

ROBERT BURNS

NUMBER 605769 DOCKET: 25

19<sup>TH</sup> JUDICIAL DISTRICT COURT

VERSUS

PARISH OF EAST BATON ROUGE

ARTHRITIS ASSOCIATION OF LOUISIANA,  
KAREN KENNEDY, CAROLINE MESSENGER

STATE OF LOUISIANA

\*\*\*\*\*

**AMENDMENTS TO PLEADING**

NOW UNTO COURT comes Plaintiff, Robert Edwin Burns, in proper person, who asserts to this Honorable Court that he wishes to amend his pleadings to change the title of his Petition and add paragraphs to his Petition as follows:

**PETITION FOR DAMAGES FOR DEFAMATION OF CHARACTER AND TORTIOUS INTERFERENCE WITH BUSINESS RELATIONSHIP**

46.

Petitioner had invested a significant amount of time, effort, and money in cultivating an auction joint venture partnership with Mr. Beau Box of Beau Box Commercial Real Estate. A list of exhibits demonstrating that fact follows: (Note:

Identities of any prospective auction clients not within the public record as foreclosures, bankruptcies, or Federal lawsuits are blackened out in Exhibits for privacy purposes):

➤ **Exhibit P-15:** Email exchange between Petitioner and Matthew Laborde (Beau Box agent) entailing a proposed auction of the Deluxe Inn on Airline Highway (Mr. Laborde begins the exchange with, "Robert. This might be a good property we can pitch an auction to." As evidenced by the numerous email exchanges, the proposal was bantered around at considerable length.

➤ **Exhibit P-16:** Email exchange between Petitioner, Burden Edmonds (Beau Box agent) and Robert Svendson (Beau Box agent) entailing the "xxxxx xxxxx property." Mr. Box himself begins the correspondence in relaying, "Robert. We will be contacting you about the xxxxx property. Debt is \$350,000. Burden or Robert please email a flyer." Again, the

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exchanges between Mr. Edmonds and Petitioner are fairly extensive and even include an advertising budget for a prospective auction.

- **Exhibit P-17:** Email exchange between Petitioner, Beau Box, and Elizabeth Morrison (Beau Box agent), xxxxxx xxxxxxxx, and xxxxxx xxxxxxxx regarding Messrs. xxxxxxxx and xxxxxxxx's commercial lot in xxxxxxx, LA. Mr. Box begins the correspondence by stating: "Yes. Good idea. Liz Morrison and Robert Burns will contact you on Monday. Thanks. Send me a site plan if you have one." Also of note, Mr. xxxxxxxx begins the correspondence with Mr. Box in stating, "xxxxxx and I own a 3-acre commercial tract well suited for a professional office park off of xxxxxxx Blvd. in xxxxxxxxxx. **Could this be sold this summer in an auction under your new JV arrangement?"** Again the email exchanges are extensive and, again, a proposed advertising budget was included for that prospective auction as well.
- **Exhibit P-18:** Email exchange between Beau Box, Mathew Laborde, and Petitioner entailing "Beau Box Lafayette Hotel." Mr. Box relays, "call the bank now and set a conference time for later today or Monday," in response to Petitioner relaying, "Sounds great. Just spoke with Matt. He should be in the office in about 45 minutes, at which time he will call me, **and I will come over and we'll strategize and initiate the call.** Looking forward to it!" Mr. Box initiated the correspondence by stating, "Matt. Can you get the details of the hotel to Robert? He is copied. **Let's pitch an auction deal to the lender.**"
- **Exhibit P-19:** Email from Petitioner to Beau Box in which Petitioner went to great lengths to update Mr. Box on the status of all of the Marge Mackey properties after they had been extensively discussed in a "strategizing session" conducted on May 19, 2010 (thus easily refuting Mr. Box's assertion that "only one face-to-face meeting ever transpired regarding the Box / Auction Sells Fast joint venture").
- **Exhibit P-20:** Email from Robert Burns to Beau Box and Elizabeth Morrison regarding "strategizing session" for Wednesday, May 19, 2010

at 3:00 p.m. entailing updating all bank prospects which had been discussed at the previous “strategizing session.”

- **Exhibit P-21:** A copy of the press release from Beau Box’s ad agency, The Cat’s Back Advertising, along with Petitioner’s \$75 check made payable to Beau Box Commercial Real Estate to cover his half of preparation of the press release which was largely a copy and paste of the press release Petitioner himself had prepared!
- **Exhibit P-22:** Copy of an article which ran in the online Business Report of December 1, 2010 by David Jacob covering the Beau Box / Auction Sells Fast joint venture.

47.

Defendants, individually and collectively, engaged in an act of tortious interference with a business relationship between Petitioner and Beau Box. That relationship was severed through Defendants’ actions of making complaints to Mr. Box on or about the same day as the Terrorism Unit of State Police was dispatched to Petitioner’s residence. Those complaints to Mr. Box on the part of Defendants contained assertions which false, scurrilous, and defamatory.

48.

Defendants defamed Petitioner’s character and portrayed him as an individual having mental issues and deficiencies who would be dangerous to Mr. Box, his clients, and the public at large.

49.

Specifically, Ms. Kennedy, through her sworn affidavit (Exhibit P-6) stated that she relayed to Ms. Edmonds that Petitioner was “faking a Board Meeting.” Any reasonable man, including Mr. Box, upon hearing such a portrayal of any person, would certainly justifiably infer that anyone showing up at a facility and, in isolation, filming a “fake board meeting” is mentally deficient and exhibiting characteristics of lunacy.

50.

Almost simultaneous to Ms. Kennedy's revelation to Ms. Edmonds, Mr. Box relayed to Petitioner that he'd received "numerous complaints" from clients regarding Petitioner (Exhibit P-10).

