than \$25,000.

7.13 Conflicts of Interest. Any Committee member whose interests conflict with those of general unsecured creditors with regard to an issue on which the Committee considers taking action shall disclose the conflict to the Committee and abstain from deliberating or voting on the issue.

ARTICLE VIII

Confidentiality

8.1 Committee members shall keep all communications obtained in the course of their service on the Committee confidential to themselves and to the lawyers for the Committee.

ARTICLE IX

Amendments of Bylaws

9.1 These bylaws may be amended only by the vote of a majority of the members of the Committee.

[Certification and signature pages follow.]

CERTIFICATION

The undersigned certify that they are the duly elected and acting chair, secretary and members of the Committee, and that the foregoing is a true and correct copy of the bylaws duly adopted by the Committee at a meeting of the Committee held on May ___, 2016.

Dated: _____

William L. Hanson
Co-Chair of the Committee

Dated: _____

David L. James
Co-Chair of the Committee

Dated: _____

Larry Chiappellone
Member of the Committee

Dated: _____

Thomas Seip
Member of the Committee

Dated: _____

Donald M. Wright, DDS
Member of the Committee

Young deNormandie PC
Member of the Committee

Dated: _____

By: _____
John G. Young

Dated: _____

Richard H. Pehl
Member of the Committee

Dated: _____

Paula Pehl
Member of the Committee

Dated: _____

Mark D. Northrup
Secretary and Lawyer for the Committee
Miller Nash Graham & Dunn LLP

Dated: _____

Geoffrey Groshong
Secretary and Lawyer for the Committee
Miller Nash Graham & Dunn LLP

Dated: _____

John R. Knapp, Jr.
Secretary and Lawyer for the Committee
Miller Nash Graham & Dunn LLP

EXHIBIT B

**MINUTES
NW TERRITORIAL COMMITTEE MEETING**

May 9, 2016, 2:00 p.m.

Committee members attending:

Bill Hanson (co-chair)
David James
Dick Pehl
Paula Pehl
Larry Chiappellone

Committee members absent:

Thomas Seip
Donald Wright
John Young

Committee Counsel attending:

Mark Northrup
Geoff Groshong

1. The Tracy law firm withdrawal motion and the court's approval of the motion were discussed.

2. The proposed form of Bylaws was discussed. Agreed changes to the draft will be made by Mark Northrup and incorporated in Amended Bylaws to be presented to the Committee for approval.

3. The Committee discussed whether regular meetings should be held. The Committee agreed that regular meetings will be held on Fridays at 2:00 p.m., by conference call, with the same call-in numbers. The first regular meeting will be held on Friday, May 13, 2016 at 2:00 p.m.

4. The Committee discussed several motions before the Court for which the response deadline is Friday, May 13, 2016.

4.1 Calvert has filed a motion to set a bar date for September 1, 2016. No response is necessary.

4.2 Calvert has filed a motion to employ his own firm as accountants. Paula and Dick Pehl were opposed, and wanted Calvert to hire an independent accounting firm. After discussion, the other Committee members voted in favor of Calvert's motion and the Committee will not file a response.

4.3 Calvert has filed a motion to allow for the monthly payment of the costs and a portion of the fees of the trustee and the professionals employed in this case. After discussion, the committee unanimously voted not to oppose the motion.

4.4 The Auburn landlord has filed a motion seeking an order granting it adequate protection and other relief. Mark reported that Calvert is dealing with this. The committee unanimously voted not to file a response to this motion. Paula stated that Calvert might be well advised to do an environmental assessment when he vacates the site, as protection against the type of problem NW Territorial had with Cohen (Cohen obtained a \$3,000,000 judgment for environmental contamination).

4.5 Calvert has filed a motion for the sale of the Houston operation, to the landlord for a price of \$600,000 plus assumption of \$150,000 in liabilities. An earlier contingent offer from a competitor in Rhode Island for \$1.5 million was withdrawn. It is possible, but not assured, that competitive bidding could occur based on the noting of the landlord offer, and this could increase the purchase price. Calvert has told Northrup that the Houston operation is eating cash, and must be sold as soon as possible. The Committee voted unanimously not to oppose the motion.

5. The Committee discussed the Remington-copy silver statues, including the problem that they could be readily moved overseas. Calvert should check with the foundry in Sandy, Oregon for sales records and other information.

6. Committee confidentiality was discussed. Mark explained that the written and verbal communications between the Committee and Miller Nash Graham & Dunn (its attorneys and staff) are protected by attorney-client privilege.

7. Paula asked about whether the Committee should have officers. Mark stated that having co-chairs and a secretary to the Committee was sufficient.

The meeting was adjourned at 3:30 p.m.

Mark Northrup, Secretary

MINUTES
NW TERRITORIAL MINT CREDITORS' COMMITTEE MEETING
FRIDAY, MAY 13, 2016 at 2:00 P.M. SEATTLE TIME

Call-in number: (206) 777-7557

Participant Code: 0175360

1. Attendance. Present were: Mark Northrup and Geoffrey Groshong as counsel for the Committee; William Hanson, co-chair of the Committee; Richard Pehl; Paula Pehl; Thomas Seip; and Larry Chiappellone. Absent were: David James, co-chair of the Committee; Donald Wright; and John G. Young for Young DeNormandie, PC.
2. Approval of minutes. The Committee discussed the draft minutes for the meeting of May 9, 2016. Certain corrections were proposed. It was moved by Bill Hanson and seconded by Dick Pehl that the minutes of the May 9, 2016 meeting be approved. After discussion, the motion was unanimously approved.
3. Approval of Bylaws. The proposed bylaws were discussed. Paula had suggested certain amendments, which Mark Northrup discussed. Further corrections were discussed. It was moved by Bill Hanson and seconded by Dick Pehl that the bylaws, as amended and corrected, be approved. After discussion, the motion was unanimously approved.
4. Report on First Meeting of Creditors on May 11, 2016. Mark Northrup, Geoff Groshong and Bill Hanson reported on the first meeting of creditors (the meeting held pursuant to 11 U.S.C. Section 341) on May 11, 2016, which commenced at 2:00 p.m. and concluded at 5:00 p.m. The time was occupied, roughly as follows: for approximately the first two hours, Ross Hansen was questioned by Martin Smith, the staff attorney for the United States Trustee, who presided at the meeting, and Mike Gearin, attorney for the Chapter 11 trustee, Mark Calvert.

Among the highlights:

- (a) Ross Hansen appeared (unexpectedly), and testified without counsel.
- (b) Ross Hansen was combative and without remorse, blaming others (Cohen, Calvert, Gearin) for the failure of the enterprise and for the lack of records. Blaming others for the lack of records was nonsensical, as Ross testified that he had not kept records or filed tax returns since 2011.
- (c) Ross said he would evict NW Territorial Mint from the Dayton facility. Ross testified that various assets, for instance the website, were worth millions of dollars.
- (d) Gearin is ordering a transcript of the hearing and Mark Northrup will make that available to the Committee when available.

The discussion brought up certain Committee concerns:

- (e) Post-petition, the staff of NW Territorial Mint has not been helpful.

(f) The materials included in Mark Calvert's 5/3/16 webcast with the committee included a discussion of the value (of bullion) indicating a 30% sales cost. This high sales cost is a significant concern to the committee. Mark was asked to investigate and report back to the committee.

5. Summary of pending court hearings. Mark discussed the proposed sale of the Tomball, Texas operation. Calvert has noticed the motion for approval of a sale to the landlord for \$600,000 together with assumption of \$150,000 in debt. The substantive pleadings had not been filed by the time of the meeting but will be provided to the Committee when available. The Committee will address this issue more specifically at its next meeting.

Mark discussed the Auburn landlord's emergency motion to require Calvert to perform NW Territorial Mint's obligations under the lease, and the anticipated response of Calvert to the motion. There is no need for the Committee to file a pleading as to the motion.

6. Case information dissemination/potential creditor website issues. The Committee discussed its duties to provide information to unsecured creditors, and how best to fulfill this duty. One possibility is to use the existing website for Northwest Territorial Mint. Calvert has taken control of the website.

The Committee has a number of questions about the website:

(a) who is maintaining the website and at what cost

(b) could the Committee provide information on the website (for example, pleadings, the transcript of the 341 meeting, etc.) in a way that maintains the committee's independence from Calvert and from Northwest Territorial mint.

Mark was asked to look into these issues and report back to the Committee. The issue of providing information to the creditors is a high priority item for Judge Alston.

7. New business. None.

8. Schedule next Committee meeting. The next meeting is scheduled for Friday, May 20, 2016, at 2:00 p.m.

9. Adjourn. The meeting adjourned at 3:30 p.m.

Mark Northrup
Secretary for the Committee

Date: _____

**MINUTES
NW TERRITORIAL COMMITTEE MEETING**

May 20, 2016, 2:00 p.m.

Committee members attending:

Bill Hanson (Co-chair)
David James (Co-chair)
Dick Pehl
Paula Pehl
Larry Chiappellone
Tom Seip

Committee members absent:

Donald Wright
John Young

Committee Counsel attending:

Mark Northrup

1. The Committee approved the Minutes of the May 13, 2016 meeting.
2. Mark Northrup advised the Committee that a full transcript of the May 11 First Meeting of Creditors, including Ross Hansen's testimony, was now available on the existingbullionorders.com web site. Mr. Northrup also addressed the court hearings scheduled on the pending sale of the Debtor's Tomball, Texas operations; the Auburn landlord's motion for various forms of relief; the Trustee's Motions for designation of a deadline for filing Proofs of Claim, the retention of Cascade Capital as accountants for the Trustee, and the court's approval of an order on payment of professional fees.
3. The Committee and counsel then discussed the following matters:
 - 3.1 Retention of, and access to, Minutes of prior Committee meetings.
 - 3.2 The ability of the Committee to examine the invoices submitted by case professionals and to weigh the cost/benefit of such fees against the bankruptcy estate's projected cash flow.
 - 3.3 The global issue of Chapter 7 (liquidation) versus Chapter 11 (continuing operations culminating in a reorganization or sale of estate assets), including a request that the Committee obtain information from Mr. Bressler regarding his role in Medallic Art LLC and his position on administration of the bankruptcy case. Mark advised that he would contact Bressler's attorney on these issues.

3.4 The Committee asserted that it wanted answers to a number of specific case questions: a) an explanation from the Trustee of the Trustee's projected "30%" cost of liquidating estate bullion; b) an explanation of the status of the Debtor's Hawaii and Wisconsin operations; and c) an accounting for all silver that was provided by the Debtor for the casting of ostensibly 30 "Remington-type" statues. Mark agreed to transmit these questions to the Trustee.

3.5 The Committee expressed additional concerns about the following matters: a) the current lack of responsiveness of Mint employees when contacted by creditors; b) the procedures for presenting Committee positions to the court; and c) the inability thus far of the Trustee and creditors to determine what happened to \$30-35 million in missing Mint assets.

