

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 MOTION TO APPROVE SALE OF OFFICE FURNITURE AND OTHER STORED ASSETS UNDER 11 U.S.C. § 363 FREE AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND INTERESTS

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 Motion to Approve Sale of Office Furniture and Other Stored Assets Under 11 U.S.C. § 363 Free and Clear

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.



of All Liens, Claims, Encumbrances, and Interests (this “Motion”) and, in support thereof, respectfully represent as follows:

JURISDICTION, VENUE, AND STATUTORY PREDICATE

1. This Court has jurisdiction over this Motion 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 Motion is proper in this district under 28 U.S.C. §§ 1408 and 1409.

2. The basis for the relief requested herein sections 105 and 363(b) and (f) of title 11 of the United States Code (the “Bankruptcy Code”) and Rule 6004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

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 Motion to approve the appointment of David Wallace as Chapter 11 Trustee. See Docket No. 153.

B. Background Regarding Property to be Sold

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, and nearly filled to capacity) 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 (all such property in the Storage Units, the "Stored Items"). The Trustee was informed by former employees of the Debtors that the Storage Units contained furniture and other items that were previously used at the Debtors' offices. The Trustee has not yet taken a full inventory of the property contained in the storage boxes and is seeking, by separate application, to employ an auctioneer to inventory and catalogue the Stored Items for sale at a public auction (such one or more auctions, the "Auction"). Upon completion of the inventory, the Trustee shall file with the Court a notice attaching an itemized list of those items to be sold at the Auction (such list, the "Stored Item Inventory"), with a requirement that any party asserting a conflicting ownership or other interests in any of the Stored Items notify the Trustee within seven days of the filing of such notice. If a Stored Item is the subject of such a conflicting interest (that is not otherwise resolved prior to the Auction) or a Stored Item is discovered that, in the Trustee's judgment, is of such a nature and/or value as to fall significantly outside of the scope of the relief requested in this Motion, the Trustee shall exclude such item from the Auction and request additional approval of the Court prior to any disposition of such item.

C. Details Regarding Sale Process

8. The Trustee believes that the Auction of the Stored Items will bring the best value of those assets for the Debtors' estates. The following is a general description of the proposed Auction process. The inventory and cataloging of the Stored Items are estimated to take less than one week. The Auction of the Stored Items would follow, taking place at the next available auction at LaGesse following entry of an order approving the sale of the Stored Items that is no less than seven business days following the filing of the Stored Item Inventory.² The Auction would be public, with bidders having the ability to bid in-person or through absentee bid. Should the auctioneer believe in that any of the items would be appropriate for online auction, such items may be offered for auction by that means as well. Any items that are not sold at the Auction may be re-listed, discarded, or donated, following an analysis of that particular item. The auctioneer would compile the following information and provide it to the Trustee as soon as reasonably practicable (estimated to be within approximately 10 days) of the completion of the Auction: (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 LaGesse, and (f) the net proceeds paid to the Trustee.

D. Interests in Stored Items

9. The Trustee is currently unaware of any party holding a security interest in the Stored Items. The Stored Items are believed to be the property of debtor Carter Family Office, LLC. There are no active UCC financing statements filed against that debtor. The Trustee is also unaware of any conflicting ownership or other claims against the Stored Items. However, filing

² If the Motion is approved at the July 30, 2019 hearing in these Bankruptcy Cases, it is expected that the Auction would take place in late August or early September.

of the Stored Item Inventory prior to the Auction shall provide additional opportunity for parties to raise any issues of ownership or other interests to the Trustee for review in accordance with the process described in this Motion. To the extent that any Stored Item is determined to not be property of the Debtors' estates, the Trustee will return such item(s) to the owner of such property where possible.³

RELIEF REQUESTED

10. By this Motion, the Trustee respectfully requests the entry of an order approving the sale of the Stored Items free and clear of all liens, claims, encumbrances, and interests by public auction to be conducted by LaGessee Auctioneers, LLC ("LaGessee") in accordance with the terms and conditions set forth in the agreement attached as **Exhibit A** to this Motion. Should the Court for any reason not approve retention of LaGessee as auctioneer with respect to the Stored Items, the Trustee requests the authority to sell the Stored Items under this Motion through another auctioneer on terms substantially similar to those outlined in this Motion and Exhibit A.