51.

In contacting Mr. Box and portraying Petitioner to be an individual who is mentally disturbed, and upon the credibility Mr. Box clearly justifiably gave to those assertions on the part of Defendants and Ms. Edmonds, Defendants significantly damaged the personal and business character and reputation of Petitioner.

52.

The assertions made to Mr. Box were false, scurrilous, and intentional on the parts of Defendants and Ms. Edmonds; furthermore, they were made on the parts of Defendants for the purpose of disparaging Petitioner and causing direct financial harm to Petitioner in the way of loss of business income.

53.

As a direct result of these actions of Defendants, Petitioner has in fact suffered the lost revenue which would have otherwise resulted from Petitioner's extensive efforts to cultivate commercial real estate auction business with Mr. Box.

54.

Defendants further, in one single episode of making these complaints to Mr. Box, destroyed the months-long efforts of Petitioner to cultivate that joint venture relationship and caused Petitioner's significant financial outlays pertaining to that joint venture to have been in vain.

55.

Petitioner therefore files this cause of action to seek compensatory damages for the lost business revenue and the financial outlays by Petitioner which were negated by a single act of Defendants in portraying Petitioner as a

person having mental deficiencies which would cause any reasonable man,  
including Mr. Beau Box, to sever business ties with an individual so portrayed.

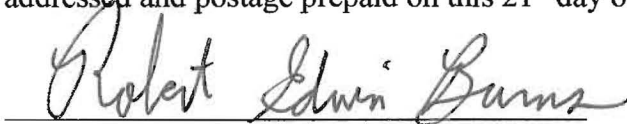
Respectfully Submitted,

Robert Edwin Burns, in proper person  
President, Auction Sells Fast, LLC  
4155 Essen Lane, Ste 228  
Baton Rouge, LA 70809-2152  
(225) 201-0390 (office) (225) 235-4346  
E-mail: [Robert@AuctionSellsFast.com](mailto:Robert@AuctionSellsFast.com)

  
Robert Edwin Burns

Certificate of Service:

I certify that a copy of the foregoing has been served upon counsel for all parties to this proceeding by mailing the same to each by First Class United States Mail, properly addressed and postage prepaid on this 21<sup>st</sup> day of November 2011.

  
Robert Edwin Burns

## Robert Burns

---

**From:** Mathew Laborde <mlaborde@beaubox.com>  
**Sent:** Monday, August 16, 2010 2:11 PM  
**To:** Robert Burns  
**Subject:** RE: Deluxe Inn on Airline

Sounds great Robert.

Thanks,

Mathew Laborde

---

### Beau Box Commercial Real Estate

6777 Jefferson Hwy  
Baton Rouge, LA 70806  
337.326.1368 c  
225.237.0463 d  
225.237.3343 o  
225.237.3344 f

[mlaborde@beaubox.com](mailto:mlaborde@beaubox.com)

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**From:** Robert Burns [mailto:Robert@AuctionSellsFast.com]  
**Sent:** Monday, August 16, 2010 12:49 PM  
**To:** Mathew Laborde  
**Subject:** RE: Deluxe Inn on Airline

Mathew:

Even though I had the mix-up in the names, I still knew what had to have transpired. As evidenced by the attached Federal lawsuits over the whole matter, BMR purchased the note from BLX for "pennies on the dollar." The interesting reading begins on page eight (8), paragraph 52, and I've highlighted much of that text.

I doubt they paid more than \$350,000 - \$400,000 tops for the note, and their goal (as with all hedge and vulture funds) is to flip it at \$700,000 or so. If so, they may be VERY happy to just sell it themselves and nearly double their money (hence her comment to you), even at the low-ball offers they would receive without any help from a broker or auctioneer.

Our best shot is to hope for a "greed factor" and that she may stop to think about auction being able to up those low-all \$650,000 or so offers (if people like ██████████ will even go that high). I'm sure they'd prefer to more than double their money rather than merely make a 50% return (especially after all the legal fees), and, if nothing else, the attached document will come in handy when and if "bare knuckle time" ever comes where we're negotiating any reserve they want to set. The front-end negotiation on auction reserve is critical because, if we botch

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the reserve badly and the auction doesn't bring enough, even a non-vulture seller puts the screws to you on the commission, I'm sure you can imagine what these guys will do!!

anks again, Mathew, and we can monitor this situation and see if it may unfold into a profitable venture for us!!



**Robert Edwin Burns**

Real Estate Broker / Certified Real Estate Auctioneer  
Auction Sells Fast / BWW Realty  
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(225) 201-0390 (225) 235-4346  
LA Lic. #: 1536  
[www.AuctionSellsFast.com](http://www.AuctionSellsFast.com)

**From:** Mathew Laborde [mailto:mlaborde@beaubox.com]  
**Sent:** Monday, August 16, 2010 11:44 AM  
**To:** Robert Burns  
**Subject:** RE: Deluxe Inn on Airline

.MR is Silver Point.

Mathew Laborde

**Beau Box Commercial Real Estate**

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Baton Rouge, LA 70806  
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**From:** Robert Burns [mailto:Robert@AuctionSellsFast.com]  
**Sent:** Monday, August 16, 2010 11:42 AM  
**To:** Mathew Laborde  
**Subject:** RE: Deluxe Inn on Airline

Here is the Sheriff's Sale webpage on

it: <https://web.ebrso.org/civil/realestate.asp?intCaseID=985436&selParishCodeID=2>.