4. Mark Northrup discussed the technical bankruptcy issue of creditors asserting rights to priority payment out of the bankruptcy (up to \$2,850 each), based on claims that monies sent to the Mint were "deposits" for the purchase of items intended for "personal, family or household" use. Mark also summarized the potential effect on the bankruptcy estate if the court approved thousands of such priority claims.

5. The meeting was adjourned at approximately 4:50 p.m.

Mark Northrup, Secretary

70098921.1

**MINUTES
NW TERRITORIAL COMMITTEE MEETING**

June 6, 2016, 2:00 p.m.

Committee members attending:

Bill Hanson (Co-chair)
Dick Pehl
Larry Chiappellone
John Young
David Petteys, as attorney/representative of Don Wright

Committee members absent:

David James
Thomas Seip

Committee Counsel attending:

Mark Northrup

1. The Committee approved the Minutes of the May 20, 2016 meeting.
2. The Committee initially addressed an intra-Committee personnel issue. Various Committee members expressed concern that the actions and comments of one Committee member towards other Committee members were inappropriate, non-constructive, and had created an adversarial environment that threatened to chill the willingness and ability of other Committee members to participate in Committee activities. Mark Northrup advised the Committee that he would advise the Committee member in question of these concerns and seek to resolve them.
3. The remainder of the meeting consisted of Mr. Northrup's report and update to Committee members regarding the status of the following case matters:
 - 3.1 The May 23 Objection of Ross Hansen/Medallic Arts LLC to the sale of the Mint's Tomball, Texas assets and operation.
 - 3.2 The May 25 proposal of Ross Hansen that he be permitted to re-take control of the Mint's business operations in order to be able to repay creditors.
 - 3.3 The events occurring in connection with the sale of the Tomball, Texas assets, including: the May 27 bidding and auction process; the ensuing court hearing to address the allegations of Medallic Arts LLC that some of the Tomball assets belonged to Medallic; the May 31 hearing on final court approval of the sale of the Tomball assets to Ira Green, Inc. for \$1 million.

3.4 The events occurring at the June 3 status conference conducted by Judge Alston.

3.5 The status of future case events, including: the scheduled June 11 deposition of Michael Parrish, the individual who provided Medallic Arts with the \$100,000 necessary to enable Medallic to be an authorized bidder for the Tomball assets; the Trustee's promised motion for court authority to return certain specific Mint assets to persons who could be identified as owners; the Trustee's anticipated Motion for sanctions against Ross Hansen for interfering with the Mint's post-bankruptcy employees, assets, and operations.

4. The meeting was adjourned at approximately 3:50 p.m.

Mark Northrup, Secretary

70098921.1

**MINUTES
NW TERRITORIAL COMMITTEE MEETING**

June 30, 2016, 2:00 p.m.

Committee members attending:

Bill Hanson (Co-chair)
Dick Pehl
Paula Pehl
David James
Larry Chiappellone
David Petteys, as attorney/representative of Don Wright

Committee members absent:

Thomas Seip

Committee Counsel attending:

Mark Northrup

Guest Attendees:

Mark Calvert, Chapter 11 Trustee
Mike Gearin, Counsel for Chapter 11 Trustee

1. Mark Calvert and Mike Gearin provided the Committee with an extensive update and written information on multiple pending case issues, events, and potential reorganization strategies. Committee members responded with questions and comments.
2. After delivering their presentation, Mr. Calvert and Mr. Gearin were excused. Mr. James also left the call.
3. The Committee thereafter approved the Minutes of the June 6, 2016 meeting and proceeded to discuss a number of internal matters, including Committee inter-personnel issues, potential Committee membership changes, and the advisability of a meeting with Ross Hansen. The Committee discussed a follow-up meeting, tentatively to be scheduled for July 29, 2016 at 2:30, following a meeting with Mr. Hansen. Mr. Northrup advised that he would notify Committee members of the scheduling of a potential meeting with Mr. Hansen and a coordinated follow-up meeting with the Chapter 11 Trustee.
4. The meeting was adjourned at approximately 4:15 p.m.

Mark Northrup, Secretary

**MINUTES
NW TERRITORIAL COMMITTEE MEETING**

July 29, 2016, 9:00 a.m.

Committee members attending:

Bill Hanson (Co-chair)
Dick Pehl
Paula Pehl
David James
Larry Chiappellone
David Petteys, as attorney/representative of Don Wright
Tom Seip

Committee members absent:

None

Committee Counsel attending:

Mark Northrup

Guest Attendees:

Mark Calvert, Chapter 11 Trustee
Mike Gearin, Counsel for Chapter 11 Trustee

1. Mark Calvert and Mike Gearin provided the Committee with an extensive update and written information on multiple pending case issues, events, and potential reorganization strategies. Committee members responded with questions and comments.
2. After delivering their presentation, Mr. Calvert and Mr. Gearin were excused.
3. The Committee thereafter approved the Minutes of the June 30, 2016 meeting and proceeded to discuss a number of additional case issues, Paula Pehl's scheduled visit to the Dayton, NV, facility, and the potential structure of a Plan of Reorganization.
4. The meeting was adjourned at approximately 10:45 a.m.

Mark Northrup, Secretary
70098921.1

**MINUTES
NW TERRITORIAL COMMITTEE MEETING**

August 30, 2016, 9:00 a.m.

Committee members attending:

Bill Hanson (Co-chair)
Dick Pehl
Paula Pehl
Larry Chiappellone

Committee members absent:

Donald Wright
David James
Thomas Seip

Guest Attendees

Mark Calvert, Trustee
Michael Gearin, Counsel for the Trustee

Committee Counsel attending:

Mark Northrup

1. Mark Calvert and Mike Gearin provided the Committee with an extensive update and written information on multiple pending case issues, events, and potential reorganization strategies. Committee members responded with questions and comments.
2. After delivering their presentation, Mr. Calvert and Mr. Gearin were excused.
3. The Committee thereafter proceeded to discuss a number of pending case issues, including: the Dayton, NV, lease assumption process and the potential consolidation of Washington and Wisconsin operations at Dayton; and the nature of the Committee's response to (a) the Trustee's proposed legal action against Diane Erdmann for recovery of Mint credit card payments made for Erdmann's personal benefit; and the Trustee's potential claims against unsecured creditors who received preferential transfers in the ninety-day period prior to the April 1 bankruptcy filing date.
4. The meeting was adjourned at approximately 11:15 a.m. A quorum of the Committee was not present at the meeting.

Mark Northrup, Secretary

**MINUTES
NW TERRITORIAL COMMITTEE MEETING**

September 21, 2016, 9:30 a.m.

Committee members attending:

Bill Hanson (Co-chair)
Dick Pehl
Paula Pehl
Larry Chiappellone
David Petteys, as attorney/representative of Don Wright

Committee members absent:

Thomas Seip
David James

Committee Counsel attending:

Mark Northrup

1. The Committee discussed multiple pending case issues, including: the status and background of the October 10, 2016 mediation with Medallic Arts; the Dayton, NV, lease assumption; the Trustee's proposed settlement of the EEOC litigation against the Mint; the status of production personnel, management, and workforce issues at the Washington and Dayton facilities; the status of a Plan of Reorganization and the role of the Committee in formulation and support of the Plan; the status and cost of the Trustee's pending litigation matters and the Committee's concern that the Trustee should instead focus primarily on business reorganization issues.

2. The meeting was adjourned at approximately 12:30 p.m.

Mark Northrup, Secretary
70098921.1

**MINUTES
NW TERRITORIAL COMMITTEE MEETING**

October 6, 2016, 10:00 a.m.

Committee members attending:

Bill Hanson (Co-chair)
David James (Co-chair)
Dick Pehl
Paula Pehl
Larry Chiappellone
David Petteys, as attorney/representative of Don Wright

Committee members absent:

Thomas Seip

Committee Counsel attending:

Mark Northrup

Guest Attendees:

Mark Calvert, Chapter 11 Trustee
Mike Gearin, Counsel for Chapter 11 Trustee

1. Mark Calvert and Mike Gearin provided the Committee with an extensive update and written information on multiple pending case issues, events, and potential reorganization strategies. Committee members responded with questions and comments, including questions about the Mint's cash flow performance numbers and the amount of time the Trustee and his financial advisors were spending on work requested or provided to the FBI.
2. After delivering their presentation, Mr. Calvert and Mr. Gearin were excused.
3. The Committee thereafter discussed a number of pending matters, including: issues to be addressed at the October 10, 2016 mediation (to be conducted by the Hon. Frederick Corbit) of the Medallic ownership issues; the Committee's retention of a financial advisor to review materials provided by the Trustee as part of a Plan of Reorganization; the status of a potential interim payment request by the Trustee for partial payment of case professional fees.
4. The meeting was adjourned at approximately 12:15 p.m.

Mark Northrup, Secretary
70098921.1

**MINUTES
NW TERRITORIAL COMMITTEE MEETING**

November 28, 2016, 1:00 p.m.

Committee members attending:

Bill Hanson
Dick Pehl
Paula Pehl
Larry Chiappellone (by telephone)
David Petteys, as attorney/representative of Don Wright
David James (by telephone)

Committee members absent:

Tom Seip

Committee Counsel attending:

Mark Northrup

1.) Committee counsel called the meeting for the specific purpose of enabling the Committee to interview potential candidates for engagement as Committee financial advisor. Prior to the meeting, Committee counsel arranged for the Committee to interview three candidates: a.) Al Davis of Revitalization Partners; b.) Miles Stover of Turnaround, Inc.; and c.) Kern Gillette of Gillette Northwest, LLC. The Committee interviews proceeded in three consecutive hourly intervals, starting at 1:00 p.m.

2.) At the conclusion of the interviews, the Committee members present voted to extend an offer of engagement to Al Davis and Revitalization Partners. The Committee further requested that Mr. Davis attend a follow-up presentation by the Chapter 11 Trustee, scheduled for the next day (November 29, 2016).

3.) The meeting concluded at approximately 4:45 p.m.

Mark Northrup, Secretary
70098921.1

**MINUTES
NW TERRITORIAL COMMITTEE MEETING**

November 29, 2016, 1:00 p.m.

Committee members attending:

Bill Hanson
Dick Pehl
Paula Pehl
Larry Chiappellone (by telephone)
David Petteys, as attorney/representative of Don Wright (by telephone)

Committee members absent:

David James
Tom Seip

Committee Counsel attending:

Mark Northrup

Other Attendees:

Al Davis of Revitalization Partners, as designated Financial Advisor to the Committee
Agent Williamson, FBI

1.) The Committee attended a presentation by Mark Calvert, Chapter 11 Trustee. The meeting took place at the Seattle law offices of K & L Gates, counsel for the Trustee. The primary subject of the presentation was an update on the status of the bankruptcy case and the Trustee's proposed draft Plan of Reorganization. Copies of the draft Plan and the Debtor's October U.S. Trustee operating report were provided to the Committee and to Mr. Davis prior to the meeting. At the outset of the presentation, Trustee's counsel submitted for review, and requested that Committee members and counsel sign, a document denominated Joint Litigation and Confidentiality Agreement, the purpose of which was to ensure that confidential information regarding the case not become available to unauthorized persons. Trustee's counsel and Committee counsel advised that such a document was both typical and necessary to protect Trustee-Committee communications from possible subsequent discovery by third parties. Committee members present (William Hanson, Dick Pehl, Paula Pehl) signed the Agreement at the subsequent December 1 court hearing, having inadvertently left the November 29 meeting without signing the Agreement, as Trustee's counsel had requested.

