

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

In re CFO MANAGEMENT HOLDINGS, LLC, et al.1 Debtors. Chapter 11 Case No. 19-40426 Jointly Administered

CHAPTER 11 TRUSTEE'S APPLICATION TO EMPLOY
LAGESSE AUCTIONEERS, LLC AS AUCTIONEER

A HEARING WILL BE CONDUCTED ON THIS MATTER ON JULY 30, 2019 AT 2:30 PM IN THE UNITED STATES BANKRUPTCY COURT FOR THE EASTERN DISTRICT OF TEXAS, 660 NORTH CENTRAL EXPRESSWAY, SUITE 300B, PLANO, TEXAS 75074.

IF YOU OBJECT TO THE RELIEF REQUESTED, YOU MUST RESPOND IN WRITING, SPECIFICALLY ANSWERING EACH PARAGRAPH OF THIS PLEADING. UNLESS OTHERWISE DIRECTED BY THE COURT, YOU MUST FILE YOUR RESPONSE WITH THE CLERK OF THE BANKRUPTCY COURT WITHIN TWENTY-THREE (23) DAYS FROM THE DATE YOU WERE SERVED WITH THIS PLEADING. YOU MUST SERVE A COPY OF YOUR RESPONSE ON THE PERSON WHO SENT YOU THE NOTICE; OTHERWISE, THE COURT MAY TREAT THE PLEADING AS UNOPPOSED AND GRANT THE RELIEF REQUESTED.

David Wallace, Chapter 11 Trustee (the "Trustee") for the above-captioned bankruptcy cases of CRO Management Holdings, LLC and its co-debtors (the "Debtors"), files this Application to Employ LaGesse Auctioneers, LLC as Auctioneer (this "Application") and, in support thereof, respectfully represent as follows:

1 The Debtors in these chapter 11 cases are as follows: Carter Family Office, LLC, EIN# XX-XXX1652, Case No. 19-40432; CFO Management Holdings, LLC, EIN# XX-XXX6987, Case No. 19-40426; Christian Custom Homes, LLC, EIN# XXXXX4648, Case No. 19-40431; Double Droptine Ranch, LLC, EIN# XX-XXX7134, Case No. 19-40429; Frisco Wade Crossing Development Partners, LLC, # XX-XXX4000, Case No. 19-40427; Kingswood Development Partners, LLC, EIN# XX-XXX1929, Case No. 19-40434; McKinney Executive Suites at Crescent Parc Development Partners, LLC, EIN# XX XXX2042, Case No. 19-40428; North-Forty Development LLC, EIN# XX-XXX5532, Case No. 19-40430; and West Main Station Development, LLC, EIN# XX-XXX7210, Case No. 19-40433. The following mailing address can be used for each of the Debtors with respect to these cases: c/o David Wallace, Chapter 11 Trustee, 4131 North Central Expressway, Suite 775, Dallas, Texas 75204.



## **JURISDICTION, VENUE, AND STATUTORY PREDICATE**

1. This Court has jurisdiction over this Application under 28 U.S.C. § 1334(b). This Court can hear and determine this matter in accordance with 28 U.S.C. § 157 and the standing order of reference of bankruptcy cases and proceedings in this District. This matter is a core proceeding, and venue for this Application is proper in this district under 28 U.S.C. §§ 1408 and 1409.

2. The basis for the relief requested herein sections 105, 327, and 328 of title 11 of the United States Code (the “Bankruptcy Code”).

## **BACKGROUND**

### **A. General Background**

3. On February 17, 2019 (the “Petition Date”), the Debtors each commenced a case under chapter 11 of the Bankruptcy Code (collectively, the “Bankruptcy Cases”).

4. On February 28, 2019, the Office of the United States Trustee formed an Official Unsecured Creditors’ Committee, appointing five members to serve.