My guess is that Silver Point probably bought the note from BMR for somewhere in the \$400,000 - \$900,000 range. The defaulted principal balance was \$1,225,000 or so. BMR probably had no interest in an extended work-out, so they sold the note to Silver Point, who specializes in distressed assets. Their motivation is all a function of how much they paid for the note, which we'll probably be in the dark on. The fact that nobody bid more than 2/3 appraised amount (the starting bid) tells you that, if they paid over \$900,000, they've made a mistake.

That property has NEVER succeeded in any way and has been in default so many times I've lost count. One day it's bound to get acquired for an amount low enough for the debt to be serviced and an upgrade made to bring it up to decent standards.



**Robert Edwin Burns**

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**From:** Mathew Laborde [mailto:[mlaborde@beaubox.com](mailto:mlaborde@beaubox.com)]

**Sent:** Monday, August 16, 2010 11:02 AM

**To:** Robert Burns

**Subject:** RE: Deluxe Inn on Airline

I think her last name may be Dobrow (see her email). My mistake.

Mathew Laborde

**Beau Box Commercial Real Estate**

6777 Jefferson Hwy

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**From:** Robert Burns [mailto:Robert@AuctionSellsFast.com]  
**Sent:** Monday, August 16, 2010 10:50 AM  
**To:** Mathew Laborde  
**Subject:** RE: Deluxe Inn on Airline

She just returned my call.....am drafting an email to her an copying you on it.....she said auction may be a distinct possibility.....I'm sure they'll want to make a fast return (probably bought the note for a steep discount) so we can certainly facilitate that.....email will go out in a few mintues...Thanks, Mathew!!



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[www.AuctionSellsFast.com](http://www.AuctionSellsFast.com)

---

**From:** Mathew Laborde [mailto:mlaborde@beaubox.com]  
**Sent:** Monday, August 16, 2010 10:44 AM  
**To:** Robert Burns  
**Subject:** RE: Deluxe Inn on Airline

It could be because they do not have the deed yet. They expect it in 1-2 weeks.

Mathew Laborde

**Beau Box Commercial Real Estate**  
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---

**From:** Robert Burns [mailto:Robert@AuctionSellsFast.com]  
**Sent:** Monday, August 16, 2010 10:41 AM  
**To:** Mathew Laborde  
**Subject:** RE: Deluxe Inn on Airline

Matthew:

I just called, and she spoke with me for about 15 seconds before saying, "I need to place you on hold." I waited 15 minutes (kept the phone on speaker and went about my work), so it appears they're a long way from wanting any form of help with a sale. If they're still holding it a few months from now, maybe that will change. They may be getting tons of inquiries (no doubt all with the last name [REDACTED]), but any offers will all be absolute rock-bottom. The only way to force it up is through a competitive bidding, but what do I know??



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LA Lic. #: 1536  
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**From:** Mathew Laborde [mailto:mlaborde@beaubox.com]  
**Sent:** Monday, August 16, 2010 9:08 AM  
**To:** Robert Burns  
**Subject:** Deluxe Inn on Airline

Robert:

This might be a good property we can pitch an auction to. It's very distressed. When I spoke with the contact she said they have had too many people interested in it and were not going to list it with a Broker. See Information below:

**Deluxe Inn**

10245 Airline Highway, Baton Rouge, LA 70816-4099

[more info »](#)

Floors: 2

Rooms: 140

Sheriff Sale Date: 7/28/2010

Brit Amount: \$1,299,029.17

Appraised Amount: \$1,850,000.00

Owner: Silver Point Capital, LP - a distressed debt and credit-focused private investment firm based in Greenwich, Connecticut.

Contact: Angela Debowski (203) 655-0831

Mathew Laborde

**Beaubox Commercial Real Estate**

5777 Jefferson Hwy  
Baton Rouge, LA 70806  
337.326.1368 c  
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225.237.3343 o  
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## Robert Burns

---

**From:** Robert Burns <Robert@AuctionSellsFast.com>  
**Sent:** Wednesday, August 25, 2010 10:02 AM  
**To:** 'Burden Edmonds'  
**Cc:** Beau Box (bbox@beaubox.com); Robert Svendson (rsvendson@beaubox.com)  
**Subject:** RE: [REDACTED] property  
**Attachments:** Auction 1018 [REDACTED].pdf

Burden:

Just called you and left voice message on office phone. Attached is proposed promotional budget for [REDACTED] property. Give me a call and we can talk about how to go about proceeding on forward in terms of assessing reserve number, etc.

Thanks.



### Robert Edwin Burns

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(225) 201-0390 (225) 235-4346  
LA Lic. #: 1536  
[www.AuctionSellsFast.com](http://www.AuctionSellsFast.com)

**From:** Burden Edmonds [mailto:bedmonds@beaubox.com]  
**Sent:** Tuesday, August 24, 2010 4:25 PM  
**To:** Robert Burns; Beau Box; Robert Svendson  
**Subject:** RE: [REDACTED]

[http://www.lacdb.com/jsp/search/results.jsp?searchType=ACTIVE\\_LISTINGS&init=1&agentLastName=svendson#t=3|p=1,50|c=search2:true;propertyType;;subtype;;searchFilter include non member listings:no;agentLastName:svendson;|ac=Location:\[\],PropertyType,SalePrice,LeasePrice,Size,SaleLease,AdditionalListings,Associate|h=|d=55\\_2013843|tl=\\*\\*Reduced\\*\\*12/2C735\\$ \[REDACTED\]](http://www.lacdb.com/jsp/search/results.jsp?searchType=ACTIVE_LISTINGS&init=1&agentLastName=svendson#t=3|p=1,50|c=search2:true;propertyType;;subtype;;searchFilter include non member listings:no;agentLastName:svendson;|ac=Location:[],PropertyType,SalePrice,LeasePrice,Size,SaleLease,AdditionalListings,Associate|h=|d=55_2013843|tl=**Reduced**12/2C735$ [REDACTED])

This is the LACDB listing.