2.) The Trustee presented the draft Plan of Reorganization and described the projected financial performance of the reorganized Debtor on which the feasibility of the Plan would be

based. Committee members and Mr. Davis questioned the Trustee on multiple aspects of the Plan and its underlying assumptions, provisions, and effect.

3.) During a break in the meeting, Paula Pehl and Committee counsel conversed with Agent Williamson regarding various aspects of the pending FBI investigation into the conduct of Ross Hansen and Diane Erdmann.

4.) Following the Plan presentation, the Trustee discussed his intention to seek a partial interim payment of professional fees in the amount of \$400,000. Recipients of the partial payment would be the Trustee, Trustee's counsel, Trustee's Financial Advisors (Cascade), and Committee counsel. The payment of professional fees was proposed pursuant to the court's previously entered Order Establishing Procedures for Interim Payment of Fees and Costs to Professionals. Committee members expressed substantial concern about the proposed payment and interrogated the Trustee about the potentially adverse effect such a payment would have on the cash position and reserves of the Debtor. The Trustee asserted that the payment would not adversely affect the ongoing conduct of the Debtor's business operations. Based on this representation, the Committee members present withdrew their objection to release of the Trustee's proposed interim payment.

5.) The meeting concluded at approximately 5:15 p.m.

Mark Northrup, Secretary
70098921.1

**MINUTES
NW TERRITORIAL COMMITTEE MEETING**

**January 19, 2017, 10:30 a.m.
January 20, 2017, 8 a.m.**

Committee members attending on January 19, 2017 and January 20, 2017 (all by telephone, except for David Petteys):

Bill Hanson
Dick Pehl
Paula Pehl
Larry Chiappellone
David Petteys, as attorney/representative of Don Wright

Committee members absent:

David James
Tom Seip

Additional Attendee for Committee:

Miles Stover, as potential Financial Advisor to the Committee

Committee Counsel attending:

Mark Northrup

January 19, 2017

1.) On January 19, 2017, Committee members and Mr. Stover met at the offices of K & L Gates in Seattle. At the meeting, the Chapter 11 Trustee (Mark Calvert) and his counsel, Mike Gearin, presented information to the Committee in support of the Trustee's proposed engagement of William Atalla as CEO of the NW Mint.

2.) The Committee and Mr. Stover participated in the presentation and questioned the Trustee regarding the rationale, necessity of, and proposed terms for engaging Mr. Atalla. The meeting concluded at approximately 1 p.m. and was effectively continued to January 20, 2017 at 8:00 a.m., at which time Mr. Atalla was scheduled to appear for an in-person interview with the Committee.

January 20, 2017

1.) On January 20, 2017, Committee members and Mr. Stover met at the offices of Miller Nash Graham & Dunn in Seattle. Present at the meeting in addition to Committee

personnel were William Atalla, Mark Calvert, and Mike Gearin. Mr. Calvert and Mr. Gearin left the meeting after introducing Mr. Atalla. After their departure, Committee members and counsel conducted an interview of Mr. Atalla. Mr. Stover, as potential Committee Financial Advisor, also participated in the interview. The interview concluded at approximately 10:15 a.m.

2.) The Committee re-convened by telephone at 1:00 p.m. following the morning interview. Although Committee members Hanson, Pehl, and Petteys expressed varying degrees (some substantial) of concern about the proposed engagement of Mr. Atalla, the Committee concluded that the engagement was justified as part of the Trustee's strategy to stabilize and grow the Mint operations. The Committee's conclusion was supported by Mr. Stover's opinion, transmitted by email, following the interview:

My opinion is that he [Atalla] is "the needle in the hay stack" and if the Committee continues to focus on the wrong items, they might find out the hard way if his and my opinion is correct. Bill is exactly what is needed at this time in the company's history I believe. If someone were to ask me, as they asked Bill, what would be the effect of waiting three months to hire him, my opinion is the same as his—"death."

3.) Committee counsel advised the Trustee of the Committee's decision regarding the proposed engagement of Mr. Atalla, subject to the Committee's participation in reviewing the final terms of the Atalla engagement, which terms were scheduled for presentation to the court for approval on February 3, 2017.

Mark Northrup, Secretary
70098921.1

**MINUTES
NW TERRITORIAL COMMITTEE MEETING**

February 10, 2017, 1:30 p.m.

Committee members attending:

Bill Hanson (Co-chair)
Dick Pehl
Paula Pehl
Larry Chiappellone
David Petteys, as attorney/representative of Don Wright
Thomas Seip

Committee members absent:

David James

Committee Counsel attending:

Mark Northrup

1. After discussion, the Committee voted unanimously to engage Lorraine Barrick as financial advisor to the Committee. David Petteys will confirm Ms. Barrick's agreement to accept the engagement and, upon her agreement, Committee counsel will prepare the necessary legal appointment documents for court and U.S. Trustee approval.

2. The Committee discussed a letter dated February 1, 2017 transmitted to Committee counsel by Thomas Bucknell, counsel for Medallic Art Company LLC. Attached to the Bucknell letter was a document that ostensibly contained a proposal for a Chapter 11 plan of reorganization, pursuant to which Ross Hansen would retain management authority over Medallic and agree to provide payments to Northwest Territorial Mint creditors over a ten-year period. After discussion of the proposal and related issues, the Committee concluded that Committee counsel should advise Mr. Bucknell that the Committee was unable to evaluate the Hansen proposal because the Committee was completely lacking in knowledge of Mr. Richard Bressler's role in, and expectations under, the proposal. Mr. Bressler, the 50% owner of Medallic, was not copied on the Bucknell letter and the Committee had no evidence or basis to assume that Mr. Bressler had ever seen, much less supported, the Hansen proposal.

3. After additional limited discussion and questions about the status of the Trustee's Disclosure Statement and Plan, the meeting was adjourned at approximately 3:30 p.m.

Mark Northrup, Secretary
70098921.1

**MINUTES
NW TERRITORIAL COMMITTEE MEETING**

February 28, 2017, 2:00 p.m.

Committee members attending (all by telephone):

Bill Hanson
Dick Pehl
Paula Pehl
Larry Chiappellone
David Petteys, as attorney/representative of Don Wright
Thomas Seip

Committee members absent:

David James

Committee Counsel attending:

Mark Northrup

1.) Committee counsel called the meeting in order to address a number of case issues and rumors that had arisen among, and were ostensibly being circulated or promoted by, Ross Hansen and other elements of the creditor body, apparently including at least one Committee member with whom Ross Hansen was in regular contact. These issues/rumors included the following: a.) What happened to \$1 million in gold that came to the Mint from Switzerland shortly before or after Mark Calvert was appointed Trustee? Ross Hansen claims to have pictures and serial numbers. Did Calvert sell or dispose of it? b.) After he was appointed, Calvert allegedly "fire sold" coins and other items at Auburn at substantially discounted prices to coin dealers and others. Did this happen? c.) What happened to a Mint spectrometer that was apparently sold and that may have been sold for substantially less than its value? d.) Apparently according to Ross, the FBI told Medallic's lawyers that the FBI was not indicting Ross or Diane but that it was investigating Calvert's conduct as Trustee. Is this true? e.) According to Ross, the bankruptcy estate was completely insolvent and at the March 1, 2017 status conference with Judge Alston to discuss dates for the Medallic trial, the court was going to convert (or consider converting) the case to a Chapter 7.

2.) Prior to the Committee meeting, Committee counsel requested that the Trustee and his counsel respond to the rumors. Committee counsel reported these responses to the Committee as follows: a.) According to shipping records, gold from Switzerland came to the Mint in October 2015. The gold was under Ross Hansen's control from October 2015 through April 11, 2016 when the Trustee was appointed. Based on the Trustee's analysis, there should have been around \$800,000 of gold in the vault when the Trustee took over; however, there was no gold present when the Trustee conducted a detailed physical inventory following his April 11 appointment.

On March 28, 2016 (Easter Sunday), the Mint's security tapes confirm that Ross and Diane removed items from the Mint. The Trustee believes that the remaining gold was removed by Ross and Diane at that time. b.) There was no "fire sale" of coins or other inventory after the Trustee was appointed. The Mint sold coins and metal inventory to coin dealers in the ordinary course of the Mint's business. The Trustee did sell some inventory in May, 2016, but those sales were based on the Trustee's research into the value of the coins and inventory, based on the industry standard "gray sheet" valuations. c.) The Trustee did discover that the spectrometer and other items were sold for \$4,900 without the Trustee's knowledge during the cleanup of the Federal Way office in August 2016. Based on the Trustee's investigation, the Trustee did not believe that the spectrometer (given its prior use and age) was worth more than what was received for it. The Trustee also made it clear that if anyone could identify a buyer that would pay materially more for it, the spectrometer could be recovered and brought back into the bankruptcy estate. Pointing out that the Trustee had stated that the spectrometer was still in use by the Mint in November 2016, Committee member Dick Pehl reiterated his previously expressed view that the Trustee was/is simply untrustworthy. d.) Allegations that the FBI was no longer investigating Ross and Diane but that it was investigating the Trustee are absurd. At the meeting, Committee counsel advised the Committee that on the previous day (February 27, 2017), Committee counsel had received an unsolicited telephone call from FBI agent Williamson, who confirmed that there were only two individuals under pending FBI investigation: Ross Hansen and Diane Erdmann. e.) According to the Trustee, it was/is untrue that the bankruptcy estate was/is administratively insolvent. According to the Trustee, the Mint's balance sheet assets exceeded administrative claims and the Trustee placed the current sales value of the Mint operations at \$5 to \$7 million. Committee counsel further explained that at the March 1, 2017 status conference the court would address only one issue: the scheduling of the Medallion trial. Committee counsel emphasized that it was procedurally impossible for the judge to consider dismissal or conversion of the bankruptcy case to a Chapter 7 at the status conference; and that any such effort would require the preparation and scheduling of a significant, formal motion weeks in advance.

3.) Committee counsel concluded the foregoing discussion by commenting that Ross Hansen's spreading of such false statements was apparently part of a strategy to persuade creditors to turn against the Trustee's efforts to reorganize the company and instead to support Ross in his effort to return to control of the Mint operations.

