

**Fill in this information to identify the case:**

Debtor 1	Northwest Territorial Mint LLC
Debtor 2	(Spouse, if filing)
United States Bankruptcy Court	Western District of Washington
Case number:	16-11767

FILED  
 U.S. Bankruptcy Court  
 Western District of Washington  
 6/26/2017  
 Mark L. Hatcher, Clerk

**Official Form 410  
 Proof of Claim**

04/16

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Do not use this form to make a request for payment of an administrative expense. Make such a request according to 11 U.S.C. § 503.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. Do not send original documents; they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

<b>Part 1: Identify the Claim</b>			
1. Who is the current creditor?	Richard Bressler Name of the current creditor (the person or entity to be paid for this claim) Other names the creditor used with the debtor		
2. Has this claim been acquired from someone else?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom?		
3. Where should notices and payments to the creditor be sent?  Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)	<table border="0" style="width: 100%;"> <tr> <td style="width: 50%; vertical-align: top;"> <b>Where should notices to the creditor be sent?</b>                      Richard Bressler                      Name                      c/o Thomas Lerner                      Stokes Lawrence                      1420 Fifth Avenue, Suite 3000                      Seattle, WA 98101                      Contact phone 206-626-6000                      Contact email tom.lerner@stokeslaw.com                      Uniform claim identifier for electronic payments in chapter 13 (if you use one):                 </td> <td style="width: 50%; vertical-align: top;"> <b>Where should payments to the creditor be sent? (if different)</b>                      Name                      Contact phone                      Contact email                 </td> </tr> </table>	<b>Where should notices to the creditor be sent?</b> Richard Bressler Name c/o Thomas Lerner Stokes Lawrence 1420 Fifth Avenue, Suite 3000 Seattle, WA 98101 Contact phone 206-626-6000 Contact email tom.lerner@stokeslaw.com Uniform claim identifier for electronic payments in chapter 13 (if you use one):	<b>Where should payments to the creditor be sent? (if different)</b> Name Contact phone Contact email
<b>Where should notices to the creditor be sent?</b> Richard Bressler Name c/o Thomas Lerner Stokes Lawrence 1420 Fifth Avenue, Suite 3000 Seattle, WA 98101 Contact phone 206-626-6000 Contact email tom.lerner@stokeslaw.com Uniform claim identifier for electronic payments in chapter 13 (if you use one):	<b>Where should payments to the creditor be sent? (if different)</b> Name Contact phone Contact email		
4. Does this claim amend one already filed?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Claim number on court claims registry (if known) Filed on MM/DD/YYYY		
5. Do you know if anyone else has filed a proof of claim for this claim?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Who made the earlier filing?		

**Part 2: Give Information About the Claim as of the Date the Case Was Filed**

<b>6. Do you have any number you use to identify the debtor?</b>	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: _____
<b>7. How much is the claim?</b>	\$ 9000000.00 <b>Does this amount include interest or other charges?</b> <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).
<b>8. What is the basis of the claim?</b>	Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card. Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c). Limit disclosing information that is entitled to privacy, such as healthcare information.  RICO claim (See attached Claim Statement)
<b>9. Is all or part of the claim secured?</b>	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. The claim is secured by a lien on property. <b>Nature of property:</b> <input type="checkbox"/> Real estate. If the claim is secured by the debtor's principal residence, file a <i>Mortgage Proof of Claim Attachment</i> (Official Form 410-A) with this <i>Proof of Claim</i> . <input type="checkbox"/> Motor vehicle <input type="checkbox"/> Other. Describe: _____  <b>Basis for perfection:</b> _____  Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)  <b>Value of property:</b> \$ _____ <b>Amount of the claim that is secured:</b> \$ _____ <b>Amount of the claim that is unsecured:</b> \$ _____ (The sum of the secured and unsecured amounts should match the amount in line 7.)  <b>Amount necessary to cure any default as of the date of the petition:</b> \$ _____  <b>Annual Interest Rate</b> (when case was filed) _____ % <input type="checkbox"/> Fixed <input type="checkbox"/> Variable
<b>10. Is this claim based on a lease?</b>	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. <b>Amount necessary to cure any default as of the date of the petition.</b> \$ _____
<b>11. Is this claim subject to a right of setoff?</b>	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Identify the property: _____