### Burden Edmonds

Beau Box Commercial Real Estate  
777 Jefferson Hwy.  
Baton Rouge, LA 70806  
Cell. 225-931-9222  
Office. 225-237-3343

P-16

Direct. 225-237-3362

Fax. 225-237-3344

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---

**From:** Robert Burns [mailto:Robert@AuctionSellsFast.com]

**Sent:** Tuesday, August 24, 2010 4:09 PM

**To:** Beau Box; Burden Edmonds; Robert Svendson

**Subject:** RE: [REDACTED]

Sounds great, Beau. I'll anxiously awaiting receiving any information and us hopefully proceeding on with our first auction!!



**Robert Edwin Burns**

Real Estate Broker / Certified Real Estate Auctioneer

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LA Lic. #: 1536

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---

**From:** Beau Box [mailto:bbox@beaubox.com]

**Sent:** Tuesday, August 24, 2010 4:07 PM

**To:** Robert Burns (Robert@AuctionSellsFast.com); Burden Edmonds; Robert Svendson

**Subject:** [REDACTED]

Robert:  
We will be contacting you about the [REDACTED] property, debt is \$350,000. Burden or Robert please email a flyer

Beau J. Box  
Beau Box Commercial Real Estate  
P O Box 66865  
Baton Rouge LA 70896  
225-931-3200 (cell)  
225-237-3343 (office)  
[box@beaubox.com](mailto:box@beaubox.com)

## Promotion Budget for Auction # 1018

██████████  
June 11, 2010

Promotional Cost Description	Date Incurred	Quantity	Unit Cost	Ext. Amount
First Ad, Advocate 3 x 5"	TBD	1.00	340.20	340.20
Second Ad, Advocate 3 x 5"	TBD	1.00	340.20	340.20
Third Ad, Adovcate 3 x 5"	TBD	1.00	340.20	340.20
Fourth Ad, Advocate 3 x 5"	TBD	1.00	340.20	340.20
Flyer/Post Card Mailout to ASF List	TBD	350.00	0.65	227.50
E-mail Distribution Alert for Auction	No Charge			
Internet Advertising on <a href="http://www.AuctionSellsFast.com">www.AuctionSellsFast.com</a>	No Charge.			
Total				<u>1,588.30</u>
<b>Less: Promotional Fee Received</b>				<b>1,600.00</b>
Anticipated Ad Budget Surplus (Overage)				12

**Robert Burns**

---

**From:** Beau Box <bbox@beaubox.com>  
**Sent:** Saturday, May 15, 2010 8:56 AM  
**To:** [REDACTED]  
**Cc:** Elizabeth Morrison;  
Robert@AuctionSellsFast.com  
**Subject:** Beau Box [REDACTED]

Yes. Good idea. Liz Morrison and Robert Burns will contact you on Monday. Thanks. Send me a site plan if you have!!

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----- Original Message -----

**From:** [REDACTED]  
**To:** Beau Box  
**Cc:** [REDACTED]  
**Sent:** Sat May 15 06:53:31 2010  
**Subject:** [REDACTED]

Beau,

[REDACTED] & I own a 3 acre commercial tract well suited for a professional office park off of [REDACTED].

Could this be sold this summer in an auction under your new JV arrangement?

[REDACTED] please confirm our listing with [REDACTED] has expired.

[REDACTED]  
[REDACTED]  
[REDACTED]

=====

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**Robert Burns**

---

**From:** Beau Box <bbox@beaubox.com>  
**Sent:** Wednesday, May 19, 2010 6:55 AM  
**To:** Elizabeth Morrison; Robert@AuctionSellsFast.com  
**Cc:** Beau Box  
**Subject:** [REDACTED] Pearl Acres Subdivision, St. Tammany Parish, LA  
**Attachments:** [REDACTED]

Robert and Elizabeth please discuss and update me as to value and overall thoughts on this tract. IF you can get a google aerial and outline it that would be nice.....

---

**From:** [REDACTED]  
**Sent:** Wednesday, May 19, 2010 6:53 AM  
**To:** 'Robert Burns'  
**Cc:** Beau Box; [REDACTED]  
**Subject:** [REDACTED]

[REDACTED]

Robert,

It was very nice visiting with you by telephone on Sunday!

Please find attached a survey of the subject 3 acre tract, known as [REDACTED] dated [REDACTED] by J.V. Burkes Associates, Inc.

The owners of the adjoining 3 acre tract, giving us frontage on [REDACTED], are interested in joining in with the condition the auction is not absolute. I will request a survey of their parcel and forward upon receipt.

In the meantime, let me know what additional information you may need and when the auction can be scheduled.

Please note my contact information below.

[REDACTED]

[REDACTED]

[REDACTED]



**From:** Robert Burns [mailto:Robert@AuctionSellsFast.com]  
**Sent:** Sunday, May 16, 2010 11:27 AM  
**To:** [REDACTED]  
**Cc:** Beau Box  
**Subject:** Contact Information for R/E Auctioneer Robert Burns

Mr. [REDACTED]

It was a pleasure speaking with you a few moments ago. I look forward to us receiving material and evaluating the prospects for a summer auction for the three acre tract you mentioned, together with the potential for the adjoining three-acre tract with frontage on [REDACTED] if that owner may also be interested in joining in the auction. I do agree with you that the potential to have a combined six acres with frontage would likely enhance an auction's results.

You have an enjoyable remainder of the weekend and have a safe return-trip home, and we'll look to be in touch again soon.