4.) Following discussion of the foregoing case rumors/issues, Committee counsel advised the Committee that the court had officially appointed Lorraine Barrick as Committee Financial Advisor. There followed a discussion about Ms. Barrick's authority and ability to review estate financial records and reports.

5.) The meeting concluded at approximately 4:00 p.m.

Mark Northrup, Secretary
70098921.1

**MINUTES
NW TERRITORIAL COMMITTEE MEETING**

April 6, 2017, 2:00 p.m.

Committee members attending:

Dick Pehl
Paula Pehl
Larry Chiappellone
David Petteys, as attorney/representative of Don Wright
David James
Thomas Seip

Others Attending:

Mark Calvert, Trustee
Mike Gearin
Paul Wagner
Bill Atalla

Committee Counsel attending:

Mark Northrup

During the call, the Trustee, Mr. Wagner, Mr. Atalla, and Mr. Gearin presented an update on all pending case issues, operations, and strategies and responded to questions and comments by Committee members. A copy of the topics discussed is attached hereto. Mr. Atalla reported on a number of personnel issues and on efforts to expand company sales and marketing efforts. The tone of the reports was generally positive. The Committee took no formal action or position on any issue discussed.

Paula and Dick Pehl left the call shortly after it began, at the request of the Trustee. The Trustee requested this action based on his position that the Pehls had not yet submitted to Trustee's counsel disclosures of their contacts with Ross Hansen, in the wake of the events that had occurred in March and that had concluded with the resignation from the Committee of Bill Hanson.

The meeting was adjourned at approximately 4:00 p.m.

Mark Northrup, Secretary

70098921.1

NWTM
Agenda for Committee Meeting
As of April 6, 2016

Outline of topics to be discussed:

1 Results of the hearing on discovery, continuance of the Medallic trial and exclusion of Medallic expert witness

- a Discovery Provided
- b Review of discovery by Medallic
- c Bifurcation, insolvency and reasonable equivalent value
- d Expert report not adequate but will be included limited to report
- e Cost of deposition of expert will be covered by Medallic
- f Trial is scheduled for May 2 to 4 and continued to June 3 to 5th

2 Settlement discussion with Ross / Medallic

- a Strong desire to settle due to admin costs of trial
- b Proposed settlement terms are too expensive currently
- c Deal breaking terms, taxes and Medallic name

3 Ross Deposition

- a Number of issue with the start of deposition
- b Completed two days total of 8 hours
- c Will be completed deposition on April 14th
- d Interesting comments made by Ross

4 Medallic Expert deposition shooting for April 14th

- a Will determine amount of work actual completed
- b Lack sufficient time to do any significant procedures

5 Mark Calvert, Trustee deposition is scheduled for April 19th

- a Major findings:
 - Insolvent prior to 2007,
 - Reasonable equivalent value shortfall over \$10 million
- b Use of float to fund operations has been confirmed
- c Realized and unrealized losses were as high as \$40 million in 2007
- d Delays in delivers to make money in a decreasing market
- e Significant work completed on timing of insolvency
- f Only open item is inventory unable to tie down on year by year basis

6 Status of Bressler and potential other case settlement issues;

- a Settlement gives him a claim in the estate of \$3 million
- b His decision was partially tax based, ordinary loss vs capital

7 Operating Report from Bill

- a Status of sales growth and change in sales approach
- b Status of major contract discussions
- c Nevada TV Station

8 Staffing changes past three months

- a VP of Marketing Terminated / New VP Marketing Retained
- b VP of Sales Terminated
- c Tool Room Manager Terminated
- d CFO / Controller in process of retaining

9 Operating Results for March

- a March Sale of \$1.2 million, profitable
- b April sales projected at \$1.3 million and profitable
- c May sales, still filling up... but believe \$1.3 million and profitable
- d June expecting sales of over \$1.0 million
- e July, first month where I have a concern about profitability

10 Plan status

- a Just need Medallion Litigation Resolved
- b Ready to move forward with Plan, could file by June
- c Will depend on sales growth
- d Will sell company if sales growth does not materialize

11 Possible buyer of the company

- a Not interested if sales continue to improve
- b Will have discussions and be prepared to sale do not grow as needed
- c Purchase price of say \$8 million

12 FBI update

- a Pulled to another case for over a month
- b Next meeting next week to share insolvency analysis
- c Do not expect anything until the June time frame

13 Question and Answers

MINUTES
NW TERRITORIAL COMMITTEE MEETING
May 10, 2017, 2:00 p.m.

Committee members attending:

Dick Pehl
Paula Pehl
Larry Chiappellone
David Petteys, as attorney/representative of Don Wright
David James
Thomas Seip

Others Attending:

Mark Calvert, Trustee
Mike Gearin
Paul Wagner
Bill Atalla
Jessica Gilmore

Committee Counsel attending:

Mark Northrup

The call was initiated, then re-initiated after a delay to accommodate additional participants. The Pehls and Thomas Seip did not participate on the re-initiated call. During the call, the Trustee, Mr. Wagner, Mr. Atalla, and Mr. Gearin presented an update on all pending case issues, operations, and strategies and responded to questions and comments by Committee members. A copy of the topics discussed is attached hereto.

Significant topics addressed by the Trustee were the potential sale of the business (in the absence of increased sales revenues) and the potential need to obtain debtor in possession financing. To that end the Trustee provided a proposed factoring arrangement with Prestige Capital Corporation under which Prestige would advance loan money to the Medallic/Mint based on a percentage of the amount of the Mint's outstanding customer sales (accounts receivable). This would provide immediate cash to the bankruptcy estate, without the need for the bankruptcy estate to await collection of its accounts receivable from its customers. As a requirement of this proposed loan transaction, Prestige would obtain the right to be repaid its loan advances ahead of everyone else (including the Trustee) in the bankruptcy.

The Committee took no formal action or position on any issue discussed.

The meeting was adjourned at approximately 4:00 p.m.

Mark Northrup, Secretary

NWTM / Medallic

Creditor Committee Meeting

May 10, 2017 at 2:00 PM

Present for the meeting from the company

Paul Wagner	COO
Bill Atalla	CEO
Mike Gearin	Trustee Attorney
Jessica Gilmore	CCG Financial Advisor
Mark Calvert	Trustee

Items to be discussed

	<u>Who</u>	<u>Attachment</u>
April Operating Results	Paul	
May projected Results	Paul	
Operational Status Report	Bill	April May Snap Shot Attached
Marketing / Sales Effort	Bill	Current Sales Organization
Production Issues	Bill	
Cash Flow	Mark	Spread Sheet Attached
Status of the Business		
DIP	Mark	Agreement and cost calculation
Sale Option	Mark	Marketing Information
Liquidation of Excess Graco inventory	Mike	
Bressler claim status	Mike	
Lease Issues	Mike	
Security / Friday	Mike	
Demand for Roof Repairs	Mark	
Medallic Status		
Medallic merged in effective April 1, 2016	Mike	
Medallic Bar Date	Mike	
Vexacious Litigation	Mike	
Source of Funds / Liquidation of metals	Mike	Documents Received
Possible recovery of Professional Fees	Mike	
Ross Status		
FBI / Additional Subpeonas	Mark	
FBI / Follow up on Medallic source of professional fees	Mark	



SENT VIA EMAIL

February 26, 2019

Mark Calvert, Trustee
Northwest Territorial Mint, LLC
841 Central Ave North
Kent, WA 98032

Dear Mr. Calvert:

Pursuant to our conversations with you, Prestige Capital Corporation ("Prestige") hereby proposes to enter into an agreement to purchase certain accounts receivable of Northwest Territorial Mint, LLC ("Client"). This letter is not meant to be, nor shall it be construed as, an attempt to define all the terms and conditions pertaining to the proposed accounts receivable purchase line, which terms and conditions would be contained in a Purchase and Sale Agreement ("Agreement") which would be executed by the parties hereto.

The following is a summary of the basic business points proposed for the accounts receivable purchase line:

Advance Rate: 80% of the eligible accounts receivable up to 120 days from invoice date.

Maximum Advance: \$1,000,000

Rates: Our charges for factoring are calculated by discounting the face amount of the invoice. These charges are calculated from the date Prestige advances funds on an invoice to the date Prestige receives payment on the invoice. The fees would be as follows:

1.8% for the first 30 days plus an additional .65% for each 10 day period thereafter up to a maximum of 120 days. If not repaid within 120 days then fee increases by 1.5% for each additional 10 day period thereafter, until the advance and accrued fee is paid in full. This fee applies to factored accounts only. No administration fees are charged.

Notwithstanding the foregoing, at any time the Client reserves the right to repurchase any unpaid accounts receivable.

Financial Statements None

Required:

Minimum Fees: Client shall factor a minimum of \$1,800,000 of invoices during the initial Term. Should client factor less than \$1,800,000, then they shall pay a fee of 3% on any shortfall.

Financial Covenants: None.

Financing Order: Client must obtain a financing order under section 364(c) of the Bankruptcy Code, (in form and substance satisfactory to Prestige), authorizing the sale of its post-petition accounts receivable and granting Prestige a first security interest in all of Client's post-petition accounts receivable as well as all of Client's machinery and equipment. The financing order shall also provide Prestige a super priority administrative claim in connection with its factoring of Client's post-petition accounts receivable.

Collateral: As set forth above, Prestige shall be afforded a first security interest in Client's post-petition accounts receivable and machinery and equipment of Client.

Guarantors: Personal representations and warranties from Officers of Client.

Due Diligence Fee: A \$5,000 one-time, non-refundable, due diligence fee which covers the cost of our credit investigations, legal documentation and all other expenses will be charged and shall be due and payable upon execution of this letter.

Credit Protection: No recourse to your company should account debtor become insolvent within 120 days from invoice date.

Audits: Initial Filed exam (no more than 2 days) will be required.

Term: 6 months.

Early Termination Fee: In addition to any shortfall fees referenced above, Client shall pay \$2,000 per month remaining in Term. This only applies if terminated by Client prior to end of the initial Term only.

Remittance: Client to direct all of its customers to send payment directly to Client's bank account which will be swept to Prestige regularly and Client shall have no control of such funds without written consent of Prestige.

Reserve: Reserves are sent to the client 4 business days after the accounts receivable have been collected.

Verification: Standard Prestige verification of invoices.

Notification: N/A

Online Access: Client will be provided online access to all pertinent accounts receivable data including A/R agings and collection reports.

This letter is for discussion purposes only and does not represent a commitment of any nature by Prestige to provide financing. It is provided to you solely for the purpose described herein, and may not be disclosed to or relied upon by any other party without Prestige's prior written consent. **This proposal shall expire one week from the date of issuance.**

If the basic terms and conditions described above are acceptable, please so indicate by signing below and returning the Due Diligence Fee of \$5,000 to the attention of the undersigned. Client authorizes Prestige to file UCC financing statements, upon receipt of the executed proposal and Due Diligence Fee.

