

1 website, at its Federal Way store, and over the telephone.

2 2. Bernard Ross Hansen a/k/a Ross B. Hansen (“Hansen”), a Washington resident, was NWTM’s only
3 owner and managing member. Hansen was also NWTM’s President and CEO at all times until his resignation in April
4 2016, shortly after NWTM filed for Chapter 11 bankruptcy.

5 **Nature of the Offering**

6 3. For much of its history, NWTM sold precious metals in the form of gold, silver, platinum, and
7 palladium coins and bullion to the general public. NWTM, through its bullion division, sold precious metals on its
8 website, www.nwtmint.com, over the telephone, and at its showroom in Federal Way, Washington. NWTM represented
9 itself as the largest private mint in the country and has claimed that it received over 10,000 bullion orders per year in
10 recent years. Until his resignation as President and CEO in April 2016, Hansen had full control of NWTM. As NWTM’s
11 President, CEO, and sole owner and managing member, Hansen had control over its policies and business practices, as
12 well as its sales personnel. After his appointment, the Trustee took control over the business of NWTM.

13 4. The Commodity Transactions Act of Washington (the “Act”) regulates the offer and sale of
14 commodities, such as precious metals, under commodity contracts. A commodity contract does not include any
15 commodity transaction where the seller is required to deliver the commodity to the buyer within 28 days after the
16 payment of good funds, and the seller actually does so. Any commodity transaction that takes longer than 28 days for
17 delivery will fall under the Act unless an exemption applies.

18 5. Prior to the filing of the bankruptcy case, NWTM had a long-standing and consistent practice of
19 delaying the shipment of its customers’ precious metal orders and taking months to ship orders. NWTM’s practice of
20 delayed shipments led, in part, to the filing of a Consumer Protection Act complaint against it by the Washington
21 Attorney General’s Office (“AGO”) in February 2008. The AGO and NWTM settled the matter in September 2008 by
22 entering into a consent decree that required NWTM to, among other things, provide updates and refund opportunities
23 to their customers should their orders be delayed. NWTM was also prohibited from making any misrepresentations
24 about its business, including regarding delivery dates.

1 6. After the consent decree, NWTM continued to delay the shipment of precious metal orders and make
2 shipping-related misrepresentations to its customers. Though it noted that shipping delays were possible due to
3 inventory and other unspecified issues, NWTM represented on its website that its “policy” was to ship orders “promptly”
4 after payment (<http://bullion.nwtmint.com/buyingbullion.php>, accessed February 13, 2015). At or around the time that
5 many customers placed their orders, NWTM also provided those customers with a shipping window, generally 8-10
6 weeks after their payments cleared.

7 7. NWTM made these representations about its shipping policy despite consistently experiencing
8 widespread shipping delays. A sample of precious metal orders from April to September 2014 illustrates how common
9 shipping delays were at NWTM. During that period, NWTM fulfilled roughly 3,470 precious metal orders from
10 customers across the country. Of those, NWTM shipped around 2,430 orders, or 70%, more than 10 weeks after
11 customer payments cleared. NWTM shipped most of the orders within 3 to 6 months, but took even longer to ship many
12 other orders.

13 *2016 Bankruptcy Filing*

14 8. On April 1, 2016, NWTM, at Hansen’s direction, filed for Chapter 11 bankruptcy. NWTM filed for
15 bankruptcy a month after judgments for \$25.5 million and \$12.5 million were entered against Hansen and NWTM,
16 respectively, in a defamation lawsuit. On April 11, 2016, the bankruptcy court appointed a Chapter 11 trustee to oversee
17 NWTM. Hansen resigned as NWTM’s CEO and President the next day. The Chapter 11 trustee immediately closed
18 NWTM’s bullion division, though NWTM is still currently operating other aspects of its business.

19 9. To date, over 3,000 creditor claims totaling nearly \$72.5 million have been filed against NWTM in the
20 bankruptcy matter. A large number of the creditor claims, if not a majority, were filed by NWTM precious metal
21 customers who have not received the precious metals that they paid for. Many of these customers placed their orders in
22 the summer and fall of 2015, several months before the bankruptcy filing.

