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February 6, 2013

Honorable Cynthia D. Wright
Fulton County Superior Court
Superior Court of Fulton County
136 Pryor Street, S.W.
Atlanta, Georgia 30303

Re: State of Georgia v. International Estate Brokers, LLC, et al.
Civil Action No. 2012-CV-217825

Dear Judge Wright:

Enclosed please find a courtesy copy of the Receiver's Report for December 2012, in connection with the above-referenced case.

Please feel free to call me if you have any questions.

Respectfully,

C. Angelia Duncan

Enclosure

cc: Greg F. Harley
Curtis J. Romig
Mark Duedall

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IN THE SUPERIOR COURT OF FULTON COUNTY
STATE OF GEORGIA

STATE OF GEORGIA ex rel. JOHN D.)
SOURS, Administrator of the Fair Business)
Practices Act,)
)
Petitioner,)
)
v.)
)
INTERNATIONAL ESTATE BROKERS, LLC)
d/b/a WATCH BROKERS and d/b/a)
WEBUYWATCHES.COM; and RONALD)
L. BERGH, III, individually,)
)
Respondents.)
_____)

CIVIL ACTION FILE
NO. 2012-CV-217825

RECEIVER'S REPORT FOR DECEMBER, 2012

Christopher Tierney, a Managing Director of Hays Financial Consulting, LLC, as the court-appointed Receiver for the Respondents (collectively "Watch Brokers") files his Report for the period from December 1, 2012 through December 30, 2012 showing the Court as follows:

INTRODUCTION

1. The Receiver was appointed pursuant to the Order Appointing Receiver ("Order") entered by the Court on September 19, 2012. Per the Order, the Receiver's general duties were to manage, maintain, preserve and protect the property of the Respondents while this action is pending, including without limitation, to take immediate custody and control of the property; to maintain, operate, and improve as necessary the same; and to collect, hold and preserve any rents, issues, profits and

revenues therefrom. The property, combined with all receipts and other assets, will hereafter be defined as the "Receiver Estate" or the "Estate".

OVERVIEW OF THE RECEIVER'S ACTIVITIES FOR THE PERIOD IN QUESTION

1. The following narrative is an overview of the activities that the Receiver and his team undertook during this period of the Receivership:
 - a. The Receiver and members of his team fielded dozens of phone and email queries from individuals who allege to either have had watches sold by Watch Brokers and failed to receive any proceeds, or who believe that their watch may be in the possession of the Receiver. At this time the Receiver cannot confirm that he has been able to reach every single potential claimant as the records at his disposal may not be complete or accurate. The Receiver has been updating his contact database daily as information is obtained from communication with individuals involved with this case.
 - b. Regular communication and meetings with the Petitioner and its counsel regarding a variety of issues including, but not limited to, property found on the premises, the status and compilation of physical books and records, the status and compilation of electronic data found on the premises, and issues arising out of the Receiver's investigation.
 - c. The Receiver and his team regularly visited Watch Brokers' retail location to provide access to various state and federal investigators, as well as address issues related to the pending case.

- d. The Receiver and his team worked with the Petitioner's criminal investigative division, as well as, the US Postal Inspector regarding the beginning of a federal criminal investigation into the business dealings of Watch Brokers and its current and former owners. This included providing the US Postal Inspector with the computers located at Watch Brokers' retail location for completion of a digital forensic review.
- e. The Receiver and his legal counsel spent a significant amount of time formulating a plan to wind-down the business and address the claim issues for all of the people involved in dealings with Watch Brokers. This included significant negotiations with the Petitioner and its counsel and a third party who is interested in acquiring the Estate's assets, as well as, making an offer to individual watch owners to acquire their watches. The Receiver expects that these negotiations and a plan to affect this will be completed in January and provided to the Court for its review.
- f. The Receiver drafted and submitted his monthly report to the Court.