BASIS FOR RELIEF

A. Sale of the Stored Items is within the sound business judgment of the Trustee

11. Bankruptcy Code § 363(b)(1) provides that "[t]he trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1); *see also In re Cont'l Air Lines, Inc.*, 780 F.2d 1223, 1226 (5th Cir. 1986). Pursuant to Bankruptcy Rule 6004, all sales not in the ordinary course of business may be by private sale or by public auction. Fed. R. Bankr. P. 6004(f)(1). Further, Bankruptcy Code

³ In the event that one or more objections to the sale of specific items under these procedures results in the auctioneer having to cover costs for moving and/or storage beyond the time periods contemplated by this Motion, the Trustee also requests the authority to reimburse the auctioneer for such costs.

§ 105(a) provides that “[t]he Court may issue any order, process or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code].” 11 U.S.C. § 105(a).

12. While Bankruptcy Code § 363 does not set forth a standard for determining when a court should authorize the sale or disposition of a debtor’s assets, see 11 U.S.C. § 363(b), the Fifth Circuit has explained that § 363 “addresses the debtor’s use of property of the estate and incorporates a business judgment standard.” *ASARCO, Inc. v. Elliott Mgmt. (In re ASARCO, L.L.C.)*, 650 F.3d 593, 601 (5th Cir. 2011). For a court to approve a request under § 363(b), the “debtor-in-possession or trustee [must] satisfy its fiduciary duty to the debtor, creditors and equity holders,” and to do so, “there must be some articulated business justification for using, selling, or leasing the property outside the ordinary course of business.” *Id.* (citing *Cont’l Air Lines*, 780 F.2d at 1226; *In re Moore*, 608 F.3d 253, 263 (5th Cir. 2010) (“A sale of assets under § 363 . . . is subject to court approval and must be supported by an articulated business justification, good business judgment, or sound business reasons.”)); see also *In re New Millennium Mgmt., LLC*, No. 13-35719-H3-7, 2014 Bankr. LEXIS 2825, at *4 (Bankr. S.D. Tex. June 30, 2014) (sales under § 363(b) are governed by the “business judgment standard,” and “[w]hether the proffered business justification is sufficient depends on the case”). Furthermore, “[t]he business judgment standard in section 363 is flexible and encourages discretion,” requiring the bankruptcy judge to “consider all salient factors pertaining to the proceeding and, accordingly, act to further the diverse interests of the debtor, creditors and equity holders, alike.” *ASARCO, Inc.*, 650 F.3d at 601 (quoting *Cont’l Air Lines*, 780 F.2d at 1226).

13. If a valid business justification exists for the sale, as it does in this case, a trustee’s decision to sell property under 11 U.S.C. § 363 enjoys a strong presumption the trustee acted on an informed basis, in good faith, and in an honest belief that the action taken was in the best

interests of the estate. *In re Integrated Res., Inc.*, 147 B.R. 650, 656 (S.D.N.Y. 1992) (quoting *Smith v. Van Gorkom*, 488 A.2d 858, 872 (Del. 1985)). Therefore, any party objecting to the trustee's proposed asset sale must make a showing of "bad faith, self-interest or gross negligence." *Id.* at 656; *see also Comm. of Asbestos-Related Litigants v. Johns-Manville Corp. (In re Johns-Manville Corp.)*, 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986) (holding that where a reasonable basis for the business decision is articulated (as distinct from a decision made arbitrarily or capriciously), courts will generally not entertain objections to the trustee's conduct.).

14. In the Trustee's business judgment, it is in the best interests of the Debtors' estates and their creditors to sell the Stored Items under the terms provided in Exhibit A. Given the limited estimated value of the Stored Items and the fact that the items are not needed by the Debtors, the Trustee believes a prompt sale is warranted to avoid additional storage costs for the Storage Units and bring the cash value of the assets into the Debtors' estates.