Sincerely,

Stuart J. Rosenthal

Stuart J. Rosenthal
EVP

Acceptance:

By: _____

Print Name: _____

Title: _____

Date: _____

Prestige Capital Corporation
NWTM / Medallic
AR Factoring
Initial Proposal

Major Assumptions		Cumulative Allocation	1	2	3	4	5	6	Total
			June	July	August	September	October	November	
Allowed Amount	\$1,000,000		\$100,000	\$200,000	\$300,000	\$400,000	\$400,000	\$400,000	\$1,800,000
Advance Rate	80%								
0 to 30	1.800%	1.800%	60%	\$58,920	\$117,840	\$176,760	\$235,680	\$235,680	\$1,060,560
31 to 40	0.650%	2.450%	10%	\$9,755	\$19,510	\$29,265	\$39,020	\$39,020	\$175,590
41 to 50	0.650%	3.100%	10%	\$9,690	\$19,380	\$29,070	\$38,760	\$38,760	\$174,420
51 to 60	0.650%	3.750%	10%	\$9,625	\$19,250	\$28,875	\$38,500	\$38,500	\$173,250
61 to 70	0.650%	4.400%	10%	\$9,560	\$19,120	\$28,680	\$38,240	\$38,240	\$172,080
Total Collections		100%							

Total Cost of Borrowing

0 to 30	\$1,080	\$2,160	\$3,240	\$4,320	\$4,320	\$4,320	\$19,440
31 to 40	\$245	\$490	\$735	\$980	\$980	\$980	\$4,410
41 to 50	\$310	\$620	\$930	\$1,240	\$1,240	\$1,240	\$5,580
51 to 60	\$375	\$750	\$1,125	\$1,500	\$1,500	\$1,500	\$6,750
61 to 70	\$440	\$880	\$1,320	\$1,760	\$1,760	\$1,760	\$7,920
Total Cost of Factoring	\$2,450	\$4,900	\$7,350	\$9,800	\$9,800	\$9,800	\$44,100
Initial Fee							\$5,000
Unused Line							\$25,000
Estimated Total Cost							\$74,100

Calculation of Annual Cost of Borrowing

Total Borrowed	\$100,000	\$200,000	\$300,000	\$400,000	\$400,000	\$400,000	\$1,800,000
Cost Of Borrowing	\$2,450	\$4,900	\$7,350	\$9,800	\$9,800	\$9,800	\$44,100
Rate	2.45%	2.45%	2.45%	2.45%	2.45%	2.45%	
Months	12	12	12	12	12	12	
Annualized	29.4%	29.4%	29.4%	29.4%	29.4%	29.4%	29.4%
Up Front Fee							0.3%
Estimated Unused borrowing amount fee							1.4%
Total all in cost of borrowing							31.1%

MINUTES
NW TERRITORIAL COMMITTEE MEETING
June 15, 2017, 2:00 p.m.

Committee members attending:

Dick Pehl
Paula Pehl
David Petteys, as attorney/representative of Don Wright
Thomas Seip

Others Attending:

Mark Calvert, Trustee
Mike Gearin
Paul Wagner
Bill Atalla

Committee Counsel attending:

Mark Northrup

During the call, the Trustee, Mr. Wagner, Mr. Atalla, and Mr. Gearin presented an update on all pending case issues, operations, and strategies and responded to questions and comments by Committee members. Mr. Gearin discussed the status of pending litigation matters, including the Dayton lease issues. Mr. Atalla discussed the status of Mint sales and marketing efforts. Mr. Wagner discussed inventory and operational performance issues. Mr. Calvert provided a year-over-year analysis of sales (copy attached) and discussed the long-term potential of the business and a possible sale of the company.

The Committee took no formal action or position on any issue discussed.

The meeting was adjourned at approximately 3:40 p.m.

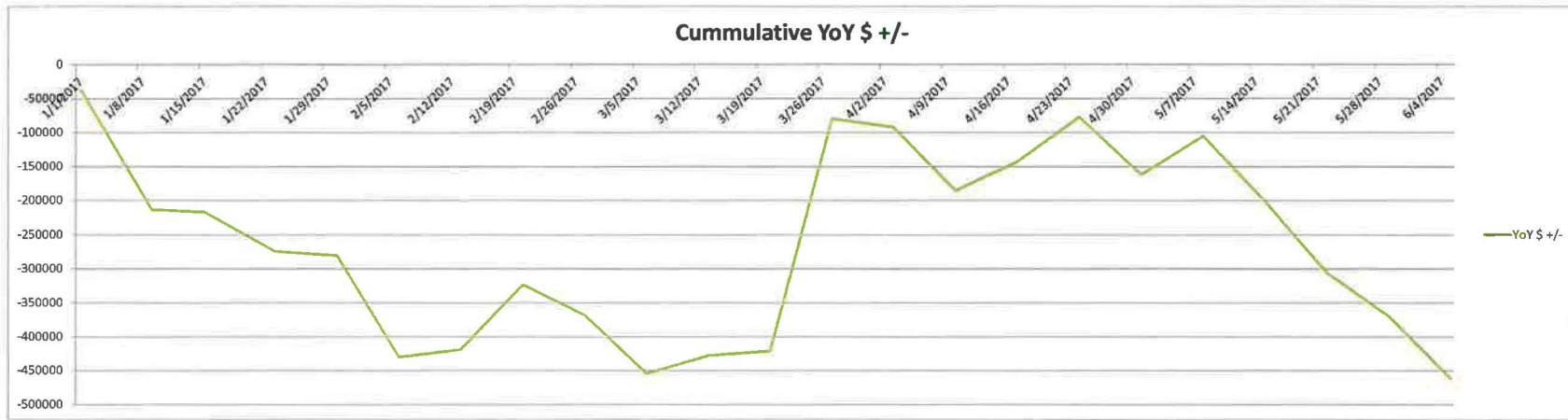
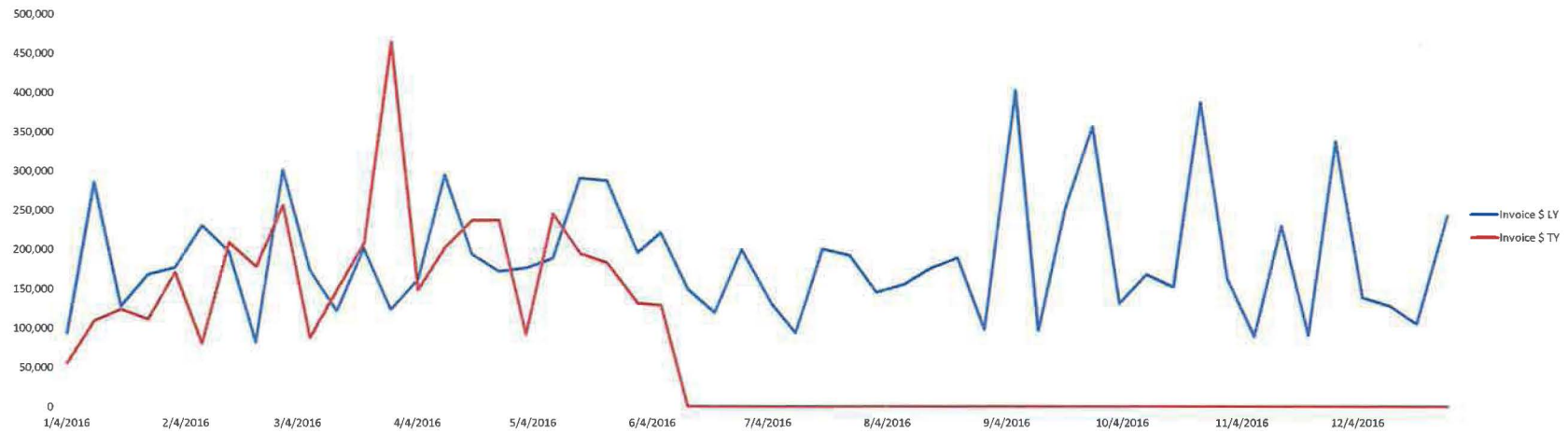
Mark Northrup, Secretary

Custom Sales Year Over Year - 2016 vs 2017

(Invoiced \$)

Rolling 12 Month Sales \$

\$9,338,668



Month LY	Wk Of Year LY	Wk Of LY	Invoice \$ LY	Cumm \$ LY	Wk Of Year TY	Week Of TY	Invoice \$ TY	Cumm \$ TY	YoY \$ +/-	YoY % +/-
December	52	12/27/2016	244,229	9,800,729			0			
December	51	12/19/2016	105,623	9,556,500			0			
December	50	12/12/2016	129,000	9,450,878			0			

December	49	12/5/2016	139,335	9,321,877				0
December	48	11/28/2016	337,943	9,182,542				0
November	47	11/21/2016	91,068	8,844,599				0
November	46	11/14/2016	230,789	8,753,531				0
November	45	11/7/2016	89,793	8,522,742				0
November	44	10/31/2016	163,263	8,432,949				0
October	43	10/24/2016	388,206	8,269,686				0
October	42	10/17/2016	152,888	7,881,481				0
October	41	10/10/2016	168,975	7,728,592				0
October	40	10/3/2016	131,784	7,559,617				0
September	39	9/26/2016	357,244	7,427,833				0
September	38	9/19/2016	254,065	7,070,590				0
September	37	9/12/2016	97,699	6,816,524				0
September	36	9/6/2016	403,422	6,718,825				0
September	35	8/29/2016	98,849	6,315,403				0
August	34	8/22/2016	189,857	6,216,554				0
August	33	8/15/2016	176,464	6,026,697				0
August	32	8/8/2016	155,883	5,850,233				0
August	31	8/1/2016	145,996	5,694,351				0
July	30	7/25/2016	192,844	5,548,355				0
July	29	7/18/2016	200,855	5,355,511				0
July	28	7/11/2016	93,814	5,154,657				0
July	27	7/5/2016	129,197	5,060,843				0
June	26	6/27/2016	199,846	4,931,646				0
June	25	6/20/2016	119,936	4,731,800				0
June	24	6/13/2016	149,809	4,611,864				0
June	23	6/6/2016	221,220	4,462,055	23	6/5/2017	129,174	3,999,994 -462,061 -10.36
June	22	5/31/2016	195,710	4,240,835	22	5/29/2017	131,631	3,870,820 -370,015 -8.73
May	21	5/23/2016	287,675	4,045,125	21	5/22/2017	182,995	3,739,189 -305,936 -7.56
May	20	5/16/2016	290,810	3,757,451	20	5/15/2017	194,935	3,556,194 -201,256 -5.36
May	19	5/9/2016	188,610	3,466,640	19	5/8/2017	245,246	3,361,260 -105,381 -3.04
May	18	5/2/2016	176,380	3,278,031	18	5/1/2017	92,028	3,116,014 -162,017 -4.94
April	17	4/25/2016	172,205	3,101,651	17	4/24/2017	237,086	3,023,986 -77,665 -2.50
April	16	4/18/2016	193,972	2,929,446	16	4/17/2017	236,947	2,786,900 -142,546 -4.87
April	15	4/11/2016	294,801	2,735,474	15	4/10/2017	202,254	2,549,953 -185,521 -6.78
April	14	4/4/2016	161,301	2,440,673	14	4/3/2017	148,402	2,347,699 -92,974 -3.81
March	13	3/28/2016	122,876	2,279,372	13	3/27/2017	464,211	2,199,297 -80,075 -3.51
March	12	3/21/2016	200,951	2,156,497	12	3/20/2017	207,686	1,735,086 -421,410 -19.54
March	11	3/14/2016	121,447	1,955,546	11	3/13/2017	148,037	1,527,400 -428,146 -21.89
March	10	3/7/2016	173,409	1,834,099	10	3/6/2017	87,285	1,379,363 -454,736 -24.79
March	9	2/29/2016	300,807	1,660,689	9	2/27/2017	255,729	1,292,078 -368,611 -22.20
February	8	2/22/2016	82,179	1,359,882	8	2/20/2017	177,914	1,036,349 -323,533 -23.79
February	7	2/15/2016	197,187	1,277,704	7	2/13/2017	208,501	858,435 -419,268 -32.81
February	6	2/8/2016	230,045	1,080,517	6	2/6/2017	80,322	649,935 -430,582 -39.85
February	5	2/1/2016	176,688	850,472	5	1/30/2017	170,558	569,613 -280,859 -33.02
January	4	1/25/2016	167,980	673,785	4	1/23/2017	110,865	399,055 -274,730 -40.77
January	3	1/18/2016	127,416	505,805	3	1/15/2017	123,556	288,189 -217,615 -43.02
January	2	1/11/2016	284,825	378,389	2	1/9/2017	109,020	164,633 -213,756 -56.49
January	1	1/4/2016	93,564	93,564	1	1/1/2017	55,613	55,613 -37,950 -40.56