5. On April 4, 2019, the Court entered an order requiring that a chapter 11 trustee be appointed in the Bankruptcy Cases. See Docket No. 140. On April 10, 2019, the United States Trustee for the Bankruptcy Cases filed a notice of the appointment of David Wallace as Chapter 11 Trustee for the Debtors’ estates. See Docket No. 143. On April 24, 2019, the Court entered its order granting the United States Trustee’s application to approve the appointment of David Wallace as Chapter 11 Trustee. See Docket No. 153.

### **B. Background Regarding Proposed Auction**

6. Since his appointment in these Bankruptcy Cases, the Trustee has been diligently assessing the extent of the Debtors’ property and maintaining and managing such property. During

the course of his assessments, the Trustee has become aware of certain personal property of the Debtors being held in two storage units in Frisco, Texas (the “Storage Units”). The Storage Units (approximately 10x10x8 and 10x15x8, respectively) are located at two different Cubesmart storage facilities in Frisco, Texas. The Storage Units cost \$433.75 a month to maintain.

7. The items in the Storage Units include various types of office furniture and boxes of unknown items, suspected to be office-related (all such property in the Storage Units, the “Stored Items”). Because the Storage Units are filled to capacity, the Trustee, by this Application and in addition to the managing of the sale process with respect to the Stored Items, is seeking the assistance of the auctioneer in the inventory and cataloging of the Stored Items.

### **RELIEF REQUESTED**

8. By this Application, the Trustee respectfully requests the entry of an order, pursuant to sections 105, 327, and 328 of the Bankruptcy Code, authorizing and approving the employment of LaGesse Auctioneers, LLC (“LaGesse”) to inventory and catalogue the Stored Items and conduct a public auction of the Stored Items under the terms and conditions described in the contract attached as **Exhibit A** to this Application. The Trustee is filing a “§ 363” motion with respect to the Stored Items contemporaneously with this Application, seeking Court authority to sell the Stored Items free and clear of all liens, claims, interests, and encumbrances under § 363 of the Bankruptcy Code.

### **AUCTIONEER SELECTION AND QUALIFICATIONS**

9. After deciding that an inventory and auction of the Stored Items was necessary, the Trustee reviewed terms available for three different auctioneers in the DFW area that offer auction services appropriate for the Stored Items. As a result of this process, the Trustee has determined that LaGesse is an appropriately priced and qualified option to serve in the role as auctioneer for the Stored Items. Given the estimated value of the Stored Items and the need to avoid additional

storage costs for the Storage Units, the Trustee believes that prompt retention of LaGesse for these purposes is in the best interest of the Debtors' estates and creditors.

10. The Trustee believes that LaGesse is qualified to perform the services necessary to maximize the value of the Stored Items. LaGesse is licensed and bonded with the State of Texas and has more than 25 years of experience in inventorying, cataloguing, and auctions a variety of types of items, including those similar in nature to the Stored Items. LaGesse offers items for auction in person and/or online depending on which method is likely to be more effective for that particular type of item. LaGesse uses marketing efforts making use of print advertising, signage, their email database, promotional materials and LaGesse's website to increase the pool of potential purchasers. LaGesse also has experience in working with banks, attorneys, trustees, and realtors and has been made aware of the additional considerations that are in place within the context of the bankruptcy process. For these reasons, the Trustee believes that LaGesse is sufficiently qualified to employ as the auctioneer for the Stored Items.

#### **SERVICES TO BE RENDERED AND TERMS**

11. The professional services (the "Services") to be provided by LaGesse include, without limitation, the following:

- (a) Relocating the Stored Items from the Storage Units to LaGesse's warehouse facility in Fort Worth, Texas;
- (b) Conducting an inventory and assessment of the Stored Items for review by the Trustee;
- (c) Preparing and offering those Stored Items, other than any items designated for exclusion by the Trustee following the inventory, for public auction (such one or more auctions, the "Auction") as soon as reasonably practicable following such inventory;
- (d) Supervising the preparation and organization of the Auction;

- (e) Providing auctioneers and accountants required for the Auction;
- (f) Providing the Trustee with access to records regarding the Auction results.