12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?	<input checked="" type="checkbox"/> No	
	<input type="checkbox"/> Yes. Check all that apply:	<b>Amount entitled to priority</b>
A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.	<input type="checkbox"/> Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).	\$ _____
	<input type="checkbox"/> Up to \$2,850* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7).	\$ _____
	<input type="checkbox"/> Wages, salaries, or commissions (up to \$12,850*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4).	\$ _____
	<input type="checkbox"/> Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8).	\$ _____
	<input type="checkbox"/> Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5).	\$ _____
	<input type="checkbox"/> Other. Specify subsection of 11 U.S.C. § 507(a)(_) that applies	\$ _____
* Amounts are subject to adjustment on 4/1/19 and every 3 years after that for cases begun on or after the date of adjustment.		

**Part 3: Sign Below**

**The person completing this proof of claim must sign and date it. FRBP 9011(b).**

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

**A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157 and 3571.**

Check the appropriate box:

I am the creditor.

I am the creditor's attorney or authorized agent.

I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.

I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this Proof of Claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this Proof of Claim and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 6/26/2017  
MM / DD / YYYY

/s/ Thomas A. Lerner  
Signature

Print the name of the person who is completing and signing this claim:

Name Thomas A. Lerner  
First name Middle name Last name

Title Attorney for Creditor Richard Bressler

Company Stokes Lawrence, P.S.

Address 1420 Fifth Avenue, Suite 3000  
Identify the corporate servicer as the company if the authorized agent is a servicer  
Number Street  
Seattle, WA 98101  
City State ZIP Code

Contact phone 206-626-6000 Email tom.lerner@stokeslaw.com

## STATEMENT OF FACTUAL BASIS FOR CLAIM

1. Mr. Bressler acquired an interest in Medallie Art Corporation, LLC (“Medallie Art”) under the circumstances described in his previously filed Declaration dated November 10, 2016. Mr. Bressler’s interest in Medallie Art principally arose from his view of the historical significance of some of the dies that Medallie Art owned, as some of those dies were derived from work by notable early 20th century sculptors. Mr. Bressler believed that those dies had unique artistic and historical value, and the business relationship proposed between Medallie Art and the Northwest Territorial Mint, LLC (“NWTM” or “the Mint”) provided an opportunity to perpetuate that artwork, while also providing him with a reasonable return on his investment in Medallie Art through a leasing and licensing arrangement with NWTM. Throughout, it was his clear intention to take no role in management of Medallie Art, and to have no liability risk. As with any investment, Mr. Bressler understood that if Medallie Art was unsuccessful as a business, that his investment could be lost.

2. Mr. Bressler has subsequently learned that in the course of managing both Medallie Art and NWTM, Mr. Ross Hansen failed to maintain the clear distinction between the two entities that Mr. Bressler had always intended to be the case. Mr. Bressler’s understanding was that Medallie Art had separate assets and that its business relationship with NWTM was to be one based on leased and licensed assets, with marketing and sales to be conducted by NWTM in order to maximize the profit for both NWTM and Medallie Art based on the use of Medallie Art licensed dies. To his knowledge, any other business that NWTM did, particularly with regard to precious metals, was entirely independent and had nothing to do with Medallie Arts or him.

3. Mr. Bressler has subsequently been informed, through the course of the NWTM bankruptcy, that the Trustee, Mark Calvert, who is a notable professional fraud examiner, has discerned the existence of fraudulent transfers to include the more than \$3.3 million in direct transfers from the Mint to Medallie. Mr. Calvert has also asserted that the Mint and Medallie

were operated by Mr. Hansen prior to the bankruptcy in a manner which exhibited attributes of a Ponzi scheme in that orders of bullion customers of the Mint were fulfilled primarily from later customer deposits while the Mint made false and misleading statements and concealed material facts from bullion customers in order to induce them to extend credit to the Mint. Further, Mr. Calvert has alleged that from the inception of Mr. Bressler's investment in Medallic Art or before, unbeknownst to him, the assets of the Mint were improperly diverted for the purpose of acquiring the assets of Medallic Art through an entity controlled by Mr. Hansen, such that Medallic Art should be treated as a mere component part or alter ego of the Mint. This was never Mr. Bressler's intention nor expectation.