MINUTES
NW TERRITORIAL COMMITTEE MEETING
August 1, 2017, 9:00 a.m.

Committee members attending:

David Petteys, as attorney/representative of Don Wright
Larry Ciappellone
David James (initially confirmed attendance but missed the call)

Others Attending:

Mark Calvert, Trustee
Mike Gearin
Paul Wagner
Bill Atalla

Committee Counsel attending:

Mark Northrup

During the call, the Trustee, Mr. Wagner, Mr. Atalla, and Mr. Gearin presented an update on all pending case issues, operations, and strategies and responded to questions and comments by Committee members. Agenda attached. Mr. Gearin discussed the status of pending litigation matters, including the Dayton lease issues. Mr. Atalla discussed the status of Mint sales and marketing efforts. Mr. Wagner discussed inventory and operational performance issues. Mr. Calvert discussed current cash flow and reported that he had received a purchase offer from Medalcraft (copy attached). He reported that he is also pursuing a potential sale of the business to the Dillon Gage company.

The Committee took no formal action or position on any issue discussed.

The meeting was adjourned at approximately 10:30 a.m.

Mark Northrup, Secretary

NWTM / Medallic

Creditor Committee Meeting

August 1, 2017 at 9:00 AM

Present for the meeting from the company

Paul Wagner	COO
Bill Atalla	CEO
Mike Gearin	Trustee Attorney
Jessica Gilmore	CCG Financial Advisor
Mark Calvert	Trustee

Items to be discussed

<u>Who</u>	<u>Attachment</u>
1 June operating results	Paul Summary
2 July projected operating results	Paul None
3 Operational Status Report	
Staffing changes in sales	Bill None
Additional RIF in June / July	
Recent inspections by NDEP and OSHA and Food	
4 Status of Sales and Marketing	
New relationship with Johnston group	
Status of possible relationship with	
5 Cash Flow	Mark Cash Flow
Very, very very tight cash flow, looking at options	
DIP funding / working well	
Major Sources / ARM Collections / Sale of equipment	
Bill and Mark decisions	
6 Status of the Business	
Sale Option / status of marketing company	Mark
One offer from Metal Craft	Mark Offer
Possible offer from Dillon Gage / Metals Division	Bill
7 Status of Hoff / Dayton Lease Litigation	Mike None
Trial is over	
Took a long time to complete / starts and stops	
Major issue for repairs was "structural" Roof and parking lots	

Major issue was lien position in the equipment
Ruling expected in next 30 days
Exploring a Fraudulent Transfer Claim / Litigation of \$2 million

8 Dian / Ross	Mike	None
Have liquidated over \$770k of gold and silver		
Have requested and court has approved additional 2004 examinations		
Not sure how testimony in trial and depositions can match up with \$770k of sales		
Deposition was scheduled and has slid due to Diane's need for criminal attorney		
9 Medallic Status	Mike	None
Has gone quite		
Just need to prove some gold or silver was from NWTM inventory		
Possible recovery of some portion of Professional Fees		
10 Ross and Diane from a criminal prospective	Mark	None
FBI / Additional Subpoenas		
FBI / Follow up on Medallic source of professional fees		
FBI / adding to indictment		
11 Question and Answer	All	None

The Medalcraft Mint, Inc.
2660 W. Mason Street
Green Bay, WI 54303

July 26, 2017

Mr. Mark Calvert
Cascade Capital Group, LLC
1501 4th Ave. #2840
Seattle, WA 98101

Dear Mark:

This letter sets forth a proposal for the purchase of substantially all of the assets and assumption of certain liabilities of Northwest Territorial Mint, LLC (the "Seller"). The purchase will be made by The Medalcraft Mint, Inc., or an entity formed by me for this acquisition (the "Buyer"). While I understand that this proposal does not reflect all of the terms of a definitive purchase agreement, I believe it sets forth all information necessary to permit us to proceed to a final agreement and closing.

1. Purchase of the Assets of the Seller. Buyer will purchase from the Seller at the closing of the purchase and sale contemplated herein (the "Closing"), substantially all of the assets owned or employed by Seller in connection with the operation of its Northwest Territorial Mint and Medallic Arts businesses, including, without limitation:

(i) all good and salable inventory on hand as of the Closing, wherever located; (ii) all accounts receivable of the Seller as the same shall exist on the date of Closing; (iii) all prepaid expenses of the Seller as the same shall exist on the date of Closing; (iv) all the fixed assets, machinery, vehicles, equipment, furniture, fixtures and leasehold improvements of the Seller; (v) all customer lists, trademarks, trade names, and other intangible assets and the goodwill of Seller relating to its business, including all of Seller's right, title and interest in and to the names "Northwest Territorial Mint," "Medallic Art" and their derivations; and (vi) all supplies, trim tools, dies, patterns and miscellaneous assets owned or employed by Seller in the conduct of its business. All of the assets to be purchased by Buyer as described in this paragraph shall hereinafter be referred to as the "Subject Assets". The Subject Assets shall be transferred to Buyer free and clear of all liens, claims and encumbrances. In addition to the foregoing assets, subject to Buyer's right to review and approve such agreements, Buyer shall assume all of Seller's right, title and interest in, to and under those beneficial contracts, licenses, equipment leases, customer contracts and other agreements of Seller which have been entered into in the ordinary course of business, which exist as of the Closing and which Buyer expressly elects to assume (the "Assumed Contracts").

2. Except for the liabilities and obligations which accrue after the Closing under the Assumed Contracts, the Buyer shall assume no other liabilities of the Seller and the Seller shall be responsible for the full discharge of all of its other liabilities. The Seller shall also be responsible for the payment of any sales and transfer taxes incurred in connection with the sale of the Subject Assets.

3. Purchase Price. Assuming inventory levels at Closing of not less than \$500,000 and accounts receivable levels at Closing of not less than \$800,000, the aggregate purchase price for the Subject Assets shall be \$2,000,000. The purchase price will be subject to normal closing adjustments and prorations, including, without limitation, vacation pay, rent and personal property taxes. The purchase price shall be allocated in a manner determined by the parties in accordance with applicable Internal Revenue Service regulations.

4. Payment of the Purchase Price. The purchase price for the Subject Assets described in Section 3, above, shall be payable in cash at Closing.

5. Conditions. The offer described herein is contingent upon the occurrence of each of the following events:

a. Buyer and its accountants, attorneys and other representatives shall have completed appropriate and satisfactory due diligence review of the books, records, assets and liabilities of Seller.

b. Seller shall have operated its business in the ordinary course and there shall not have occurred between the date hereof and the date of Closing any material adverse change in the assets, liabilities, conditions, results of operations or prospects of the Seller's business.

c. The Buyer shall have obtained reports satisfactory to the Buyer and its advisors and lenders from an environmental engineer indicating that there are no material adverse environmental conditions affecting any assets owned or leased by the Seller and that the Seller has no material liabilities for environmental matters.

d. The Buyer shall have entered into an acceptable lease arrangement with Seller's landlord to operate the business out of its current facility for the 120-day period after Closing while Buyer relocates the business to its Wisconsin facility.

e. Seller shall not have sold, transferred, leased to others or otherwise disposed of or agreed to sell, transfer or lease any of the Subject Assets (other than sales of inventory in the ordinary course of business).

f. The Seller shall have obtained those consents necessary to assign to Buyer the Assumed Contracts.

g. The Seller shall have complied with all applicable plant-closing law requirements triggered by this transaction.

6. Inspection of the Seller's Assets. Subsequent to the execution of this letter and prior to the Closing, Buyer and its accountants, attorneys, appraisers and auditors will have complete access to Seller's officers, employees, agents and representatives, and to all of the books, records, financial statements and other documents and materials relating to the business of Seller.

7. Definitive Agreements. The proposal made herein will, upon acceptance, be incorporated into a definitive purchase agreement and related agreements in a form satisfactory to all parties. There shall be set forth in such definitive agreements undertakings, representations, warranties, covenants and conditions of the type normally associated with the purchase and sale of the assets of a business corporation. I propose that definitive documents be prepared by Buyer's counsel for submission and subsequent approval by Seller's counsel.

8. Schedule. The foregoing is not intended to be exhaustive, but merely an outline of the basic terms of my proposal. This letter is not intended to create a binding obligation on the part of any party to consummate the transactions contemplated hereby, but is merely for purposes of setting forth our mutual intentions and providing a basis for the preparation of definitive agreements. Your execution of this letter will, however, constitute Seller's binding agreement that it will, subsequent to the date hereof (i) cease all present negotiations with other parties with respect to the sale of the Seller (whether by asset sale, stock sale, merger or otherwise); (ii) not solicit or initiate any proposal with, negotiate, discuss or otherwise communicate with or furnish or cause to be furnished any information to, or otherwise cooperate with or enter into any agreement or contract with, any person, corporation, firm or entity other than Buyer with respect to any proposal for the disposition of all or a substantial portion of the assets, stock or interest of the Seller, and (iii) proceed to negotiate in good faith toward the end of executing a mutually acceptable asset purchase agreement and related documentation. The foregoing commitment shall expire upon the earlier to occur of (i) ninety (90) days subsequent to your execution of this letter, or (ii) receipt of a written notice from Buyer stating its intention to terminate negotiations with respect to the transactions contemplated herein. We anticipate that a definitive asset purchase agreement could be executed within thirty (30) days after acceptance of this proposal and that a closing would occur shortly thereafter.

