

**IN THE UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF TEXAS
SHERMAN DIVISION**

In Re: § Chapter 11
§
CFO MANAGEMENT HOLDINGS, §
et al.¹ § Case No. 19-40426
§
Debtors. § Jointly Administered

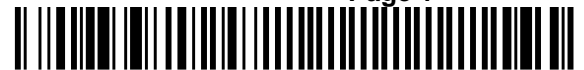
**MOTION TO RECONSIDER [DOC 144] ORDER GRANTING IN PART
THE APPLICATION OF DEBTORS FOR AN ORDER AUTHORIZING THE
EMPLOYMENT OF WINSTEAD PC AS COUNSEL FOR DEBTORS,
EFFECTIVE AS OF THE PETITION DATE**

21-DAY NEGATIVE NOTICE PER LBR 9007(a)

Your rights may be affected by the relief sought in this pleading. You should read this pleading carefully and discuss it with your attorney, if you have one in this bankruptcy case. If you oppose the relief sought by this pleading, you must file a written objection, explaining the factual and/or legal basis for opposing the relief.

No hearing will be conducted on this Motion / Objection / Application unless a written objection is filed with the Clerk of the United States Bankruptcy Court and served upon the party filing this pleading WITHIN TWENTY-ONE (21) DAYS FROM THE DATE OF SERVICE shown in the certificate of service unless the Court shortens or extends the time for filing such objection. If no objection is timely served and filed, this pleading shall be deemed to be unopposed, and the Court may enter an order granting the relief sought. If an objection is filed and served in a timely manner, the Court will

¹ Carter Family Office, LLC, 3201 Dallas Parkway, Suite 200 #24, Frisco, Texas 75034, EIN# XX-XXX1652 Case No. 19-40432; CFO Management Holdings, LLC, 3201 Dallas Parkway, Suite 200 #24, Frisco, Texas 75034, EIN# XX-XXX6987, Case No. 19-40426; Christian Custom Homes, LLC, 3201 Dallas Parkway, Suite 200 #24, Frisco, Texas 75034, EIN# XX-XXX4648, Case No. 19-40431; Double Droptine Ranch, LLC, 3201 Dallas Parkway, Suite 200 #24, Frisco, Texas 75034, EIN# XX-XXX7134, Case No. 19-40429; Frisco Wade Crossing Development Partners, LLC, 3201 Dallas Parkway, Suite 200 #24, Frisco, Texas 75034, EIN# XX-XXX4000, Case No. 19-40427; Kingswood Development Partners, LLC, 3201 Dallas Parkway, Suite 200 #24, Frisco, Texas 75034, EIN# XX-XXX 1929, Case No. 19-40434; McKinney Executive Suites at Crescent Parc Development Partners, LLC, 3201 Dallas Parkway, Suite 200 #24, Frisco, Texas 75034, EIN# XX XXX2042, Case No. 19-40428; North-Forty Development LLC, 3201 Dallas Parkway, Suite 200 #24, Frisco, Texas 75034, EIN# XX-XXX5532, Case No. 19-40430; and West Main Station Development, LLC, 3201 Dallas Parkway, Suite 200 #24, Frisco, Texas 75034, EIN# XX-XXX7210, Case No, 19-40433, collectively (the "Debtors").



thereafter set a hearing with appropriate notice. If you fail to appear at the hearing, your objection may be stricken. The Court reserves the right to set a hearing on any matter.

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

COMES NOW Phillip Michael Carter (“Carter”) and files this his Motion to Reconsider [DOC 144] Order Granting in Part the Application of Debtors for an Order Authorizing the Employment of Winstead, PC as Counsel for Debtors, Effective as of the Petition Date, and would respectfully show this Court as follows:

1. On April 17, 2019, this Court entered its Order Granting in Part the Application of Debtors for an Order Authorizing the Employment of Winstead, PC as Counsel for Debtors, Effective as of the Petition Date [DOC 144] (the “Winstead Employment Order”).

2. On page 2 of the Winstead Employment Order, this Court stated that “Winstead and specifically shareholder and affiant herein Joseph J. Wielebinski may have previously represented Phillip Carter, a principal to Debtors, in which event Winstead’s potential conflict would have become an actual conflict when Mr. Leonard sent his letter dated March 26, 2019 (Debtor’s Exhibit “28”) to the CRO and Winstead.”

3. Respectfully, the date of the actual conflict preceded the February 17, 2019 bankruptcy filing. In the Debtors’ Objection to Motion of CPIF Lending, LLC for Appointment of a Chapter 11 Trustee (Doc 118), paragraph 11, Winstead, PC, the proposed counsel, stated:

Subsequent to Mr. Perkins' appointment as CRO, in early February, Carter and his counsel (James Whalen) attempted to interfere with Mr. Perkins' management of the Debtors and went so far as to send a "cease and desist-style" letter citing lack of cooperation with Carter. Mr. Perkins rebuffed such attempts and Carter ostensibly abandoned his effort to

interfere.

4. In his Supplemental Declaration (Doc 127), Lawrence R. Perkins (“Perkins”) of SierraConstellation Partners (“Sierra”) was more explicit. Perkins describes how Carter, on January 16, 2019, agreed to be removed from the management of the Debtors, to form CFO Management Holdings, LLC, which then retained Sierra on the same day and named Perkins as the Chief Restructuring Officer. (Paragraph 6) In nearly identical language to that in the Objection filed by Winstead, Perkins then states in paragraph 9:

Subsequent to my appointment as CRO, in early February, Carter and his counsel (James Whalen) attempted to interfere with my management of the Debtors and went so far as to send a "cease and desist-style" letter citing lack of cooperation with Carter. After I rebuffed such attempts, Carter ostensibly abandoned his effort to interfere.

5. At the hearing, Mr. Perkins described this cease and desist letter. While the transcript is the best record, the undersigned’s recollection is that Mr. Perkins decided to disregard the cease and desist letter after consultation with Winstead.

6. Mr. Perkins’ own testimony establishes that Sierra and Winstead were both put on notice of the actual conflict with Carter in “early February,” prior to the February 17, 2019 bankruptcy filing.

7. Accordingly, based on this actual conflict of which Winstead had notice prior to the bankruptcy filing, Carter requests this Court reconsider its ruling in the Winstead Employment Order which authorized retention of Winstead between the bankruptcy filing and April 2, 2019.

WHEREFORE PREMISIS CONSIDERED, Phillip Michael Carter request this Court grant all relief sought herein, and such other relief as it may be entitled.

DATED this 1st day of May, 2019.

Respectfully submitted,

/s/ Ernest Leonard

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ATTORNEYS FOR PHILLIP MICHAEL
CARTER

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing document has been filed with the Clerk of the Court for the United States Bankruptcy Court, Eastern District of Texas, Sherman Division, using the electronic case filing system of the court. The electronic case filing system sent a "Notice of Electronic Filing" to the attorneys of record who have consented in writing to accept this Notice as service of this document by electronic means.

/s/ Ernest W. Leonard

Ernest W. Leonard