B. Free and Clear Sale Under § 363(f) is Appropriate

15. The Trustee intends to sell the Stored Items free and clear of all liens, claims, encumbrances, and interests pursuant to 11 U.S.C. § 363(f). Section 363(f) of the Bankruptcy Code provides, in relevant part, that a trustee may sell property of the estate free and clear of the interest of any entity other than the estate if:

(1) applicable nonbankruptcy law permits sale of such property free and clear of such interest; (2) such entity consents; (3) such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property; (4) such interest is in bona fide dispute; or (5) such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest.

11 U.S.C. § 363(f).

16. Because Bankruptcy Code § 363(f) is drafted in the disjunctive, satisfaction of any one of its five requirements will suffice to approve the sale of the Properties "free and clear" of

liens, claims, encumbrances and interests (collectively, the “Interests”). *See, e.g., In re Nature Leisure Times, LLC*, No. 06-41357, 2007 Bankr. LEXIS 4333, at *7 (Bankr. E.D. Tex. 2007) (stating that a “sale free and clear of an interest can be approved if any one of the . . . conditions contained in §363(f) are satisfied”).

17. While the Trustee is unaware of any competing Interests in the Stored Items, to the extent that any such Interest exists, the Trustee asserts that either § 363(f)(2) or (4) would apply to any items sold at the Auction. Should any party assert an Interest in a Stored Item(s) prior to the Auction, the Trustee plans to reach an agreement as to such Interest. Should no agreement be reached, the item in dispute shall be held pending resolution of such dispute. To the extent that a party with an Interest in the Stored Items exists and fails to assert such Interest prior to the Auction, such parties should be deemed to have consented to the Auction of the Stored Item(s).

C. Requirements of Bankruptcy Rule 6004(f)(1) will be Satisfied

18. Federal Bankruptcy Rule 6004(f)(1) provides, in relevant part: “All sales not in the ordinary course of business may be by private sale or by public auction. Unless it is impracticable, an itemized list of the property sold, the name of each purchaser, and the price received for each item . . . shall be filed on completion of a sale.” Fed. R. Bankr. P. 6004(f)(1). Following the Auction, 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 LaGesse, and (f) the net proceeds paid to the Trustee. Therefore, the requirements of Bankruptcy Rule 6004(f)(1) will be satisfied as part of the sale process.

WAIVER OF THE 14-DAY STAY UNDER BANKRUPTCY RULE 6004(H)

19. Bankruptcy Rule 6004(h) provides that an “order authorizing the use, sale, or lease of property . . . is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise.” Fed. Rule Bank. P. 6004(h). The Trustee requests that the order approving the sale of the Stored Items be effective immediately by providing that the 14-day stay under Bankruptcy Rule 6004(h) is waived. A waiver of the 14-day stay is warranted to allow for prompt removal of the Stored Items from the Storage Units and the preparation and offering of those items for auction. This should minimize the additional fees to be paid for the Storage Units and provide additional needed liquidity for the Debtors’ estates. As such, waiver of the stay is therefore justified.

WHEREFORE, the Trustee requests an order granting the relief requested herein and authorizing the Trustee to sell the Stored Items free and clear of all Interests and granting such further relief as the Court may deem 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
Ross & Smith, PC
700 N. Pearl Street, Suite 1610
Dallas, Texas 75201
Telephone: 214-377-7879
Facsimile: 214-377-9409
Email: judith.ross@judithwross.com
frances.smith@judithwross.com
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

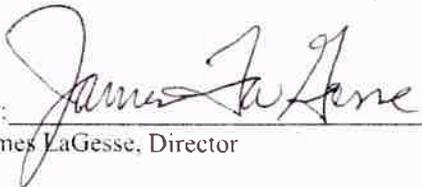
The above amounts will be deducted by the Auctioneer from the monies received at the auction, and the remaining monies will be forwarded by Auctioneer to Consignor within 14 days of the date of the auction.

