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Honorable Christopher M. Alston
Chapter 11
Hearing Location: Seattle, Rm. 7206
Hearing Date: October 21, 2016
Hearing Time: 9:30 a.m.
Response Date: October 14, 2016

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

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

Case No. 16-11767-CMA

**DECLARATION OF MARK CALVERT IN
SUPPORT OF MOTION TO APPROVE
SETTLEMENT WITH NEVADA
DEPARTMENT OF ENVIRONMENTAL
PROTECTION PURSUANT TO FRBP 9019**

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15 Mark Calvert declares as follows:

- 16 1. I am the Chapter 11 Trustee of Northwest Territorial Mint, LLC (“NWTM” or
17 “Debtor”).
- 18 2. At the time of its bankruptcy filing, NWTM billed itself as the largest private mint in
19 the United States. As of April 1, 2016 it had approximately 240 employees located at facilities in six
20 states. Since 2010, NWTM’s primary production facility has been located in Dayton Nevada (the
21 “Dayton Facility”), where the Debtor’s custom minting operations occur.
- 22 3. On January 29, 2016, NDEP filed a Complaint for Civil Penalties and Other Relief in
23 the Third Judicial District for the State of Nevada in and for the County of Lyon, commencing a civil
24 action pending under case no. 16-CV-00131 (the “NDEP Lawsuit”). NWTM, Medallie Arts
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DECLARATION OF MARK CALVERT IN SUPPORT OF
MOTION TO APPROVE SETTLEMENT - 1

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1 Corporation and Medallic Arts LLC are named defendants in the NDEP Lawsuit. A copy of the
2 Complaint is attached hereto as Exhibit A.

3 4. Although the NEDP filed the NDEP Lawsuit in January, 2016, NWTM never
4 answered the NDEP Complaint or otherwise appeared prior to filing for Chapter 11 relief.

5 5. Since the second week of this proceeding, I have been in negotiations with NDEP in
6 an effort to resolve the NDEP Lawsuit. We have reached the terms of a settlement agreement with
7 NDEP (the "Settlement Agreement" and the settlement detailed therein, the "Settlement") a copy of
8 which is attached as Exhibit B.

9 6. In my business judgment, the Settlement is fair and reasonable. Not only does it
10 eliminate the administrative burden of defending the NDEP Lawsuit or otherwise litigating over the
11 amount of NDEP's claims, but it also resolves a potentially enormous claim. Because NWTM did
12 not appeal NDEP's findings, the only issue in the litigation is the amount of NWTM's liability,
13 which, as asserted in the Complaint, could be as high as \$25,000 for each of the 1,071 days of
14 violation (\$26,775,000). Given the magnitude of the potential claim, the Settlement is extremely
15 favorable to the estate and creditors. In addition, the Settlement provides a release of the claims
16 against all other defendants named in the NDEP Lawsuit, which eliminates any potential
17 indemnification claim which they might assert against NWTM.

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

20 EXECUTED this 21st day of September 2016, at Seattle, Washington.

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22 /s/ Mark Calvert

23 Mark Calvert

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DECLARATION OF MARK CALVERT IN SUPPORT OF
MOTION TO APPROVE SETTLEMENT - 2

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CERTIFICATE OF SERVICE

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The undersigned declares as follows:

That she is a Paralegal in the law firm of K&L Gates LLP, and on September 22, 2016, she caused the foregoing document to be filed electronically through the CM/ECF system which caused Registered Participants to be served by electronic means, as fully reflected on the Notice of Electronic Filing.

Also on September 22, 2016, she caused the foregoing document to be mailed to the Parties at the addresses listed below:

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

State of Nevada
Dept. of Conservation & National Resources
Attn: Micheline N. Fairbank
Senior Deputy Attorney General
100 North Carson Street
Carson City, NV 89701

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

Executed on the 22nd day of September, 2016 at Seattle, Washington.

/s/ Denise A. Evans
Denise A. Evans