Subject to this Court's approval, LaGessee is prepared to serve as the auctioneer with respect to the Stored Items and to perform the Services.

12. The terms of the engagement are provided in the agreement attached as **Exhibit A** to this Application. Given the context of this sale, LaGessee has agreed to deviate from their standard terms to provide the Trustee with the additional flexibility needed to make decisions during the Auction process that may be appropriate in his fiduciary capacity. A summary of the key terms is as follows:

- (a) LaGessee will be responsible for moving the Stored Items from the Storage Units to the LaGessee warehouse for inventory and sale. LaGessee will subtract from the sales proceeds the costs related to that move.
- (b) LaGessee will sell the Stored Items at a public auction held at LaGessee's warehouse.
- (c) LaGessee will receive a commission in the amount of 25% of the gross proceeds for all goods sold, as well as an additional 10% buyer's premium, which is charged to the purchaser.

13. The Trustee believes that these terms are equal to or better than terms offered by other auctioneers for similar services in this geographical area and with respect to property similar to that of the Stored Items.

14. This proposed retention is made pursuant to §§ 327(a) and 328 of the Bankruptcy Code because (a) LaGessee's proposed engagement is limited in scope, (b) LaGessee has agreed to be paid a fixed percentage, and (c) LaGessee is responsible for all of the costs and expenses of the Auction itself. As a result, the Trustee requests that the Court authorize LaGessee to be compensated from the sale proceeds without the need for LaGessee to file another pleading, including a fee application, in this Court. However, the Trustee will file with this Court a "Report

of Auction,” outlining (a) an itemized list of the property sold, (b) the name of each purchaser, (c) the price received for each item, (d) the gross proceeds of the Auction of the Stored Items, (e) the commission paid to LaGessee, and (f) the net proceeds paid to the Trustee.

15. In an exercise of his reasonable business judgment, the Trustee believes that the services and the terms offered by LaGessee are standard (or better than standard) and appropriate for the sale for the Stored Items. The Trustee believes that the commission charged by LaGessee pursuant to the terms set forth on Exhibit A are competitive and in line with the commission charged by LaGessee in other engagements and are comparable to those charged by LaGessee’s competitors. The Trustee believes that the terms of Exhibit A are customary, fair, and reasonable, and that the retention of LaGessee is a reasonable business decision and in the best interests of the Debtors’ estates and creditors.

#### **DISINTERESTEDNESS**

16. The Trustee understands that LaGessee has no connection with the Trustee or the Debtors in these Bankruptcy Cases. The Trustee also understands that LaGessee has reviewed a list of creditors and parties in interest in the Bankruptcy Cases, including persons employed in the office of the United States Trustee in this district, and is not aware of any connections to those entities or individuals. The Trustee is aware that, as an auctioneer, there is the possibility that entities or individuals who are creditors or parties in interest in these Bankruptcy Cases have purchased items through LaGessee auctions during the years that LaGessee has operated its business in the DFW area. However, the Trustee understands that LaGessee does not believe that it holds any interest adverse to the Trustee, the Debtors, or their estates and is a “disinterested person,” as defined within § 101(14) of the Bankruptcy Code. This is evidenced by the attached Declaration of James LaGessee attached as **Exhibit B** to this Application.

## LEGAL AUTHORITY

17. Pursuant to the Bankruptcy Code, the Trustee “with the court’s approval, may employ one or more . . . auctioneers . . . or other professional persons that do not hold or represent an interest adverse to the estate, and that are disinterested persons . . . .” 11 U.S.C. § 327(a). The Trustee “may employ a professional person under section 327 . . . on any reasonable terms and conditions of employment, including on a . . . fixed or percentage fee basis . . . .” 11 U.S.C. § 328(a). As discussed above, LaGessee is disinterested for purposes of this representation and would receive a percentage commission for its sale of the Stored Items in accordance with the terms and conditions provided in Exhibit A. Therefore, the Trustee should be permitted to retain LaGessee to auction the Stored Items under the agreement attached as Exhibit A and pursuant to §§ 327 and 328 of the Bankruptcy Code.

