

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,	)	
	)	CIVIL ACTION FILE
Petitioner,	)	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 NOVEMBER, 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 November 1, 2012 through November 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 WatchBroker’s 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 the WatchBrokers and its current and former owners.
- e. The Receiver and his legal counsel spent a significant amount of time beginning to formulate a plan to wind-down the business and address the claim issues for all of the people involved in dealing with WatchBrokers. This included significant negotiations with 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. Other third parties were contacted, but none of them provided an all-encompassing solution which the Receiver felt generated the most benefit for the Estate. The Receiver expects that these negotiations and a plan to affect this will be completed in December 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 income real income. Expenses paid during the month totaled \$3,630.02. The majority of this was related to the Receiver's initial mailing to claimants and compiling information related to the State's subpoena.
- 3. The Receiver's fees and expenses for November will be shown when they are actually paid.

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

**PROFESSIONAL FEES AND EXPENSES**

5. The Receiver and his team worked a total of 123.00 hours and incurred gross fees and expenses of \$24,514.03, during the month of November.
6. For the reporting period, the Receiver and his team billed at an average of \$147.97/hour versus the capped rate of \$250.00/hour.

Respectfully submitted this 21st day of December, 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**  
**November 2012**

	<u>Nov 12</u>
<b>Ordinary Income/Expense</b>	
<b>Expense</b>	
Bank Service Charges	32.11
Office Supplies	2,608.91
Repairs and Maintenance	<u>989.00</u>
<b>Total Expense</b>	<u>3,630.02</u>
<b>Net Ordinary Income</b>	<u>-3,630.02</u>
<b>Net Income</b>	<u><u>-3,630.02</u></u>

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

	<b>Nov 12 YTD</b>
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
GA OCP - Expense Reimbursement	38,725.64
<b>Total Income</b>	<b>38,725.64</b>
<b>Gross Profit</b>	38,725.64
<b>Expense</b>	
Bank Service Charges	32.11
Insurance Expense	1,692.80
Office Supplies	2,791.83
Professional Fees	26,807.70
Repairs and Maintenance	2,507.85
Security Expense	673.00
<b>Total Expense</b>	<b>34,505.29</b>
<b>Net Ordinary Income</b>	<b>4,220.35</b>
<b>Net Income</b>	<b>4,220.35</b>