9. Expenses. The Buyer and Seller shall pay their own expenses and professional fees incurred in connection with the negotiation and consummation of the transaction contemplated herein.


Mr. Mark Calvert
July 26, 2017
Page 4

The foregoing is not intended to be exhaustive, but merely an outline of the basic terms of my proposal. With the exception of Seller's commitments in Section 8, above, this letter is not intended to create a binding obligation on the part of any party, but is only for the purpose of setting forth my intentions and providing the basis for the preparation and execution of definitive documents. Until the execution and delivery of definitive documents, either party may abandon negotiations by written notice to the other party without liability in any respect whatsoever.

If this proposal meets with your approval, please indicate your acceptance by executing this letter where indicated below and returning one fully executed copy to me via email at: jmoran@medalcraft.com. The offer contained in this letter, unless extended, shall expire on August 18, 2017, at 5:00 p.m. unless an executed copy hereof has been returned to my attention prior to such date and time. Upon your return of an executed copy of this letter, I will instruct my attorneys to proceed with the drafting of the definitive agreements.

Very truly yours,

THE MEDALCRAFT MINT, INC.

By: 
Gerald Moran, President

AGREED TO AND ACCEPTED THIS ____ DAY OF _____, 2017.

NORTHWEST TERRITORIAL MINT, LLC

By: _____
Mark Calvert, Trustee

MINUTES
NW TERRITORIAL COMMITTEE MEETING
November 16, 2017, 2:30 p.m.

Committee members attending:

David Petteys, as attorney/representative of Don Wright
Larry Ciappellone
Paula Pehl
Dick Pehl

Others Attending:

Mark Calvert, Trustee
Mike Gearin

Committee Counsel attending:

Mark Northrup

During the call, the Trustee and Mr. Gearin presented an update on all pending case issues, operations, and strategies and responded to questions and comments by Committee members. Mr. Calvert reported that the company experienced a \$24,000 operating profit for October and anticipated a break-even performance for November. Mr. Calvert also reported that he had received a \$10 million purchase offer for the business from Gary Anderson/Eureka House of Metals (copy attached). Mr. Calvert further confirmed that current cash flow was not sufficient to sustain Mint operations and that he anticipated the necessity of reducing staff and terminating operations by year end, absent sooner receipt of a purchase deposit that would provide additional bridge operating capital pending the closing of a sale of the business. In this context, the Trustee presented a list of "Close Down Action Items" (copy attached). There followed a discussion, by Committee members, of the Trustee's presentation.

The Committee took no formal action or position on any issue discussed.

The meeting was adjourned at approximately 3:45 p.m.

Mark Northrup, Secretary

In the matter before the court

Honorable Christopher M. Alston - Chapter 11

**UNITED STATES BANKRUPTCY COURT WESTERN DISTRICT OF
WASHINGTON AT SEATTLE**

In re:

NORTHWEST TERRITORIAL MINT, LLC Case No. 16-11767-CMA

The following Stalking-Horse Bid is hereby submitted in Pro Per by:

Buyer

Gary Anderson, Investment Trustee for
RNO Financial/Eureka House of Metals (Trust)
At Alliance Trust Co., 100 West Liberty Ste. 100 Reno, NV 89501
Denis Damiens, Administrative Trustee
Bank Account @: Fidelity Investments

Gary Anderson Mailing Address & Contact Information

P.O. Box 5156

Incline Village, NV 89450

503.901.5566

888.503.8063 fax

This cash offer is to include the Northwest Territorial Mint name and Hallmarks, Logo's and the on going business known as Medallic Art Company aka Medallic Art & Mint located at 80 E. Airpark Vista Blvd., Dayton, NV 89403 with all assets of both companies.

It is the intention of the buyer, to keep the whole operation at its current location in Dayton, NV and the employees to carry on the business as a mint for custom medallions and custom minting. It is also the intent of the buyer to purchase the real estate in Dayton, NV outside of this bid, which will further the profitability of the operation. It is also the intention of the buyer RNO Financial/Eureka House of Metals Trust to have a headquarters facility in northern Nevada consisting of some retail space for a bullion & coin gift gallery, executive offices, museum area and industrial warehouse space within the Foreign Trade Zone for four different types of vault storage.

The buyer makes this bid with the understanding that the entities and all the equipment and assets are free and clear of all judgements, liens, and lawsuits, including multiple regulatory agencies, the Equal Opportunity Commission (employee discrimination and harassment) and state regulatory agencies (environmental contamination), as well as any issues from former owner in the landlord case of maliciously defamed judgement, and to be free and clear of the more than three thousand creditors claims of over \$83 Million. It is further understood that the company will not be open on weekends. Work week will be Monday through Friday, and will be closed starting two hours before sundown on Friday's.

The buyer with the above understanding hereby offers to purchase the above business out of Chapter 11 on or before Jan. 2, 2018 for the cash sum of \$10MM.

With the courts agreement to this bid being the awarded bid, RNO Financial/Eureka House of Metals Trust will provide proof of funds on or before Nov. 29, 2017.

DATED this 27th day of October, 2017.

/s/

Gary Anderson, Investment Trustee
RNO Financial/Eureka House of Metals Trust

/////////
/////////

Close Down Action Items As of November 14, 2017

[illegible]

[illegible]

Northwest Territorial Mint LLC
Retained Employee's Upon Liquidation

#	Employee	Department	Week 1-2	Week 3-4	Week 5-6	Week 7-8	Week 9-10	Total
1	Paul Wagner	Manager	\$6,538	\$6,538	\$6,538	\$6,538	\$6,538	\$32,690
2	Annette Trunkett	Accounting	\$1,600	\$1,600	\$1,600	\$1,600	\$1,600	\$8,000
3	Ali Webb	Shipping	\$1,560	\$1,560	\$1,560	\$1,560		\$6,240
4	Jeff Goodfellow	Maint / Equipment	\$4,692	\$4,692	\$4,692	\$4,692	\$4,692	\$23,460
5	Mitch Semler	Inventory	\$1,095	\$1,095	\$1,095	\$1,095		\$4,380
6	Dennis Timm	Die Shop	\$2,865	\$2,865				\$5,730
7	Reed Thayer	Web	\$2,019	\$2,019				\$4,038
8	Edgar Chacon	IT	\$3,231	\$3,231	\$3,231			\$9,693
9	Jesse Baldassare	Woodshop	\$1,712					\$1,712
10	Randy Jones	Toolroom	\$2,258	\$2,258	\$2,258	\$2,258	\$2,258	\$11,290
11	Jeremy Sharp	Finishing	\$1,094					\$1,094
12	KJ Fleet	Customer Service	\$1,200	\$1,200				\$2,400
13	Debbie Davis	Customer Service	\$1,400	\$1,400				\$2,800
14	Donna Robinson	Enameling	\$1,391					\$1,391
15	Gary Bennett	Knife	\$1,080					\$1,080
16	Matt Lee	Human Resources	\$1,560					\$1,560
	Reserve for Unknown	All	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$50,000
	Retention Bonus	All	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$50,000
Total Payroll			\$55,295	\$48,458	\$40,974	\$37,743	\$35,088	\$217,558

EXHIBIT C

From: Northrup, Mark D. [mailto:Mark.Northrup@millernash.com]
Sent: Wednesday, March 29, 2017 1:31 PM
To: Gearin, Mike
Subject: Committee Document Production Request

Paula has apparently intended for me to pass this on to you.

Mark D. Northrup

Partner

Miller Nash Graham & Dunn LLP

Pier 70 | 2801 Alaskan Way - Suite 300 | Seattle, Washington 98121

Direct: 206.777.7536 | Office: 206.624.8300 | Fax: 206.340.9599

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Subject: phone call
From: Ross Hansen (rosshansen1984@outlook.com)
To: paulapehl@yahoo.com;
Date: Wednesday, February 22, 2017 9:14 PM

Dear Dick and Paula,

Bill Hanson has told me on numerous occasions that one or both of you would be calling me. Yesterday, he told me that you'd be calling after 4:00, and he sounded surprised when he found out that you hadn't. I was then told that I could expect that call this evening, but it's now 9 p.m. and I haven't received one. I do stay up late, and you can call me up until midnight if you would like to.

I think it's important that we speak so that we can start to move forward with a positive plan to get the company back to profitability and shake off the huge and unsustainable administrative debt that the company is incurring. I very much want to put together a plan that would be good for the creditors first, and also help Diane and me. Currently, the trajectory of the company is one where everyone loses.

Let us set aside our negative emotions and treat this as the business deal that it is. I understand that you are upset with me for involving you in this mess, and believe me when I say that it has been no fun for Diane and me either. I still consider both of you friends and hope that we can repair our relationship.

Please give me a call.

Sincerely, Ross
253-261-6393

1 UNITED STATES BANKRUPTCY COURT
2 WESTERN DISTRICT OF WASHINGTON AT SEATTLE
3
4

5
6 IN RE:)
7 NORTHWEST TERRITORIAL MINT, LLC,)
8 Debtor.) 16-11767-CMA
9

10 TRANSCRIPT OF THE DIGITALLY RECORDED PROCEEDINGS
11 BEFORE THE HONORABLE CHRISTOPHER M. ALSTON
12 FEBRUARY 3, 2017
13 (RULING ONLY)
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24

25 PREPARED BY: SHARI L. WHEELER, CCR NO. 2396

APPEARANCES

FOR THE CHAPTER 11 TRUSTEE:

MICHAEL J. GEARIN
K&L Gates, LLP
925 Fourth Avenue, Suite 2900
Seattle, Washington 98104
206.623.7580

FOR THE OFFICIAL UNSECURED CREDITORS COMMITTEE:

MARK D. NORTHRUP
Miller Nash Graham & Dunn, LLP
2801 Alaskan Way, Suite 300
Seattle, Washington 98121
206.777.7536

ALSO PRESENT:

MARK CALVERT

1 SEATTLE, WASHINGTON; FEBRUARY 3, 2017

2 --oOo--

3 (Other proceedings took place.)

4 * * * * *

5 THE COURT: All right. Let's see. Thank you
6 both.

7 Mr. Gearin -- either one of you can answer. I
8 understand the committee's position. Here are just a couple
9 of reactions that I have. And you may not be surprised at
10 this reaction, which is, Mr. Calvert is the trustee and is
11 effectively the CEO. And at \$30,000 a month, that's about
12 360,000 a year. And this is a request to hire someone else,
13 who is going to be effectively the CEO, at \$300,000 a year.