WHEREFORE, the Trustee respectfully requests that the Court enter an order, (i) substantially in the form filed with this Application, (ii) authorizing the Trustee to employ LaGessee as auctioneer for the Stored Items in accordance with the terms and conditions provided in Exhibit A; and (iii) granting such other further relief as is just and proper.

*[Remainder of the Page Intentionally Left Blank]*

Dated: July 3, 2019

By: /s/Jessica Lewis  
Judith W. Ross, State Bar No. 21010670  
Frances A. Smith, State Bar No. 24033084  
Eric Soderlund, State Bar No. 24037525  
Jessica L. Voyce Lewis, State Bar No. 24060956  
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eric.soderlund@judithwross.com  
jessica.lewis@judithwross.com

**COUNSEL TO CHAPTER 11 TRUSTEE  
DAVID WALLACE**

**CERTIFICATE OF SERVICE**

I certify that on July 3, 2019, I served or caused to be served a copy of the foregoing document (i) electronically on the Electronic Case Filing System for the United States Bankruptcy Court for the Eastern District of Texas and (ii) via first class mail by proposed noticing agent Kurtzman Carson Consultants LLC (“KCC”) on the parties listed on the Certificate of Service to be filed upon receipt from KCC.

/s/ Jessica Lewis  
Jessica Lewis



**EXHIBIT A**

**AUCTIONEER AGREEMENT**

CONTRACT FOR CONSIGNMENT SALE OF GOODS  
SALE TO BE CONDUCTED AT LAGESSE AUCTIONEERS, LLC.

This contract is entered into by LaGessee Auctioneers, LLC., ("Auctioneer") and David Wallace, Chapter 11 Trustee c/o Trigild, LLC., located at 4131 North Central Expressway, Suite 775, Dallas, Texas 75204. ("Consignor").

1. It is agreed that Consignor hereby commissions Auctioneer to sell certain goods owned by Consignor at public auction to be conducted at the site of Auctioneer's warehouse. Auctioneer and Consignor agree that the catalog of goods, prepared by Auctioneer, is a true and correct listing of all goods delivered by Consignor to Auctioneer to be sold.

2. Consignor hereby represents and warrants that: 1) Consignor has authority over the cataloged goods in his capacity as Chapter 11 trustee of CFO Management Holdings, LLC and its affiliated and joint bankruptcy debtors in Lead Case No. 19-40426 before the U.S. Bankruptcy Court for the Eastern District of Texas (the "Bankruptcy Court"); and 2) in connection with seeking the approval required in paragraph 7 below, Consignor intends to seek approval from the Bankruptcy Court to sell the cataloged goods free from all claims, interests, and encumbrances.

3. Auctioneer and Consignor acknowledge and agree that Auctioneer is serving in the capacity as Consignor's agent for all purposes of the public auction of Consignor's goods, including, but not limited to, advertising, the shipment of Consignor's goods, if arranged by Auctioneer, the loading and unloading of Consignor's goods, if arranged by Auctioneer, the exhibition of Consignor's goods, and the sale of Consignor's goods at auction. Consignor agrees to hold Auctioneer harmless against any claims of any nature that are brought against Auctioneer as a result of the advertising, shipping, loading, unloading, exhibition and sale of the cataloged goods.

4. As payment for Auctioneer's services, Consignor agrees to pay Auctioneer as follows:

A. A Commission in the amount of 25 % of the gross proceeds for all goods sold, (excluding automobiles), not including the buyer's premium of ten percent (10%), which is charged to the purchaser.

B. A Commission in the amount of NA % of the gross proceeds for all automobiles sold, not including the buyer's premium of ten percent (10%), which is charged to the purchaser.