**Robert Edwin Burns**  
Real Estate Broker / Certified Real Estate Auctioneer  
Auction Sells Fast / BWW Realty  
.155 Essen Lane, Ste 228  
Baton Rouge, LA 70809-2152  
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LA Lic. #: 1536  
[www.AuctionSellsFast.com](http://www.AuctionSellsFast.com)

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Promotion Budget for Auction # 1017

~~James Durnally & Steele Rolland~~

June 11, 2010

Promotional Cost Description	Date Incurred	Quantity	Unit Cost	Ext. Amount
First Ad, Times Piccayune 2 x 4"	TBD	1.00	1,051.68	1,051.68
Second Ad, Times Piccayune 2 x 4"	TBD	1.00	1,051.68	1,051.68
Third Ad, Times Piccayune 2 x 4"	TBD	1.00	1,051.68	1,051.68
First Ad, Advocate 3 x 5"	TBD	1.00	340.20	340.20
Second Ad, Advocate 3 x 5"	TBD	1.00	340.20	340.20
Third Ad, Advocate 3 x 5"	TBD	1.00	340.20	340.20
Flyer/Post Card Mailout to ASF List	TBD	350.00	0.65	227.50
Estimated Hotel Con. Room for Auction	TBD	1.00	200.00	200.00

E-mail Distribution Alert for Auction No Charge  
Internet Advertising on www.AuctionSellsFast.com No Charge.

Total 4,603.14

**Less: Promotional Fee Received 4,600.00**

Anticipated Ad Budget Surplus (Overage) (3)

## Robert Burns

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**From:** Beau Box <bbox@beaubox.com>  
**Sent:** Friday, July 30, 2010 8:49 AM  
**To:** Robert@AuctionSellsFast.com; Mathew Laborde  
**Subject:** Re: Beau Box Lafayette Hotel

Call the bank now and set a conf call time for later today or Monday

---

**From:** Robert Burns <Robert@AuctionSellsFast.com>  
**To:** Beau Box; Mathew Laborde  
**Sent:** Fri Jul 30 06:44:52 2010  
**Subject:** RE: Beau Box Lafayette Hotel

Sounds great. Just called Matt...He should be in the office in about 45 minutes, at which time he will call me, and I will come over and we'll strategize and initiate the call. Looking forward to it!



**Robert Edwin Burns**  
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[www.AuctionSellsFast.com](http://www.AuctionSellsFast.com)

---

**From:** Beau Box [mailto:bbox@beaubox.com]  
**Sent:** Friday, July 30, 2010 8:14 AM  
**To:** Robert@AuctionSellsFast.com; Mathew Laborde  
**Subject:** Re: Beau Box Lafayette Hotel

You guys need a conference call with the bank TODAY. Robert call them

---

**From:** Robert Burns <Robert@AuctionSellsFast.com>  
**To:** Mathew Laborde  
**Cc:** Beau Box  
**Sent:** Fri Jul 30 06:00:37 2010  
**Subject:** RE: Beau Box Lafayette Hotel

Hi Matthew:

Thanks for obtaining the document. I have reviewed it, and here are my thoughts:

P-18

- We really need to convince the bank to permit open availability of what financial information they have (to include, at a bare minimum, historical occupancy rates and average room rates) for all prospective bidders to be able to evaluate (the disclaimers can still be included),
- To do otherwise will do nothing but hurt the results of the auction. Bidders are not going to expect for the numbers to be glowing (or else the property wouldn't have ended up in the bank's possession), but if they are given no past financial performance, they will likely create their own pro-forma financials which will likely be worse than the actual numbers, thus resulting in lower bids.
- I've closely followed approximately five hotel auctions during my career (two in Hammond, and 2-3 in New Orleans) including attending two of those auctions, and the financial information was ALWAYS provided for website visitors to obtain with the mere clicking of a mouse (no registration of any kind even required to view the documents). I have no doubt whatsoever that it was that transparency which enhanced the bidding and resulting in successful sales for all of the properties.

Under the traditional sales approach, the existing agreement may serve a useful purpose, but for an auction, unless there is a change to permit availability of financial performance, the bank needs to be prepared for lower bids across the board on the parts of all bidders. It's their call to make, but I'm just relaying that, if silence on financial information is present, bidders will assume the worst and bid accordingly.

Thanks, and let me know anything I can do to assist with us obtaining this engagement and proceeding on with an auction for which the bank will be well pleased with the results.



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[www.AuctionSellsFast.com](http://www.AuctionSellsFast.com)

---

**From:** Mathew Laborde [mailto:mlaborde@beaubox.com]  
**Sent:** Thursday, July 29, 2010 4:02 PM  
**To:** Robert Burns  
**Subject:** RE: Beau Box Lafayette Hotel

Robert:

An agreement has to be signed to view the financial information that they have. Please find it attached.

Thanks,

**Mathew Laborde**

**Beau Box Commercial Real Estate**

6777 Jefferson Hwy  
Baton Rouge, LA 70806  
337.326.1368 c  
25.237.0463 d  
25.237.3343 o  
225.237.3344 f

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**From:** Robert Burns [mailto:Robert@AuctionSellsFast.com]  
**Sent:** Wednesday, July 28, 2010 2:12 PM  
**To:** Mathew Laborde; Beau Box; Jessie Hynes  
**Subject:** RE: Beau Box Lafayette Hotel

Sounds great, Mathew!! Here are a few #s from the 3/31/10 Call Report to gauge how motivated they may be (6/30 Call Report should be out within seven days or so -- \$\$ in thousands):

ORE	164,826
Loans 90+ days past due but still accruing interest	13,194
Non-Accrual Loans	692,454
Total Non-Performing Assets	870,474
Total Assets	17,195,645
Non-Performing ORE / Assets as % of Assets	0.96% / 5.06%
Total Equity Capital	1,745,981 (Note: Loan Loss Reserve = 386,073, or 2.83% of Gross Loans).
Non-Performing Assets as a % of TEC	0.50 (as a guide, this ratio, sometimes called the "Texas Ratio," when approaching 20, is the current criteria for FDIC shutting a bank down).