14 Notwithstanding that, economically, it may seem
15 to work out, just as a visceral reaction, this is unusual, I
16 think, given that there's no plan in sight. If the plan was
17 before me and it was clear that there was about to be an
18 emergence from Chapter 11, when Mr. Calvert isn't going to run
19 the company thereafter, it might make some sense. And don't
20 get me wrong. I'm not saying that this doesn't make any
21 sense. But help me address that concern. I'm sure you
22 probably anticipated I might have it.

23 MR. GEARIN: We did, Your Honor, so I
24 understand. Well, I think that -- I don't think it is
25 unusual, honestly, when you have a company of the size of this

1 company -- a 150-employee company with a manufacturing
2 facility. I don't think it's unusual to have the executive
3 staff of the company stay on board, even when a trustee gets
4 appointed.

5 I think that the trustee comes in and steps in
6 and takes over a management role, a supervisory role, which he
7 will still continue to have. But what Mr. Atalla will do is
8 the sort of day-to-day business operations. He'll try to
9 drive the company through to profitability. So I think that
10 it's not unusual.

11 I think it's also -- the issue about, do we do
12 it before the plan or after the plan, we absolutely talked
13 about that; and we discussed it with the committee as well.
14 And what we think is we can't wait. We think we have a sales
15 growth trajectory that needs to be achieved. And if we don't
16 start to patch that up and start to move that trajectory in
17 the right direction, we'll have a difficult time with the
18 plan. But if we can move things in the right direction, we
19 could have a very successful plan.

20 THE COURT: And he will be in Nevada, which
21 helps, because that's where the primary operations are and
22 will be for the foreseeable future.

23 MR. GEARIN: Right. Which has been an issue,
24 with Mr. Calvert having to go down frequently -- you know, go
25 down and visit Nevada all the time. So he will be full-time

1 in Nevada on-site. He's actually going to buy a house very
2 close to the facility, which is going to give him access.

3 THE COURT: Okay. Normally, when the committee
4 comes in, I would just say, Well, it's the unsecured's money;
5 and if the committee is supporting it, who am I to say no?

6 The only concern I have is, as I see the
7 administrative expenses in this case -- and I did see the
8 monthly report -- I do have some concerns that if the
9 litigation with Medallion doesn't go the way the parties
10 hope -- or the way the parties in this room hope, might this
11 case be administratively insolvent?

12 MR. GEARIN: Well, I don't think so even yet,
13 Your Honor. I think we still have an operating business that
14 can be sold through a 363 sale if things fall apart. So I
15 think that would be the direction that we would choose to
16 take. And there are also other hard assets still there.

17 THE COURT: All right.

18 MR. GEARIN: I acknowledge the growth of the
19 administrative expenses. We're concerned about that, too.

20 THE COURT: I'm not being critical. It is what
21 it is.

22 MR. GEARIN: I'm telling you, we understand it,
23 and we know that it's an issue that has to be dealt with in
24 the plan. You know, it has been a heavily litigated case with
25 a lot of issues that have cropped up. That's why things have

1 grown to the level they have. We are appreciative of that.

2 But I will tell you, I don't think it's
3 administratively insolvent. And I don't think Mr. Atalla's
4 engagement -- he's got a compensation -- well, his severance
5 package, as it vests over the course of the year -- you know,
6 we think we should be emerging -- or we hope to emerge from
7 bankruptcy this year. So it would be a relatively low number
8 to grant him a severance if we could not go forward with a --
9 you know, if we were going to sell the company or if some
10 other development occurred.

11 THE COURT: All right. That's the only other
12 issue I had, is that -- I have to be concerned about people
13 that may hold administrative expenses if there's a
14 possibility. I just wanted to hear that that's currently the
15 plan, even if the Medallie litigation does not go well. I
16 mean, the committee said it pretty well. If the Medallie
17 litigation does not go well, there's probably not a
18 reorganization. But even with a liquidation, you believe it's
19 sufficient to pay all administrative expenses, including this
20 additional \$300,000-plus expense.

21 MR. GEARIN: Well, I think we do, Your Honor.
22 But I think the 300,000 -- he's an at-will employee.

23 THE COURT: Right. So if he's terminated, it's
24 the severance that the estate might be --

25 MR. GEARIN: That was vested to that point,

1 correct.

2 THE COURT: And up to -- well, it's up to
3 100,000. I did notice the change. I do think the new
4 agreement is an improvement over the prior version and
5 tightens things up.

6 So given what you've said, and given the
7 committee's support, I will approve it.

8 To the extent the document that Mr. McMeel filed
9 was intended to be an objection, it is overruled as not
10 relevant, not with merit, not with sense. Your order can just
11 say that all objections have been overruled.

12 MR. GEARIN: All right. Thank you, Your Honor.

13 THE COURT: All right. So do you just want to
14 submit a received unsigned order?

15 MR. GEARIN: I think I will do that. And I will
16 attach the additionally revised employment agreement to that.

17 THE COURT: Terrific.

18 MR. CALVERT: To close this out, can I make one
19 comment?

20 THE COURT: Sure.

21 MR. CALVERT: Your Honor, I think the truth of
22 the matter is, I don't have the skill set to grow a sales and
23 marketing team; i.e., I can't hire somebody because I'm not
24 going to be there permanently. He is the one that really
25 needs to do that, and that's where it really needs to go to

1 make this happen.

2 THE COURT: Okay. Yet another reason to employ
3 him, and I will approve that.

4
5 (Ruling concluded.)

6 (Other proceedings took place which are not part
7 of the Court's ruling.

8 * * * * *

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1 CERTIFICATE

2
3 I, Shari L. Wheeler, court reporter and court-approved
4 transcriber, certify that the foregoing is a correct
5 transcript from the official electronic sound recording of the
6 proceedings in the above-entitled matter. Some editing
7 changes may have been made at the request of the Court.
8

9 These pages constitute the original or a copy of the
10 original transcript of the proceedings, to the best of my
11 ability.
12

13 Signed and dated this 23rd day of February, 2017.
14

15
16 by /s/ Shari L. Wheeler

17 SHARI L. WHEELER, CCR NO. 2396
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23
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25

Subject: court transcript
From: Ross Hansen (rosshansen1984@outlook.com)
To: bill.beach101@gmail.com; paulapehl@yahoo.com;
Date: Thursday, February 23, 2017 2:33 PM

This is a copy of the transcript from the hearing for approval to hire a new CEO. As you can see, the Judge brought up the insolvency of NWTM. These comments were made *before* the most recent financial report, which showed another \$500,000 loss.

Ross

Attachments

- Digi NWTM Feb 3 2017 Appt of CEO Ruling Only Final.pdf (24.19KB)

Subject: liquidation of gold and silver
From: Ross Hansen (rosshansen1984@outlook.com)
To: bill.beach101@gmail.com; paulapehl@yahoo.com;
Date: Friday, March 10, 2017 9:11 PM

To All,

It was recently brought to my attention that Mark Calvert liquidated the contents of the Vault Room at the Auburn, WA facility, known as Bldg. B. The Vault Room was the high-security area that contained US mint and proof sets and other high value minted items that NWTM carries in inventory and sells online. There were tens of thousands of proof coins, sets reflecting hundreds of different items from the 1950s to date, mostly made from silver and gold. The estimated value of this inventory was in excess of \$500,000.

The manager of this inventory was an employee named Cathy Kelso, who has been laid off. I personally spoke with her and she confirmed that the liquidation was ordered by Calvert and occurred about two months ago. Most of the product was sold to John Drummy from the Seattle Coins Shop, who I have known for 30 years. I spoke with Mr. Drummy and he confirmed his purchase, but he was reluctant to share details of his purchase absent a subpoena. My attorney Tom Bucknell sent him a subpoena this week.

The sale of these important stock items is very troubling. Not only does it eliminate hundreds of stock items from our website, but the sale was made to a local coin dealer who would have purchased them at below-wholesale prices. A sale of this size and importance is definitely out of the ordinary course of business and in my opinion should have required court approval. To my knowledge, none was asked for or obtained.

Since assuming control of NWTM on April 10, 2016, Mr. Calvert has sold off millions of dollars worth of gold, silver, platinum and palladium. Some of which I believe was being held as customer storage. We have asked Mr. Calvert for an accounting listing the description and value of the items sold, but to date he has refused to provide any details or accounting.

Current employees have been ordered not to discuss any details of the business with anyone, or to have any conversations with me under penalty of being fired.

Ross

Subject: dial in meeting

From: Ross Hansen (rosshansen1984@outlook.com)

To: bill.beach101@gmail.com; paulapehl@yahoo.com;

Date: Saturday, March 11, 2017 10:40 AM

New Meeting

Sat, Mar 11, 2017 10:45 AM - 11:45 AM PST

Please join my meeting from your computer, tablet or smartphone.

<https://global.gotomeeting.com/join/186857653>

You can also dial in using your phone.

United States: +1 (872) 240-3212

Access Code: 186-857-653

First GoToMeeting? Try a test session: <http://help.citrix.com/getready>

Subject: Re: dial in meeting
From: Ross Hansen (rosshansen1984@outlook.com)
To: paulapehl@yahoo.com;
Date: Saturday, March 11, 2017 11:32 AM

We will set up a dial in call for 3pm. Just follow the instructions

From: paulapehl@yahoo.com <paulapehl@yahoo.com>
Sent: Saturday, March 11, 2017 11:26:20 AM
To: Ross Hansen
Cc: Bill Hanson
Subject: Re: dial in meeting

It is impossible for us to have a reasonable stretch of time this AM.
Let's schedule a conference call for 3pm, today.

Last time your "computer, tablet" access did not work.
Please clarify.

Paula

From: Ross Hansen <rosshansen1984@outlook.com>
To: Bill Hanson <bill.beach101@gmail.com>; "paulapehl@yahoo.com" <paulapehl@yahoo.com>
Sent: Saturday, March 11, 2017 10:40 AM
Subject: dial in meeting

New Meeting

Sat, Mar 11, 2017 10:45 AM - 11:45 AM PST

Please join my meeting from your computer, tablet or smartphone.
<https://global.gotomeeting.com/join/186857653>

You can also dial in using your phone.
United States: +1 (872) 240-3212

Access Code: 186-857-653

First GoToMeeting? Try a test session: <http://help.citrix.com/getready>

Subject: 3 pm conference call

From: Ross Hansen (rosshansen1984@outlook.com)

To: bill.beach101@gmail.com; paulapehl@yahoo.com; david@stollpetteys.com;

Date: Saturday, March 11, 2017 2:10 PM

New Meeting

Sat, Mar 11, 2017 3:00 PM - 4:00 PM PST

Please join my meeting from your computer, tablet or smartphone.

<https://global.gotomeeting.com/join/557507701>

You can also dial in using your phone.

United States: +1 (571) 317-3122

Access Code: 557-507-701

First GoToMeeting? Try a test session: <http://help.citrix.com/getready>

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help.citrix.com

GoToMeeting support is here to help. Download, install and test GoToMeting software, read popular topics, user guides, and find resources that will help you host a successful online meeting.