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.

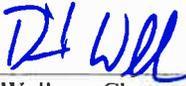
7. Auctioneer and Consignor acknowledge and agree that this contract and the agreement described herein are subject to approval by the Bankruptcy Court of both the Consignor's retention of Auctioneer and of the sale described herein.

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

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

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

**ORDER APPROVING CHAPTER 11 TRUSTEE’S MOTION TO APPROVE SALE OF
OFFICE FURNITURE AND OTHER STORED ASSETS
UNDER 11 U.S.C. § 363 FREE AND CLEAR
OF ALL LIENS, CLAIMS, ENCUMBRANCES, AND INTERESTS**

CAME ON to be considered the *Chapter 11 Trustee’s Motion to Approve Sale of Office Furniture and Other Stored Assets Under 11 U.S.C. § 363 Free and Clear of All Liens, Claims, Encumbrances, and Interests* (the “Motion”),² 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 Motion, 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 Motion in accordance with 28 U.S.C. § 157 and the District Court’s standing order of reference; that consideration of the Motion 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

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.

² All capitalized terms used but not otherwise defined in herein shall have the meanings ascribed to them in the Motion.

notice of the Motion has been provided to the necessary parties; that no other or further notice need be provided; that the relief sought in the Motion is 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 Motion; 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 Motion is **GRANTED** to the extent provided herein; and it is further

ORDERED that the Trustee is authorized to sell the Stored Items free and clear of all liens, claims and encumbrances in accordance with the terms of the auction agreement attached as **Exhibit A** to this Order.; it is further

ORDERED that, upon completion of the inventory of the Stored Items, the Trustee shall file with the Court a notice attaching an itemized list of those items to be sold at the Auction (such list, the "Stored Item Inventory"). Any party asserting a conflicting ownership or other interest in any of the Stored Items must notify the Trustee within seven days of the filing of the Stored Item Inventory or such interest shall be forfeited and such party shall be deemed to have consented to the sale of the applicable Stored Item(s). If a Stored Item is the subject of such a conflicting interest (that is not otherwise resolved prior to the Auction) or a Stored Item is discovered that, in the Trustee's judgment, is of such a nature and/or value as to fall significantly outside of the scope of the relief granted in this Order, the Trustee shall exclude such item from the Auction and request additional approval of the Court prior to any disposition of that item; it is further

ORDERED that as soon as reasonably practicable following the Auction, LaGesse (or whatever auctioneer is approved for the sale of the Stored Items) shall provide the Trustee with the information necessary for the Trustee to file with the Court a "Report of Auction" including (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 LaGesse, and (f) the net proceeds paid to the Trustee; it is further

ORDERED that the Trustee shall file with the Court such a “Report of Auction,” containing the information outlined above, as soon as reasonably practicable following receipt of such information from the auctioneer; it is further

ORDERED that, if one or more objections to the sale of specific items (under the above procedures regarding the Stored Item Inventory) results in the auctioneer having to cover costs for moving and/or storage beyond the time periods contemplated by the Motion, the Trustee is authorized to reimburse the auctioneer for such costs;

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

ORDERED that the terms and conditions of this Order shall be immediately effective and enforceable upon its entry regardless of the applicability of Bankruptcy Rule 6004(h); 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

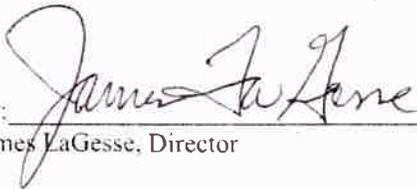
The above amounts will be deducted by the Auctioneer from the monies received at the auction, and the remaining monies will be forwarded by Auctioneer to Consignor within 14 days of the date of the auction.

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.

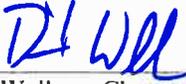
7. Auctioneer and Consignor acknowledge and agree that this contract and the agreement described herein are subject to approval by the Bankruptcy Court of both the Consignor's retention of Auctioneer and of the sale described herein.

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