C. Charges for the shipment of goods, if arranged by Auctioneer. Moving cost for moving contents to auction facility, will be deducted from Gross proceeds.

D. Labor Charges consisting of: None

E. Advertising charges consisting of: None

F. Trash Charges consisting of: None

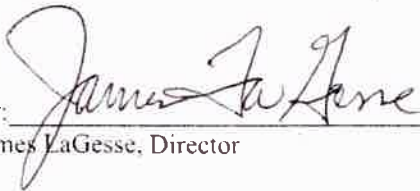
The above amounts will be deducted by the Auctioneer from the monies received at the auction, and the remaining monies will be forwarded by Auctioneer to Consignor within 14 days of the date of the auction.

5. Auctioneer and Consignor agree that all sales tax on the purchase price of the cataloged goods will be withheld by Auctioneer out of the sale proceeds, and paid by Auctioneer to the Texas State Comptroller of Public Accounts on a timely basis. Auctioneer and Consignor agree that the ten percent (10%) buyers premium shall also be withheld by Auctioneer and paid to Auctioneer out of the sale proceeds.

6. Auctioneer and Consignor agree that this written contract is the entire agreement between them, and that no oral representation, made prior or subsequent to this contract, is binding on the parties.

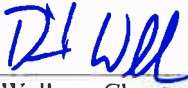
7. Auctioneer and Consignor acknowledge and agree that this contract and the agreement described herein are subject to approval by the Bankruptcy Court of both the Consignor's retention of Auctioneer and of the sale described herein.

**LAGESSE AUCTIONEERS, LLC.**

By:   
James LaGesse, Director

Dated: 7/3/19

Consignor's Name:

By:   
David Wallace, Chapter 11 Trustee  
of CFO Management Holdings, LLC  
and its affiliated bankruptcy debtors

Dated: 7/3/19

**EXHIBIT B**

**DECLARATION IN SUPPORT**

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

<p><b>In re</b></p> <p><b>CFO MANAGEMENT HOLDINGS, LLC, <i>et al.</i><sup>1</sup></b></p> <p style="text-align: center;"><b>Debtors.</b></p>	§ § § § § § § § §	<p style="text-align: center;"><b>Chapter 11</b></p> <p style="text-align: center;"><b>Case No. 19-40426</b></p> <p style="text-align: center;"><b>Jointly Administered</b></p>
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**DECLARATION OF JAMES LAGESSE IN SUPPORT OF CHAPTER 11 TRUSTEE’S  
APPLICATION TO EMPLOY  
LAGESSE AUCTIONEERS, LLC AS AUCTIONEER**

1. I, James LaGesse, am an owner and the director of LaGesse Auctioneers, LLC (“LaGesse”). I am over the age of 18 and am in all ways competent to make this Declaration. I am familiar with the matters set forth herein and am authorized to make this declaration on the LaGesse’s behalf.

2. I submit this declaration (the “Declaration”) in support of the *Chapter 11 Trustee’s Application to Employ LaGesse Auctioneers, LLC as Auctioneer* (the “Application”).<sup>2</sup> Except as otherwise noted, I have personal knowledge of the matters set forth herein.

3. ***Qualifications.*** LaGesse is licensed and bonded with the State of Texas and has more than 25 years of experience in inventorying, cataloguing, and auctions a variety of types of items, including those similar in nature to the Stored Items. LaGesse offers items for auction in