So, they're not in any kind of significant danger at present, but the ORE ratio of nearly 1% of assets has got to start to concern them at some point. Taking in that hotel adds about 1,000 to the 164,826 number above and, like I say, it's outside of their designated target market, so they may be more inclined to just let it go. Let's hope so!!!



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[www.AuctionSellsFast.com](http://www.AuctionSellsFast.com)

**From:** Mathew Laborde [mailto:mlaborde@beaubox.com]  
**Sent:** Wednesday, July 28, 2010 11:30 AM  
**To:** Robert Burns; Beau Box; Jessie Hynes  
**Subject:** RE: Beau Box Lafayette Hotel

I have attached a few pictures of the hotel. A few things I have noted were: I saw no more than ten operating cars while there and doors to multiple empty rooms were left open the whole time I was there. I will see if I can get any information on finances and occupancy.

**Mathew Laborde**

**Beau Box Commercial Real Estate**

6777 Jefferson Hwy  
Baton Rouge, LA 70806  
337.326.1368 c  
225.237.0463 d  
225.237.3343 o  
225.237.3344 f

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**From:** Robert Burns [mailto:Robert@AuctionSellsFast.com]  
**Sent:** Wednesday, July 28, 2010 9:00 AM  
**To:** Beau Box; Mathew Laborde; Jessie Hynes  
**Subject:** RE: Beau Box Lafayette Hotel

I would certainly concur that this looks to be an excellent auction prospect, especially since this is a loan they extended which is not in the bank's core market (Utah, California, Texas, Arizona, Nevada, Colorado, Idaho, Washington and Oregon). Also, as evidenced by the reviews, it's been poorly maintained, and the bank is not likely to want to make substantial improvements but rather seek to just get out as quickly as possible.

You're probably right, Matt, on the \$1.45 million being the appraised value. If it was the winning bid amount (which would have been 2/3 appraisal since you can bet the bank bid and nobody else did), it would infer an appraised amount of \$2,122,498.94 and, since this is not a nice round number, the \$1.45 million is more likely the appraised value. If that's the case, the bank likely bid 2/3 of that, or \$943,333.33 and became the owner for that bid.

I agree that pitching our services in an organized fashion gives us maximum probability of getting the deal. We can promote that our two firms are both very close proximity wise to the property and that we have extensive databases of investors within this geographic area to whom we can distribute marketing materials.

Other items we'll need from the bank to promote the auction would obviously include financial operating results and occupancy levels.

We should be able to make a great pitch for auctioning this property!!



**Robert Edwin Burns**  
Real Estate Broker / Certified Real Estate Auctioneer

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---

**From:** Beau Box [mailto:[bbox@beaubox.com](mailto:bbox@beaubox.com)]  
**Sent:** Wednesday, July 28, 2010 6:43 AM  
**To:** Mathew Laborde; [Robert@AuctionSellsFast.com](mailto:Robert@AuctionSellsFast.com); Jessie Hynes  
**Subject:** Re: Beau Box Lafayette Hotel

We need to pitch our services in an organized manner. Let's ask Jesse to prepare some marketing propaganda... Matt get some pictures of the hotel in Lafayette and email them to Jesse. Need pix of:

1. Signs
2. Front
3. Side
4. Parking
5. Deferred maintenance items

---

**From:** Mathew Laborde  
**To:** Beau Box; [Robert@AuctionSellsFast.com](mailto:Robert@AuctionSellsFast.com) <[Robert@AuctionSellsFast.com](mailto:Robert@AuctionSellsFast.com)>  
**Sent:** Wed Jul 28 04:35:14 2010  
**Subject:** RE: Beau Box Lafayette Hotel

Robert:

The details on the hotel are attached. It went to Sheriff Sale on 7/14/10 in Lafayette. Zions National Bank bought it back. The sheriff got two appraisals done on it. I believe the average of the two values was \$1,415,000, however, I need to double check (that may be the winning bid amount). I contacted the bank and they told me that Blake Zumbrunnen ([Blake.zumbrunnen@zionsbank.com](mailto:Blake.zumbrunnen@zionsbank.com)) and Jeff Norman ([Jeff.norman@zionsbank.com](mailto:Jeff.norman@zionsbank.com)) were the people to speak with regarding this property. The Office #: (801)844-8303. Judging by the reviews on Google it has probably been under poor management and has a few problems ([Reviews](#)). Let me know what other information you need and how I can help.

Thanks,

Mathew Laborde

Beau Box Commercial Real Estate  
6777 Jefferson Hwy  
Baton Rouge, LA 70806  
337.326.1368 c  
225.237.0463 d  
225.237.3343 o  
225.237.3344 f

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-----Original Message-----

From: Beau Box

Sent: Wednesday, July 28, 2010 6:05 AM

To: Robert@AuctionSellsFast.com; Mathew Laborde

Subject: Beau Box Lafayette Hotel

Matt

Can you get the details of the hotel in Lafayette to Robert? He is copied. Let's pitch an auction deal to the lender.