OVERVIEW OF THE ESTATE'S FINANCES FOR THE PERIOD IN QUESTION

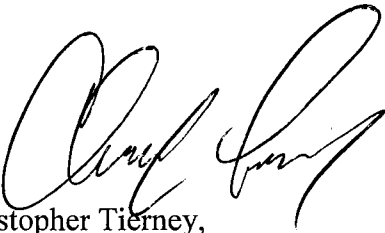
- 2. For the period in question the Estate generated no real income. Expenses paid during the month totaled \$40,757.60 and were paid via funds received by the Petitioner. The majority of this was related to professional fees for the month of November for the Receiver and his team, as well as legal counsel.
- 3. The Receiver's fees and expenses for December will be shown when they are actually paid.

4. Detailed income and expense statements are attached as Exhibit "A" for the period from December 1 through December 31, 2012. Exhibit "B" references the year-to-date period from September 19 through December 31, 2012.

PROFESSIONAL FEES AND EXPENSES

5. The Receiver and his team worked a total of 29.2 hours and incurred gross fees and expenses of \$5,994.39, during the month of December.
6. For the reporting period, the Receiver and his team billed at an average of \$198.46/hour versus the capped rate of \$250.00/hour.

Respectfully submitted this 31st day of January, 2012.



Christopher Tierney,

Receiver for International Estate Brokers, LLC d/b/a Watch Brokers and d/b/a
WeBuyWatches.com.

Exhibit A
International Estate Brokers, LLC - Receivership
Profit & Loss
December 2012

	<u>Dec 12</u>
Ordinary Income/Expense	
Income	
GA OCP Reimbursement	39,874.18
Total Income	<u>39,874.18</u>
Gross Profit	39,874.18
Expense	
Computer and Internet Expenses	375.00
Insurance Expense	829.42
Office Supplies	433.20
Postage Expense	49.05
Professional Fees	38,740.00
Repairs and Maintenance	54.00
Security Expense	276.93
Total Expense	<u>40,757.60</u>
Net Ordinary Income	<u>-883.42</u>
Net Income	<u><u>-883.42</u></u>

Exhibit B
International Estate Brokers, LLC - Receivership
Profit & Loss
December 2012 YTD

	<u>Dec 12 YTD</u>
Ordinary Income/Expense	
Income	
GA OCP Reimbursement	78,599.82
Total Income	<u>78,599.82</u>
Gross Profit	78,599.82
Expense	
Bank Service Charges	32.11
Computer and Internet Expenses	375.00
Insurance Expense	2,522.22
Office Supplies	3,225.03
Postage Expense	49.05
Professional Fees	65,547.70
Repairs and Maintenance	2,561.85
Security Expense	949.93
Total Expense	<u>75,262.89</u>
Net Ordinary Income	<u>3,336.93</u>
Net Income	<u><u>3,336.93</u></u>

**IN THE SUPERIOR COURT OF FULTON COUNTY
STATE OF GEORGIA**

STATE OF GEORGIA ex rel. JOHN D.)
SOURS, Administrator of the Fair Business)
Practices Act,)
Petitioner,)
v.)
INTERNATIONAL ESTATE BROKERS, LLC)
d/b/a WATCH BROKERS and d/b/a)
WEBUYWATCHES.COM; and RONALD)
L. BERGH, III, individually,)
Respondents.)

CIVIL ACTION FILE
NO. 2012-CV-217825

CERTIFICATE OF SERVICE

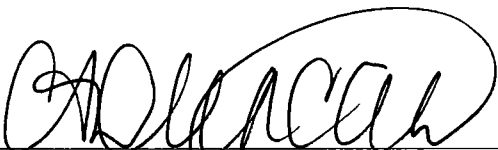
This is to certify that I have caused a true and correct copy of the foregoing **Receiver's Report for December 2012** to be served upon counsel of record by placing a copy of the same in the United States Mail with sufficient postage and properly addressed to:

Gregory F. Harley
Burr Forman LLP
171 17th St NW
Suite 1100
Atlanta, GA 30363

Ronald L. Bergh, III
5530 Hillgate Crossing
Alpharetta, Georgia 30005

Ronald L. Bergh, III
5095 Roswell Road, Unit 109
Atlanta, Georgia 30305

This 6th day of February, 2013.



C. Angelia Duncan (Ga. Bar No. 682649)

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Attorney for Hays Financial Consulting LLC