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<sup>1</sup> The Debtors in these chapter 11 cases are as follows: Carter Family Office, LLC, EIN# XX-XXX1652, Case No. 19-40432; CFO Management Holdings, LLC, EIN# XX-XXX6987, Case No. 19-40426; Christian Custom Homes, LLC, EIN# XXXXX4648, Case No. 19-40431; Double Droptine Ranch, LLC, EIN# XX-XXX7134, Case No. 19-40429; Frisco Wade Crossing Development Partners, LLC, # XX-XXX4000, Case No. 19-40427; Kingswood Development Partners, LLC, EIN# XX-XXX1929, Case No. 19-40434; McKinney Executive Suites at Crescent Parc Development Partners, LLC, EIN# XX XXX2042, Case No. 19-40428; North-Forty Development LLC, EIN# XX-XXX5532, Case No. 19-40430; and West Main Station Development, LLC, EIN# XX-XXX7210, Case No. 19-40433. The following mailing address can be used for each of the Debtors with respect to these cases: c/o David Wallace, Chapter 11 Trustee, 4131 North Central Expressway, Suite 775, Dallas, Texas 75204.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Application.

person and/or online depending on which method is likely to be more effective for that particular type of item. LaGesse uses marketing efforts making use of print advertising, signage, their email database, promotional materials and LaGesse's website to increase the pool of potential purchasers. The ability to bid by absentee bid will also be available. LaGesse also has experience in working with banks, attorneys, trustees, and realtors and has been made aware of the additional considerations that are in place within the context of the bankruptcy process.

18. **Services.** The professional services (the "Services") to be provided by LaGesse include, without limitation, the following:

- (a) Relocating the Stored Items from the Storage Units to LaGesse's warehouse facility in Fort Worth, Texas;
- (b) Conducting an inventory and assessment of the Stored Items for review by the Trustee;
- (c) Preparing and offering those Stored Items, other than any items designated for exclusion by the Trustee following the inventory, for public auction (such one or more auctions, the "Auction") as soon as reasonably practicable following such inventory;
- (d) Supervising the preparation and organization of the Auction;
- (e) Providing auctioneers and accountants required for the Auction;
- (f) Providing the Trustee with access to records regarding the Auction results.

In this instance, LaGesse believes that a public on-site auction is the best means of selling the Stored Items due to the significant shipping costs associated with shipping furniture and other large items and how such items tend to sell more effectively in an in-person context. While the auction of the Stored Items will take place on-site at LaGesse's warehouse, the items will be photographed and available for viewing online.

4. **Terms.** The terms of the engagement are provided in the agreement attached as Exhibit A to the Application. Given the context of this sale, LaGesse has agreed to deviate from

their standard terms to provide the Trustee with the additional flexibility needed to make decisions during the Auction process that may be appropriate in his fiduciary capacity. A summary of the key terms is as follows:

- (a) LaGesse will move the Stored Items from the Storage Units to the LaGesse warehouse for inventory and sale. LaGesse will subtract from the sales proceeds the costs related to that move.<sup>3</sup>
- (b) LaGesse will sell the Stored Items at a public auction held at LaGesse's warehouse.
- (c) LaGesse will receive a commission in the amount of 25% of the gross proceeds for all goods sold, as well as an additional 10% buyer's premium, which is charged to the purchaser.

5. ***Disinterestedness.*** LaGesse has no connection with the Trustee or the Debtors in these Bankruptcy Cases. LaGesse has reviewed a list of creditors and parties in interest in these Bankruptcy Cases and is not aware of any connections to those entities or individuals. In LaGesse's business as an auctioneer, there is the possibility that entities or individuals who are creditors or parties in interest in these Bankruptcy Cases have purchased items through LaGesse auctions during the years that LaGesse has operated its business in the DFW area. However, LaGesse does not believe that it holds any interest adverse to the Trustee, the Debtors, or their estates and believes it is a "disinterested person," as defined within § 101(14) of the Bankruptcy Code.

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<sup>3</sup> LaGesse uses third-party movers to move items from location to the LaGesse facility. Only actual costs will be charged against the sale proceeds. The mover we generally use charges \$95 an hour for three movers and the truck use, as well as an additional charge for gasoline.

Pursuant to 28 U.S.C. § 1746, I, James LaGesse, declare under penalty of perjury that the foregoing is true and accurate to the best of my knowledge and belief.