=====

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## Robert Burns

---

**From:** Robert Burns <Robert@AuctionSellsFast.com>  
**Sent:** Monday, July 26, 2010 11:13 AM  
**To:** Beau Box (bbox@beaubox.com)  
**Subject:** Marge Mackey Update / Opportunity

Beau:

Had occasion to be in Port Vincent yesterday, so I decided to walk over the property I've always THOUGHT was the Eagle's Landing property. There are no roads, streets, etc. The only improvements are the green pipes sticking up for water/sewer tie-in and lot identification. I spoke with a neighbor, Oliver Duncan, and asked if he knew the name of what the S/D was going to be, and he confirmed it was to be Eagles Landing. He and his wife were quite frustrated with the whole situation and he relayed the grass has yet to be cut. The next time I'm out that way (yesterday's trip was unexpected), I'll take my digital camera and get a few photos.

Anyway, I pulled my old file on EBRP regarding Marge Mackey, which at this point can be summed up here, <https://web.ebrso.org/civil/realEstate.asp?selParishCodeID=2&txtCaseNum=581753&subForm=+Go+>. As you can tell, the foreclosure sale on her main office on Sherwood continues to be stopped (probably due to the involuntary bankruptcy filed 8/29/09) as of 12/02/09.

The status of the Ascension property is summed up here:

<http://www.ascensionsheriff.com/Assets/AssetsDisplay.asp?p1=1337>. As you can tell, that foreclosure sale is scheduled for 10/13/10. The judge signed a relief from the automatic stay and abandoned the property on 4/13/10. He may not be able to do that on the Sherwood property if he deems equity may exist to pay unsecured creditors, so the availability of Sherwood may be delayed for a more protracted period, but perhaps we could approach the bankruptcy trustee about auctioning it (or at least BB list traditionally with maybe added support via website advertising, mail-outs, etc. on BWW Realty website).

The other bank involved in Eagle's Landing (beyond Fidelity) is Gulf Coast Bank in New Orleans (President Guy Williams). I met Guy once 18 years ago on an FDIC exam, but I don't know much about him at all. Any chance you may know him and maybe, with your relations with Mr. Smith at Fidelity, we might could speak with them about being able to get the Ascension property off their books (assuming they can get it on 10/13 without a glitch) by 12/31/10 through auction? That may seem appealing to both banks because, in addition to the property being a heavy drag on future profits, it will certainly make their 12/31/10 year-end numbers look better without a big increase in non-performing ORE ever showing up on the books (not on 9/30 and sold before 12/31). Otherwise, the sales period is likely to take years. May also be a good opportunity to pitch Mr. Smith on us auctioning the property behind Arzi's over on Jones Creek (the "other" Marge Mackey fiasco which was listed with L & B then with Maestri-Murrell but not sure if they still have listing or not but no recorded conveyance by Fidelity as of today).

Let me know your thoughts, and soon after the FDIC call report submissions are finalized (August 5 or so), maybe we can have another strategizing session in early August?



**Robert Edwin Burns**  
Real Estate Broker / Certified Real Estate Auctioneer

P-19

## Robert Burns

---

**From:** Robert Burns <Robert@AuctionSellsFast.com>  
**Sent:** Monday, May 17, 2010 9:29 AM  
**To:** Beau Box (bbox@beaubox.com)  
**Cc:** Elizabeth Morrison (emorrison@beaubox.com)  
**Subject:** Quarterly Updated Bank Spreadsheet and Files Thereof  
**Attachments:** Bank Prospecting.xls; Mackey - Eagles Landing - Bankruptcy.pdf; Mackey Foreclosure on Main Sherwood Office.pdf; Qualify Seller.pdf

Beau:

In preparation for Wednesday's meeting, attached is an updated bank ORE spreadsheet to reflect March 31 call report information. I've highlighted several banks of note which are the most promising for contact. I also added a couple of banks to the list: First Financial Bank in Plaquemine (added because it's the lender for the [REDACTED] subdivision in Denham Springs we talked about a few weeks ago), and Iberia (added since you're on the Board, but their numbers are highly misleading since most of their problematic assets have arisen from out-of-state acquisitions in FL and AR for which they have loss-sharing arrangements with the FDIC).

Of note regarding banking activity in the latest quarter is Fidelity's ongoing saga with Marge Mackey. In addition to the property behind Arzi's on Jones Creek that we talked about last time (see below), they have now foreclosed on the S/D in which she's principal in Ascension (Eagles Landing). Also, three of her unsecured creditors (Water and Wastewater Utilities, Scott, LA, \$334K; LA Testing & Inspection, Scott, LA, \$18K; and Vince Diez, Gonzales, LA, \$4K) got together and forced her LLC (Eagle's Landing) into involuntary bankruptcy. If you look at the attached bankruptcy filing, the Fidelity loan is listed at \$7.2 million, with the underlying collateral valued at \$4.38 million. Accordingly, the bank commenced foreclosure proceedings against her main office on Sherwood to cover the \$2.8 million deficiency (see foreclosure attachment and 3/23/10 judgment).

I figured I'd also include those documents so that, if you want to call and talk with Robert Smith in concert with the property behind Arzi's, maybe we can wrap everything they have from the Mackey fiasco into one big auction (or a series of separate ones).

I drove by the property behind Arzi's the other day, and I see where it's now listed with Maestri—Murrell, and I see it on their website listed at \$675K, so it appears the bank is now more realistic on what the property is likely to bring (as you said, less than half the mortgage balance). Also, if you look on the bank spreadsheet, you'll see their ORE balance at 3/31/10 is \$870K, and I'm certain that's the only property they have (because I look it up quarterly and they've not had to take anything else in for the last several years), so they know they're looking at another \$250K+ writedown (after commission), so at this point (ESPECIALLY with the other problems looming!!), they may be ready to just sell it absolute. A smart banker like J. B. Falgoust (First American) would, but others, who knows?

