

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,)	CIVIL ACTION FILE
)	NO. 2012-CV-217825
)	
v.)	
)	
INTERNATIONAL ESTATE BROKERS, LLC)	
d/b/a WATCH BROKERS and d/b/a)	
WEBUYWATCHES.COM; and RONALD)	
L. BERGH, III, individually,)	
)	
Respondents.)	
)	

RECEIVER’S REPORT FOR APRIL, 2013

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 April 1, 2013 through April 30, 2013 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 address issues related to the pending case and maintain the existing consignor watch inventory.

- d. In accordance with the court approved Plan, the Receiver and his team finalized the solicitation of all parties with regard to the sale or return of their watch. During the month the Receiver and his team processed dozens of watches for sale or return to their owner based upon the owner's wishes. The Receiver does note that a very small number of watch owners refused to either accept the watch sale offer or to obtain their watch back. The Receiver followed the guidelines in the Plan when handling these specific cases. In all instances the Receiver attempted to have the watch owner pick one of the choices provided for in the Plan. In addition, a small number of watch owners did not complete the Bill of Sale paperwork required to sell their watch. In these instances the Receiver made a business judgment as to whether or not to consummate the sale. Overall, the Receiver is pleased with how the process has gone so far, though he notes that with any process there are people who are not happy with either their choices or outcome. The Receiver has done everything he felt he had the authority to do to accommodate individual watch owners while being fair to all of the other parties involved in this case.
- e. The Receiver drafted and submitted his monthly report to the Court.
- f. The Receiver and his team maintained the Estate's accounting and insurance and handled any other administrative issues that arose in the Receiver's management of this case.
- g. The Receiver and his team worked extensively with the asset purchaser on logistics for his evaluation of all of the watches, offers on certain watches,

and ultimate purchase of certain watches. In conjunction with this, extensive time was spent on handling watch returns to those consignors who did not accept the asset purchaser's offer to acquire their watch and instead requested that their watch be returned to them.

- h. As the Receiver continued to wind down the company, he evaluated any lingering issues which will ultimately need to be addressed. Particularly, this will include any utility, sewer, and other property-related costs during the period of the receivership which have yet to be finalized and paid.

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

2. For the period in question the Estate generated \$34,699.00 in income. This came from the following sources: 1) Gross sales of consigned watches per the consignor's request which included watches owned by the Defendant, and 2) fees charged to process the return of watches to the consignor per their request.
3. Expenses paid during the period totaled \$43,516.44 and were principally comprised of the following: 1) costs for continued insurance coverage, 2) payment of rent due for use of the retail space per the court order, and 3) payment to consignors for watches sold per their request. Due to the timing of cash received for watches sold and the payments made to consignors pursuant to the sales, April shows a loss on sales which is not accurate as we received the payment from the buyer in March.
4. The Receiver's fees and expenses for April will be shown when they are actually paid.

5. Detailed income and expense statements are attached as Exhibit "A" for the period from April 1 through April 30, 2013. Exhibit "B" references the year-to-date period from September 19, 2012 through April 30, 2013.

PROFESSIONAL FEES AND EXPENSES

6. The Receiver and his team worked a total of 177.3 hours and incurred gross fees and expenses of \$28,914.16 during the month of April.
7. For the reporting period, the Receiver and his team billed at an average of \$156.39/hour versus the capped rate of \$250.00/hour.
8. Invoices for the Receiver's legal counsel comprised amounts for the month of March.

Respectfully submitted this 6th day of June, 2013.



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
April 2013

	Apr 13
Ordinary Income/Expense	
Income	
Consigned Watch Sales	30,099.00
Return Fees	4,600.00
Total Income	34,699.00
Gross Profit	34,699.00
Expense	
Insurance Expense	829.42
Office Supplies	98.02
Pmt for Consigned Watches Sold	32,360.00
Rent Expense	10,000.00
Repairs and Maintenance	229.00
Total Expense	43,516.44
Net Ordinary Income	-8,817.44
Net Income	-8,817.44

Exhibit B
International Estate Brokers, LLC - Receivership
Profit & Loss
April 2013

	Apr 13 PTD
Ordinary Income/Expense	
Income	
Consigned Watch Sales	57,149.00
GA OCP - Expense Reimbursement	0.00
GA OCP Reimbursement	133,152.83
Hays Financial - furn. purchase	375.00
Return Fees	7,800.00
Sale of Furniture and Equipment	10,000.00
Petty Funds	70.00
Total Income	208,546.83
Gross Profit	208,546.83
Expense	
Bank Service Charges	57.11
Computer and Internet Expenses	375.00
Courier Expense	10.89
Fax Expense	24.00
Insurance Expense	5,869.90
Legal Fees	15,158.70
Office Supplies	3,334.90
Pmt for Consigned Watches Sold	44,140.56
Postage Expense	49.50
Professional Fees	102,008.98
Rent Expense	10,000.00
Repairs and Maintenance	3,488.85
Security Expense	1,087.88
Total Expense	185,606.27
Net Income	22,940.56