Dated: July 3, 2019

Respectfully submitted,

  
/s/ James LaGesse  
James LaGesse  
LaGesse Auctioneers, LLC



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

<p><b>In re</b></p> <p><b>CFO MANAGEMENT HOLDINGS, LLC,</b> <i>et al.</i><sup>1</sup></p> <p style="text-align: center;"><b>Debtors.</b></p>	§ § § § § § § § § §	<p><b>Chapter 11</b></p> <p><b>Case No. 19-40426</b></p> <p><b>Jointly Administered</b></p>
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**ORDER APPROVING CHAPTER 11 TRUSTEE’S APPLICATION TO EMPLOY  
LAGESSE AUCTIONEERS, LLC AS AUCTIONEER**

CAME ON to be considered the *Chapter 11 Trustee’s Application to Employ LaGesse Auctioneers, LLC as Auctioneer* (the “Application”),<sup>2</sup> which was filed by David Wallace, Chapter 11 Trustee (the “Trustee”) for the above-captioned bankruptcy cases of CRO Management Holdings, LLC and its co-debtors (the “Debtors”). As more fully set forth in the Application, this Court finds that it has jurisdiction over this matter pursuant to 28 U.S.C. § 1334; that the Court can hear and determine the Application in accordance with 28 U.S.C. § 157 and the District Court’s standing order of reference; that consideration of the Application is a core proceeding pursuant to 28 U.S.C. § 157(b); that venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; that due and proper notice of the Application has been provided to the necessary parties; that no other or further notice need be provided; that the relief sought in the Application is

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<sup>1</sup> The Debtors in these chapter 11 cases are as follows: Carter Family Office, LLC, EIN# XX-XXX1652, Case No. 19-40432; CFO Management Holdings, LLC, EIN# XX-XXX6987, Case No. 19-40426; Christian Custom Homes, LLC, EIN# XXXXX4648, Case No. 19-40431; Double Droptine Ranch, LLC, EIN# XX-XXX7134, Case No. 19-40429; Frisco Wade Crossing Development Partners, LLC, # XX-XXX4000, Case No. 19-40427; Kingswood Development Partners, LLC, EIN# XX-XXX1929, Case No. 19-40434; McKinney Executive Suites at Crescent Parc Development Partners, LLC, EIN# XX XXX2042, Case No. 19-40428; North-Forty Development LLC, EIN# XX-XXX5532, Case No. 19-40430; and West Main Station Development, LLC, EIN# XX-XXX7210, Case No. 19-40433. The following mailing address can be used for each of the Debtors with respect to these cases: c/o David Wallace, Chapter 11 Trustee, 4131 North Central Expressway, Suite 775, Dallas, Texas 75204.

<sup>2</sup> All capitalized terms used but not otherwise defined in herein shall have the meanings ascribed to them in the Application.

in the best interests of the Debtors' estates, their creditors, and all parties in interest; that the Trustee has established just cause for the relief requested in the Application; and that, upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefore, it is hereby:

**ORDERED** that the Application is **GRANTED** to the extent provided herein; and it is further

**ORDERED** that the Trustee may retain LaGesse to serve as auctioneer with respect to the Stored Items pursuant to 11 U.S.C. §§ 327 and 328 and under the terms and conditions set forth in Exhibit A to this Order; it is further

**ORDERED** that, in accordance with the terms and conditions set forth in Exhibit A, LaGesse may be compensated by the proceeds of the sale of the Stored Items without further order of this Court; it is further

**ORDERED** that the Trustee is authorized and empowered to take all actions necessary to effectuate the relief granted pursuant to this Order; and it is further

**ORDERED** that this Court will retain jurisdiction to address all disputes related to the interpretation or enforcement of this Order.

**EXHIBIT A**

**AUCTIONEER AGREEMENT**

CONTRACT FOR CONSIGNMENT SALE OF GOODS  
SALE TO BE CONDUCTED AT LAGESSE AUCTIONEERS, LLC.