23 **REGISTRATION STATUS**

24 10. NWTM is not currently registered with the Commodity Futures Trading Commission as a futures
25 commission merchant or as a leverage transaction merchant, and is not currently registered with the Department of

1 Financial Institutions as a commodities broker-dealer or commodities sales representative under the Commodity
2 Transactions Act, and has not previously been so registered.

3 11. Hansen is not currently registered with the Commodity Futures Trading Commission as a futures
4 commission merchant or as a leverage transaction merchant, and is not currently registered with the Department of
5 Financial Institutions as a commodities broker-dealer or commodities sales representative under the Commodity
6 Transactions Act, and has not previously been so registered.

7 Based upon the above Findings of Fact, the following Conclusions of Law are made:

8 **CONCLUSIONS OF LAW**

9 1. Precious metals in the form of silver, gold, platinum and palladium coins and bullion of the kind sold
10 by Northwest Territorial Mint, LLC are a commodity as defined in RCW 21.30.010(9) and (17).

11 2. The offer and or sale of the precious metals, as defined in RCW 21.30.010(9) and (17), constitutes the
12 offer and/or sale of a commodity or a commodity contract in the state of Washington as defined in RCW 21.30.010(10),
13 (14) and (15).

14 3. The offer and/or sale of said commodity or commodity contract as defined in RCW 21.30.010(9) and
15 (10) violated RCW 21.30.020 because the offer and/or sale was made by a person not exempt under RCW 21.30.030
16 and the transaction or contract was not exempt under RCW 21.30.040.

17 4. Prior to the filing of the bankruptcy case, respondent Northwest Territorial Mint, LLC violated RCW
18 21.30.050 by offering or selling said commodities or entering into commodities contracts on terms under which such
19 commodities were not delivered within twenty-eight days of receipt of funds while not registered under the Commodity
20 Futures Trading Commission as a futures commission merchant or as a leverage transaction merchant, and while not
21 registered as a commodities broker-dealer or commodities sales representative with the Department of Financial
22 Institutions under the Commodity Transactions Act.

23 5. Prior to the filing of the bankruptcy case, the offer and/or sale of said commodities was made in
24 violation of RCW 21.30.060 because Respondent Northwest Territorial Mint, LLC, in connection with the offer and
25

1 sale of a commodity, made untrue statements of material fact and/or omitted to state material facts necessary in order
2 to make the statements made, in light of the circumstance under which they were made, not misleading.

3 **CONSENT ORDER**

4 Based upon the foregoing and finding it in the public interest:

5 IT IS AGREED AND ORDERED THAT Northwest Territorial Mint, LLC, and its agents and employees shall
6 each cease and desist from offering or selling commodities as defined in RCW 21.30.010(9) in a manner violating RCW
7 21.30.050, the registration section of the Commodity Transaction Act of Washington.

8 IT IS FURTHER AGREED AND ORDERED THAT Northwest Territorial Mint, LLC, and its agents and
9 employees shall each cease and desist from violating RCW 21.30.060, the anti-fraud section of the Commodity
10 Transaction Act of Washington.

11 IT IS FURTHER AGREED that the Securities Division has jurisdiction to enter this Consent Order.

12
13 IT IS FURTHER AGREED that Northwest Territorial Mint, LLC enters into this Consent Order freely and
14 voluntarily and with full understanding of its terms and significance.

15 IT IS FURTHER AGREED that in consideration of the foregoing, Northwest Territorial Mint, LLC waives its
16 right to a hearing and to judicial review of this matter.

17 **WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.**

18
19 Signed this 29th day of August, 2017.

20
21 Signed by:

22 NORTHWEST TERRITORIAL MINT, LLC

23 /s/ _____

24 MARK CALVERT
25 Ch. 11 Bankruptcy Trustee for Northwest Territorial Mint, LLC

1 Approved as to form by:

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3 /s/
MICHAEL J. GEARIN, WSBA #20982
4 Attorney for Mark Calvert as Trustee for Northwest Territorial Mint, LLC

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SIGNED and ENTERED this 6th day of September, 2017.

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WILLIAM M. BEATTY
Securities Administrator

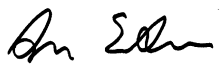
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Approved by:

Presented by:

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SUZANNE SARASON
Chief of Enforcement

HUONG LAM
Financial Legal Examiner

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Reviewed by:

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JACK MCCLELLAN
Financial Legal Examiner Supervisor

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