Lastly, I just spoke with Elizabeth and she inquired how we proceeded on with analyzing auction. The last attachment of this email is the most critical document in all of my auction files. It's the seller qualification file. It has all the critical questions for us to gradually obtain from a prospective client. It's the exact form Dave uses for screening his prospects, and I've found it to be absolutely invaluable. It should be a huge help to know what critical questions to get answered to know if a prospect is viable or not. I know using it has saved me TONS of wasted effort on pursuing properties which had little or no chance of selling at auction.

Thanks, Beau, and I'll be in touch again soon. I have to leave in a bit for the Auctioneer's Licensing Board meeting at noon. I look forward to our meeting Wednesday at 3 p.m., and I hope the attached documents can help in that regard.



Robert Edwin Burns

P-20

Contact: Trish Dry, The Cat's Back Advertising  
4344 Church Street, Zachary, LA 70791  
225.937.7277

May 2010

FOR IMMEDIATE RELEASE

**COMMERCIAL REAL ESTATE FIRM PROMOTES AUCTIONS IN  
SOUTHEAST LOUISIANA**

Baton Rouge, LA ~ Beau Box, owner and founder of one of Louisiana's most successful commercial real estate firms, Beau Box Commercial Real Estate, has recently joined with a leading auction company to promote and conduct commercial real estate auctions in Southeast Louisiana.

With Beau Box Commercial Real Estate's national marketing reach and experience, the partnership with Robert Burns, founder of Auction Sells Fast, will provide a venue for those seeking quick, profitable property sales throughout the region. Burns, an inactive CPA and member of the Louisiana Auctioneer's Licensing Board has been looking forward to pairing with a commercial real estate company for years. Beau Box and his team of award-winning real estate agents and brokers have marketed commercial real estate throughout Southeast Louisiana for nearly two decades. Beau Box Commercial Real Estate has in fact brokered some of the largest commercial real estate transactions in recent years in South Louisiana.

Together, Beau Box Commercial Real Estate and Auction Sells Fast, LLC will afford the opportunity to maximize sales prices attained via competitive bidding environments while minimizing holding costs such as insurance, taxes, repairs, etc. For more information regarding upcoming auctions and available properties, contact Beau Box Commercial Real Estate at 225-237-3343 or email [BBox@BeauBox.com](mailto:BBox@BeauBox.com). Additional information is also available on the web at [beaubox.com](http://beaubox.com).



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Date Posted: 5/5/2010

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### **What am I bid for this property?**

Robert Burns is a real estate broker and an auctioneer. If you have a property you want to sell as quickly as possible, you might call him.

Quite a few people have been recently calling Burns. He estimates he's had more calls in the past six months from people looking to unload properties than in the previous five years. But he hasn't done many auctions over the past 15 months, when he used to do seven to 10 per year.

"Everybody thinks when times go bad, auctions flourish," he says.

But like a typical agent, he does better when things are blowing and going. He recalls more than 30 properties selling in one night at an auction he worked in September 2006.

"Back then, if you could fog a mirror, you could get a loan," Burns says. "Today, if we had those same 36 properties lined up for auction, I wouldn't expect to sell any."

Burns' firm, Auction Sells Fast, received a big visibility bump earlier this year with the announcement of its joint venture with Beau Box Commercial Real Estate, a firm with name recognition in the Capital Region.

The agreement gives Box a way to move foreclosed properties quickly, and gives Burns a source of properties to sell. The firms can combine their mailing lists and marketing efforts.

Box couldn't be reached for comment. But in an interview with *Daily Report* earlier this year, he said several hundred million dollars' worth of distressed real estate was expected to hit the market over the next two years, and an auction was a good way to approach that market.

Auctions aren't exclusively made up of properties in danger of foreclosure. Auctioneers sometimes say their industry is driven by the three Ds: debt, death and divorce. An accumulation of the first D, combined with difficulties obtaining refinancing, has led experts to predict a coming wave of commercial foreclosures to rival the housing crisis seen in some markets.

That wave might still be coming, but it hasn't crashed ashore, which Brian Andrews of Andrews Commercial Mortgage finds surprising but not shocking.

Andrews says he would have expected lenders by now to have been under pressure from regulators and stockholders to show some activity and prove they were concerned about their credit quality. Instead, he says, banks seem to be taking what he considers to be a more prudent approach.

"The banks are just saying, 'We're going to continue to work with the customers as long as the customers are continuing to work with us,'" he says.

At the moment, Andrews says, the few potential buyers are looking for "trophies" or "train wrecks." Baton Rouge doesn't have any properties that are trophies on the national level, he says, and people here aren't desperate enough to sell for pennies on the dollar.

He says banks might still have one more year of low expectations, when they can let people slide. But he suspects owners and stockholders might want to see cleaner balance sheets after 2011.

"My sense is, in 2011, that's when the banks are going to start saying, 'You've either got to fix this or I'm taking it back, I'm selling it for what I can and I'm just going to get the deficiency out of your hide,'" he says.

Dave Gilmore of Gilmore Auction & Realty is starting to see more commercial properties in the pipeline. Owners who bought at the top of the market might be able to refinance, he says, but they might have to come up with 30% of the value. He doesn't expect a sudden flood of foreclosures.

"They're doing the 'extend and pretend,'" he says; in other words, lengthening the term of the note and hoping economic conditions improve.

The majority of calls to people like Burns and Gilmore are about residential properties. Even then, the owners don't seem all that desperate, and Burns often doesn't try to set up an auction because he's not confident of a sale. Auctions are unconditional sales, and they work best when there's a highly motivated seller.

"What auction does, it stops the bleeding," he says. "The old saying is, 'I'm no longer after the cheese, just get me out of the trap.'"—**D.J.**