This contract is entered into by LaGessee Auctioneers, LLC., ("Auctioneer") and David Wallace, Chapter 11 Trustee c/o Trigild, LLC., located at 4131 North Central Expressway, Suite 775, Dallas, Texas 75204. ("Consignor").

1. It is agreed that Consignor hereby commissions Auctioneer to sell certain goods owned by Consignor at public auction to be conducted at the site of Auctioneer's warehouse. Auctioneer and Consignor agree that the catalog of goods, prepared by Auctioneer, is a true and correct listing of all goods delivered by Consignor to Auctioneer to be sold.

2. Consignor hereby represents and warrants that: 1) Consignor has authority over the cataloged goods in his capacity as Chapter 11 trustee of CFO Management Holdings, LLC and its affiliated and joint bankruptcy debtors in Lead Case No. 19-40426 before the U.S. Bankruptcy Court for the Eastern District of Texas (the "Bankruptcy Court"); and 2) in connection with seeking the approval required in paragraph 7 below, Consignor intends to seek approval from the Bankruptcy Court to sell the cataloged goods free from all claims, interests, and encumbrances.

3. Auctioneer and Consignor acknowledge and agree that Auctioneer is serving in the capacity as Consignor's agent for all purposes of the public auction of Consignor's goods, including, but not limited to, advertising, the shipment of Consignor's goods, if arranged by Auctioneer, the loading and unloading of Consignor's goods, if arranged by Auctioneer, the exhibition of Consignor's goods, and the sale of Consignor's goods at auction. Consignor agrees to hold Auctioneer harmless against any claims of any nature that are brought against Auctioneer as a result of the advertising, shipping, loading, unloading, exhibition and sale of the cataloged goods.

4. As payment for Auctioneer's services, Consignor agrees to pay Auctioneer as follows:

A. A Commission in the amount of 25 % of the gross proceeds for all goods sold, (excluding automobiles), not including the buyer's premium of ten percent (10%), which is charged to the purchaser.

B. A Commission in the amount of NA % of the gross proceeds for all automobiles sold, not including the buyer's premium of ten percent (10%), which is charged to the purchaser.

C. Charges for the shipment of goods, if arranged by Auctioneer. Moving cost for moving contents to auction facility, will be deducted from Gross proceeds.

D. Labor Charges consisting of: None

E. Advertising charges consisting of: None

F. Trash Charges consisting of: None

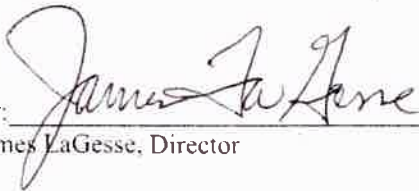
The above amounts will be deducted by the Auctioneer from the monies received at the auction, and the remaining monies will be forwarded by Auctioneer to Consignor within 14 days of the date of the auction.

5. Auctioneer and Consignor agree that all sales tax on the purchase price of the cataloged goods will be withheld by Auctioneer out of the sale proceeds, and paid by Auctioneer to the Texas State Comptroller of Public Accounts on a timely basis. Auctioneer and Consignor agree that the ten percent (10%) buyers premium shall also be withheld by Auctioneer and paid to Auctioneer out of the sale proceeds.

6. Auctioneer and Consignor agree that this written contract is the entire agreement between them, and that no oral representation, made prior or subsequent to this contract, is binding on the parties.

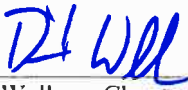
7. Auctioneer and Consignor acknowledge and agree that this contract and the agreement described herein are subject to approval by the Bankruptcy Court of both the Consignor's retention of Auctioneer and of the sale described herein.

**LAGESSE AUCTIONEERS, LLC.**

By:   
James LaGesse, Director

Dated: 7/3/19

Consignor's Name:

By:   
David Wallace, Chapter 11 Trustee  
of CFO Management Holdings, LLC  
and its affiliated bankruptcy debtors

Dated: 7/3/19