

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 FEBRUARY, 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 February 1, 2013 through February 28, 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. The Receiver and his legal counsel had a hearing with the Judge to approve the noticing criteria for sending out notices of the Plan to every potential claimant in the estate. The Judge approved the Receiver's noticing protocol and shortly thereafter the Receiver sent out approximately 1,600 notices to every known potential claimant via email or US mail if no email address was available.
- e. The Receiver and his counsel held extensive discussions and negotiations with the landlord for the Defendant's retail location and its counsel regarding the Receiver's desire to remain in the location until the plan is executed and closed. The landlord had filed a dispossessory action against the company and the Receiver had limited arguments against the landlord's position. The Receiver negotiated what he believes to be a very acceptable resolution which will allow him to remain in the existing facility until the end of April thus averting additional expense to move all of the assets to another secure facility. The landlord will receive the \$10,000 from the sale of the ancillary estate assets and will have a judgment against the estate for its unpaid rent.
- f. The Receiver drafted and submitted his monthly report to the Court.
- g. 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.
- h. In anticipation of executing the Plan, the Receiver and his team worked extensively with the proposed watch purchaser on logistics for his

evaluation of all of the watches. In addition, extensive time was spent compiling information on all of the watch owners who would ultimately be contacted per the Plan.

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

2. For the period in question the Estate generated \$445.00 in income mostly from the sale of some ancillary furniture. There were no expenses paid during the month.
3. The Receiver's fees and expenses for February will be shown when they are actually paid.
4. Detailed income and expense statements are attached as Exhibit "A" for the period from February 1 through February 28, 2013. Exhibit "B" references the year-to-date period from September 19, 2012 through February 28, 2013. The net income shown is due to a timing issue related to the payment of insurance premiums as the Estate is basically operating at a break-even.

PROFESSIONAL FEES AND EXPENSES

5. The Receiver and his team worked a total of 94.8 hours and incurred gross fees and expenses of \$17,152.50, during the month of February.
6. For the reporting period, the Receiver and his team billed at an average of \$180.93/hour versus the capped rate of \$250.00/hour.

Respectfully submitted this 28th day of February, 2013.

A handwritten signature in black ink, appearing to read "Christopher Tierney". The signature is fluid and cursive, with a large initial "C" and "T".

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
February 2013

	<u>Feb 13</u>
Ordinary Income/Expense	
Income	
GA OCP Reimbursement	0.00
Hays Financial - furn. purchase	375.00
Other Income	<u>70.00</u>
Total Income	<u>445.00</u>
Total Expense	<u>0.00</u>
Net Income	<u><u>445.00</u></u>

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

	Feb 13 PTD
Ordinary Income/Expense	
Income	
GA OCP Reimbursement	103,113.85
Hays Financial - furn. purchase	375.00
Other Income	70.00
Total Income	103,558.85
Gross Profit	103,558.85
Expense	
Bank Service Charges	57.11
Computer and Internet Expenses	375.00
Courier Expense	10.89
Fax Expense	24.00
Insurance Expense	3,351.64
Legal Fees	3,381.00
Office Supplies	3,236.88
Postage Expense	49.50
Professional Fees	83,747.70
Repairs and Maintenance	2,561.85
Security Expense	949.93
Total Expense	97,745.50
Net Ordinary Income	5,813.35
Net Income	5,813.35