4. The Trustee has further described circumstances that indicate that the Mint was insolvent at the time of Mr. Bressler's investment in Medallic Art. The implication is that Mr. Bressler's investment, and the acquisition of Medallic Art, with its facilities, equipment and assets, became a tool to help prop up the Mint. A more complete expression of the Trustee's investigation can be found in The Trustee's Answer and Counterclaims in *Medallic Art Company, LLC v. Calvert*, Adversary Case No. 16-01196 (In re: Northwest Territorial Mint, LLC Case No. 16-11767-CMA) ("the Adversary Proceeding") filed in the United States Bankruptcy Court for the Western District of Washington. Mr. Bressler has not independently investigated the Trustee's allegations in the Adversary Proceeding, and relies upon the Trustee's statements in the Adversary Proceeding.

5. It has never been Mr. Bressler's intention to become an investor in the Mint, and Mr. Bressler did not purchase an ownership interest in the Mint. While the Trustee has alleged that "Employees, vendors, and creditors of NWTM dealt with Medallic LLC and the Debtor as a single economic unit" the Trustee has quite correctly not included Mr. Bressler among those who treated the two entities as a single economic unit.

6. Mr. Bressler's loss in this bankruptcy proceeding arises because, as the Trustee has described, Mr. Hansen operated the Mint and Medallic in a fashion that caused their separate identities to cease to exist.

7. Except as a long ago customer of the Mint, Mr. Bressler has had no business involvement with the Mint. Mr. Bressler now accepts the Trustee's allegations in the adversary proceeding that the Mint induced customers to order precious metals such as gold and silver bullion from the Mint at a time and under circumstances when the Mint was financially incapable of fulfilling those orders.

8. The Trustee has alleged that the Mint operated with over 240 employees in 8 offices in six states. Upon information and belief, the Mint solicited orders through the internet, mails and telephone, and that these communications occurred across state lines. Given the location of the Mint's manufacturing and storage facilities, it inevitably involved interstate transactions.

9. Further, Mr. Hansen communicated with Mr. Bressler about the business affairs of Medallic Arts by telephone and email, while never disclosing that the operations of the two businesses were being managed in a way that caused their separate identities to cease to exist, or that Medallic Art had been subsumed into the Mint at a time when the Mint was insolvent. Rather, at least to the end of 2013, Mr. Bressler understood that Medallic Art was an independent and financially successful business. After 2013, Mr. Bressler no longer received dividends on his investment. Mr. Hansen provided Mr. Bressler with what sounded to be commercially reasonable explanations for the decline in the financial success of the business.

10. Upon information and belief, in the course of its solicitations and acceptances of the orders for precious metals and bullion, the Mint made misrepresentations to its customers regarding its ability to deliver the goods ordered, the time within which the goods would be delivered, the security of the payment made to the Mint and that precious metals purchased by Mint customers would or could be safely and securely stored for the customer's benefit within

Mint facilities. As the Trustee has stated in the Adversary Proceeding “As early as 2009, the Debtor delayed the delivery date for customer orders, allowing the time for the Debtor to collect more cash from newer orders and to acquire other assets. Cash collected from newer customers was routinely used to pay for purchases of product in fulfillment of outstanding customer orders.”

11. Medallie Art constitutes an enterprise within the meaning of 18 U.S.C. §1962.

12. NWTM, through the commission of two or more acts constituting a pattern of racketeering activity used or invested the proceeds derived from that racketeering activity in Medallie Art, the ultimate result of which was to render Medallie Art insolvent and subsumed within NWTM, and subject to the claims of creditors of the NWTM. This conduct violates 18 USC §1962(a).

13. NWTM, through the commission of two or more acts constituting a pattern of racketeering activity directly or indirectly acquired or maintained an interest in Medallie Art, the ultimate result of which was to render Medallie Art insolvent and subsumed within NWTM, and subject to the claims of creditors of the NWTM. This conduct violates 18 USC §1962(b).

14. Because its business was predicated upon a fraudulent scheme, as alleged by the Trustee but unknown to Mr. Bressler, NWTM’s control, operation and management of Medallie Art was the product of a pattern of racketeering activity, in violation of 18 USC §1862(c).

15. As a result of foregoing activities by NWTM, Mr. Bressler has lost the entirety of his \$3 million investment in Medallie Art.

16. Pursuant to 18 USC §1964(c), Mr. Bressler’s loss and therefore his claim is measured by threefold of his loss, plus attorney fees and costs. Mr. Bressler’s claim for attorney fees will voluntarily be limited here to adjudication of this claim.