

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

Honorable Christopher M. Alston  
Chapter 11  
Hearing Location: Seattle, Rm. 7206  
Hearing Date: Friday, September 30, 2016  
Hearing Time: 9:30 a.m.

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

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

Case No. 16-11767-CMA

**13 TRUSTEE'S REPLY TO RESPONSE TO  
14 TRUSTEE'S MOTION FOR ORDER  
15 HOLDING ROSS HANSEN IN CONTEMPT  
16 AND FOR AWARD OF SANCTIONS**

17 Mark Calvert, as Chapter 11 Trustee (the "Trustee") of Northwest Territorial Mint, LLC  
18 ("NWTM") replies to Response to Trustee's Motion for Contempt (the "Response") (Dkt. 644) as  
19 follows:

**20 I. REPLY**

21 Mr. Hansen has characterized the Trustee's Motion for Order Holding Ross Hansen in  
22 Contempt and for Award of Sanctions (the "Motion") as a "waste of estate resources" and  
23 "unnecessary." In reality, Mr. Hansen's refusal to fulfill obligations under the 2004 Order has made  
24 it necessary for the Trustee to seek relief. The 2004 Order was entered by this Court almost five  
25 months ago to the day. It was not until mid-June, 2016, that Ross Hansen dribbled a few documents  
26 to the Trustee. Significantly, he did not produce his bank statements, tax returns, or investment  
account statements at that time.

Since June, Mr. Hansen has repeatedly ignored his obligations under the 2004 Order,

TRUSTEE'S REPLY TO RESPONSE TO TRUSTEE'S  
MOTION FOR ORDER HOLDING ROSS HANSEN IN  
CONTEMPT AND FOR AWARD OF SANCTIONS - 1

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K&L GATES LLP  
925 FOURTH AVENUE  
SUITE 2900  
SEATTLE, WASHINGTON 98104-1158  
TELEPHONE: (206) 623-7580  
FACSIMILE: (206) 623-7022

1 justifying his non-compliance with the gambit that either: 1) the Trustee is already in possession of  
2 the records; or 2) the Trustee should just subpoena the records. The result of this gambit has been  
3 that the Trustee has had to engage in a tail-chasing exercise of digging through records in an effort to  
4 verify Mr. Hansen's assertions when Mr. Hansen could have easily authorized his accountant, bank,  
5 or investment account custodian to release records to the Trustee.

6 As explained in the Motion, some bank account and incomplete investment account records  
7 were ultimately located in the documents from Ross Hansen's office, however the fact that the  
8 Trustee located these records does not mean Mr. Hansen has fulfilled his obligations. Accordingly,  
9 after a series of back-and-forth emails in which counsel for the Trustee requested that Mr. Hansen  
10 authorize his accountant to release tax returns<sup>1</sup>, and provide the other missing documents, the  
11 Trustee filed the Motion. After the filing of the Motion, the Trustee, out of frustration that Mr.  
12 Hansen would not authorize their release, subpoenaed Mr. Hansen's tax returns and obtained them  
13 directly from the accountant. Also, after the filing of the Motion, Mr. Hansen finally requested  
14 statements for his investment account (the "Investment Account"), which he provided on  
15 September 14, 2016 - almost five months after entry of the 2004 Order. The Investment Account  
16 statements produced were from the period of November, 2011, through 2013. It bears noting that  
17 notwithstanding the fact that the Investment Account is in Ross Hansen's name, it appears to have  
18 been used to make investments for NWTM. Attached to the accompanying Declaration of David C.  
19 Neu as Exhibit C is a page from NWTM's 2009 tax return, in which it declares gains based on trades  
20 in the account.

21 On September 15, 2016, after receiving only two years of Investment Account statements  
22 from Mr. Hansen, counsel for the Trustee contacted MF Global Holdings, LTD<sup>2</sup> which, based on  
23 public records, appears to have possession of the records from the Investment Account prior to

24 <sup>1</sup> The only tax return located in the records held by the Trustee was from 2003.

25 <sup>2</sup> Prior to November, 2011, the custodian of the Investment Account was M.F. Global Inc. d/b/a Lind  
26 Waldock. M.F. Global's parent filed for Chapter 11 relief in October, 2011, and M.F Global Inc.  
was liquidated under the Securities Investor Protection Act. Mr. Hansen's account was transferred  
from M.F. Global, Inc. to a company called R.J. O'Brien.

1 November, 2011. Attached to the accompanying Declaration of David C. Neu is the email pursuant  
2 to which MF Global Holdings, LTD confirms that it has records going back to 2006 and that with  
3 Mr. Hansen's authorization, it will release them. Also attached to the Declaration of David C. Neu  
4 is an email to Mr. Hansen's counsel requesting that Mr. Hansen authorize the release of the  
5 statements, and the expected reply email with the assertion that the Trustee already has the records.<sup>3</sup>

6 In sum, despite being under order to do so, Mr. Hansen has provided almost no records to the  
7 Trustee other than two years of statements related to the Investment Accounts, which he only  
8 provided when faced with the Motion. At any time over the past five months, Mr. Hansen, with no  
9 more effort than a few phone calls or emails, could have provided the records thereby saving the  
10 Trustee the time and effort of sorting through boxes of records and issuing subpoenas. More  
11 importantly, given NWTM's recordkeeping, Mr. Hansen's compliance with the 2004 Order would  
12 give the Trustee assurance that he has the universe of available records. To date, Mr. Hansen has not  
13 provided any verification or assurance that there are not additional records that the Trustee is  
14 unaware of (for example, other accounts). Without Mr. Hansen's compliance, the Trustee's only  
15 recourse has been to guess what accounts exists, and which records he may already have.

## 16 **II. CONCLUSION**

17 Mr. Hansen is under an order of this Court to provide records to the Trustee. Instead of  
18 complying with the Court's order, he has spent the last five months playing games and doing as little  
19 as humanly possible to make records available to the Trustee. The Trustee, largely through his own  
20 efforts, has obtained most of the records that he knows about, with the exception of the remaining  
21 Investment Account statements available from M.F. Global. Mr. Hansen has been under an  
22 obligation to provide the Trustee with these missing Investment Account statements, and the Court  
23 should hold him in contempt for his failure to provide them. Moreover, given that Mr. Hansen has  
24 produced almost nothing voluntarily, the Court should compel Mr. Hansen to provide the Trustee

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26 <sup>3</sup> The Trustee has been able to locate incomplete Investment Account statements, which cover two  
months of 2006, two months of 2007, two months of 2008, and 2009.

1 with a complete list of all investment, bank, and credit card accounts which he currently or formerly  
2 maintained. It is certainly possible, given Mr. Hansen's lack of cooperation, that there are accounts  
3 which the Trustee has not identified.

4 Dated this 27th day of September, 2016.

5 K&L GATES LLP

6  
7 By /s/ David C. Neu

8 Michael J. Gearin, WSBA #20982

9 David C. Neu, WSBA #33143

10 Brian T. Peterson, WSBA #42088

11 Attorneys for Mark Calvert, Chapter 11 Trustee  
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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 27, 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 27, 2016, she caused the foregoing document to be mailed to the Debtor at the address listed below:

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

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

Executed on the 27th day of September, 2016 at Seattle, Washington.

/s/ Denise A. Evans  
Denise A. Evans