

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 MARCH, 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 March 1, 2013 through March 31, 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 attended a hearing with the Judge at which time the Receiver's Plan of Liquidation was approved by the Court after no objections were made by any of the potential claimants in the case. This included approval of the Receiver's agreement with the landlord to stave off the eviction proceedings and allow the Receiver to continue to utilize the Defendant's retail space to effect the distribution of the watches and other assets of the Estate.
- e. According to the Plan approved by the Court, the Receiver and his team began solicitation of all of the known watch consignors. This was done in batches in conjunction with the offers made to acquire certain watches by the watch buyer. During the month, the asset purchaser reviewed approximately 541 watches. The Receiver and his team sent out approximately 472 solicitation letters to known consignors as required under the Plan. During this period, the Receiver and his team also processed approximately 28 watch sales and approximately 30 watch returns in accordance with the Plan and consignors wishes. The Receiver expects that the remaining letters will go out by mid-April.
- f. The Receiver also received information from Federal Express which he subpoenaed for use in trying to identify any potential consignor who remained unknown due to the lack of recorded information from the Defendant. After a review of this information it was determined that it provided no additional value since most of the Defendant's mailings with consignors utilized the Defendant's address as both To and From. The

Receiver will continue to try to uncover any additional consignors which are currently unknown in the Receiver's continued attempts to find consignors for certain watches.

- 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. 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.
- j. As we begin to wind down the company, we will evaluate any lingering issues which we will need to address. Particularly, this will include any utility, sewer, and other property-related costs during the period of the receivership which have yet to be finalized.

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

- 2. For the period in question the Estate generated \$70,288.98 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) expense reimbursement from the State, 3) fees charged to process the return of watches to the consignor per

their request, and 4) the sale of all of the furniture and fixtures of the Defendant located at its retail location.

3. Expenses paid during the period totaled \$44,344.33 and were principally comprised of the following: 1) costs for continued insurance coverage, 2) legal fees for the month of December, 3) payment to consignors for watches sold per their request, and 4) payment of the February invoice for the Receiver and his team.
4. The Receiver's fees and expenses for March will be shown when they are actually paid.
5. Detailed income and expense statements are attached as Exhibit "A" for the period from March 1 through March 31, 2013. Exhibit "B" references the year-to-date period from September 19, 2012 through March 31, 2013.

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PROFESSIONAL FEES AND EXPENSES

6. The Receiver and his team worked a total of 156.4 hours and incurred gross fees and expenses of \$27,584.51 during the month of March.
7. For the reporting period, the Receiver and his team billed at an average of \$175.55/hour versus the capped rate of \$250.00/hour.
8. Invoices for the Receiver's legal counsel comprised amounts for the months of January and February.

Respectfully submitted this 30th day of April, 2013.

A handwritten signature in black ink, appearing to read "Christopher Tierney". The signature is fluid and cursive, with the first name being more prominent.

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
March 2013

	Mar 13
Ordinary Income/Expense	
Income	
Consigned Watch Sales	27,050.00
GA OCP Reimbursement	30,038.98
Return Fees	3,200.00
Sale of Furniture and Equipment	10,000.00
Total Income	70,288.98
Gross Profit	70,288.98
Expense	
Insurance Expense	1,688.84
Legal Fees	11,777.70
Pmt for Consigned Watches Sold	11,780.56
Professional Fees	18,261.28
Repairs and Maintenance	698.00
Security Expense	137.95
Total Expense	44,344.33
Net Ordinary Income	25,944.65
Net Income	25,944.65

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

	Mar 13 PTD
Ordinary Income/Expense	
Income	
Consigned Watch Sales	27,050.00
GA OCP Reimbursement	133,152.83
Hays Financial - furn. purchase	375.00
Return Fees	3,200.00
Sale of Furniture and Equipment	10,000.00
Petty Funds	70.00
Total Income	173,847.83
Gross Profit	173,847.83
Expense	
Bank Service Charges	57.11
Computer and Internet Expenses	375.00
Courier Expense	10.89
Fax Expense	24.00
Insurance Expense	5,040.48
Legal Fees	15,158.70
Office Supplies	3,236.88
Pmt for Consigned Watches Sold	11,780.56
Postage Expense	49.50
Professional Fees	102,008.98
Repairs and Maintenance	3,259.85
Security Expense	1,087.88
Total Expense	142,089.83
Net Income	31,758.00