

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.)	
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RECEIVER’S REPORT FOR JUNE, 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 June 1, 2013 through June 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 continued to field phone and email queries from individuals regarding their watch, the status of the case, and what next steps the case would be taking. All of these inquiries came from consignors whose watches were sold by the Respondents prior to the Receiver's appointment in this case. 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 as information is obtained from communication with individuals involved with this case.
 - b. All outstanding sales checks have a must-cash date of July 31, 2013 to allow consignors sufficient time to cash their sale check. Checks not cashed by this date will be retained by the Estate.
 - c. 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.
 - d. The Receiver and his counsel fielded calls from insurance carriers regarding claims made by claimants for their watch.

- e. The Receiver finalized a small sale of remaining watches to the third party who had effected the other watch purchases. This small lot primarily comprised watches where the owner had promised to pay for the return of the watch and then never carried through with this. Consequently, the watch was sold per the Order.
- f. The Receiver and his team destroyed the remaining lot of replica watches and a very small lot of miscellaneous old and damaged watches and parts which the Receiver was unable to sell.
- g. The Receiver drafted and submitted his monthly report to the Court.
- h. 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.
- i. As the Receiver wound down the company, he evaluated any lingering issues which will ultimately need to be addressed. Particularly, this included any utility, sewer, and other property-related costs during the period of the receivership which have yet to be finalized and paid. The Receiver expects that he will have a lingering power bill that will need to be paid, otherwise there should not be any other vendor bills remaining.

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

- 2. For the period in question the Estate generated \$49,332.10 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, 2) fees charged to process

the return of watches to the consignor per their request, and 3) expense reimbursement from the State to cover the cost of the on-going case.

3. Expenses paid during the period totaled \$37,402.70 and were principally comprised of the following: 1) Legal expenses, 2) payments to watch consignors associated with the sale of their watch, and 3) fees for the Receiver and his team. The Receiver's fees and expenses for May and June will be shown when they are actually paid.
4. Detailed income and expense statements are attached as Exhibit "A" for the period from June 1 through June 30, 2013. Exhibit "B" references the year-to-date period from September 19, 2012 through June 30, 2013.

PROFESSIONAL FEES AND EXPENSES

5. The Receiver and his team worked a total of 34.9 hours and incurred gross fees and expenses of \$6,826.71 during the month of June.
6. For the reporting period, the Receiver and his team billed at an average of \$181.45/hour versus the capped rate of \$250.00/hour.

Respectfully submitted this 31st day of July, 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
June 2013

	<u>Jun 13</u>
Ordinary Income/Expense	
Income	
Consigned Watch Sales	3,937.00
GA OCP Reimbursement	44,895.10
Return Fees	<u>500.00</u>
Total Income	<u>49,332.10</u>
Gross Profit	49,332.10
Expense	
Legal Fees	5,633.54
Office Supplies	418.30
Pmt for Consigned Watches Sold	2,240.00
Postage Expense	768.11
Professional Fees	27,967.75
Repairs and Maintenance	<u>375.00</u>
Total Expense	<u>37,402.70</u>
Net Ordinary Income	<u>11,929.40</u>
Net Income	<u><u>11,929.40</u></u>

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

	Jun 13 PTD
Ordinary Income/Expense	
Income	
Consigned Watch Sales	83,592.00
GA OCP - Expense Reimbursement	0.00
GA OCP Reimbursement	247,589.64
Hays Financial - furn. purchase	375.00
Return Fees	9,600.00
Sale of Furniture and Equipment	10,000.00
Petty Funds	70.00
Total Income	351,226.64
Gross Profit	351,226.64
Expense	
Bank Service Charges	57.11
Computer and Internet Expenses	375.00
Courier Expense	10.89
Fax Expense	24.00
Insurance Expense	6,699.32
Legal Fees	62,749.44
Office Supplies	3,799.53
Pmt for Consigned Watches Sold	64,740.56
Postage Expense	899.29
Professional Fees	157,433.23
Rent Expense	10,000.00
Repairs and Maintenance	4,489.35
Security Expense	1,185.23
Total Expense	312,462.95
Net Income	38,763.69