

UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

vs.

GLOBAL ONLINE DIRECT, INC.,
BRYANT E. BEHRMANN and
LARRY "BUCK" E. HUNTER,

Defendants.

Civil Action No. 1:07.CV-0767-WSD

**PRELIMINARY REPORT OF
RECEIVER, MICHAEL A. GRASSMUECK**

I. INTRODUCTION

Michael A. Grassmueck, the duly appointed Receiver (the "Receiver") of Global Online Direct, Inc. ("Global") and its subsidiaries Global Online Depository, Global Online SPIP, Global Online Auction Stores, Triple Diamond B, Bodaga Bay, Bodaga Bay Trucking, Inc., Catherine Crick Riders, Double B Broadcasting, Inc., The AM Show, Double B MPG, Global Online Direct, U Loan We Pay, and Bargain Hunters, Inc. (the "Global Subsidiaries") and their subsidiaries and affiliated and any entities controlled by them (collectively, the "Receivership Entities"), submits this Preliminary Report (the "Report") in

compliance with paragraph XIV of the Order Appointing Receiver, Freezing Defendants' Assets, and Ordering Other Ancillary Relief entered in *Securities and Exchange Commission v. Global Online Direct, Inc., et al.*, (the "Order") in the United States District Court for the Northern District of Georgia Atlanta Division. This Report provides this Court and all interested parties with the status of the Receiver's activities, investigations, analysis, conclusions and recommendations as of July 20, 2007. This Report reflects the results of the Receiver's initial efforts to locate, account for and recover the assets of the Receivership Entities, efforts to preserve and take control of assets for or managed by the Receivership Entities, and preliminary accounting of the assets and financial condition of the Receivership Entities as of July 20, 2007.

The Receiver and the professionals engaged by the Receiver have met with numerous individuals and reviewed countless documents since the Receiver's appointment, both as Receiver and also Corporate Monitor. Subsequently, the utter lack of any coherent business or financial records for the Receivership Entities required the Receiver to seek meaningful financial records from outside sources and undertake a massive reconstruction of these records. This process is very time- and resource-intensive. Consequently, the Receiver still has a multitude of record requests outstanding with third parties which require this Receiver's

Report to be considered preliminary. The Receiver and his professionals intend to issue a supplemental report and full accounting once these records have been received and properly assimilated.

The Receiver's duties, responsibilities and activities generally fall into four categories: (1) securing, protecting and recovering assets, including tangible and intangible assets, and choses in action; (2) preparing an accounting and investigating the basis for the receivership proceeding; (3) liquidation of assets and review and allowance of claims against the receivership estate; and (4) analyzing and developing, with Court approval, an equitable approach to distribution of assets and losses to investors. The following Report addresses the general categories in varying degrees of detail in relation to the progress and focus of the Receiver during the initial six weeks of the receivership, and is current as of July 20, 2007.

II. CORPORATE MONITOR'S REPORT

On April 5, 2007, Michael A. Grassmueck was appointed as Corporate Monitor for Global Online Direct, Inc. The Corporate Monitor was ordered to prepare a report detailing his activities and investigation results pursuant to his appointment. On April 18, 2007, Michael A. Grassmueck prepared the Preliminary Report of the Corporate Monitor (herein referred to as the "Monitor's Report".)

The Monitor's Report was based on the investigation and analysis performed to date and detailed the Monitor's findings regarding Global's operations, Global's financial position, the Secured Profit Inventory Program ("SPIP"), "Business in a Box", and Global's overall viability as a going concern.

Since commencement of the receivership, the Receiver has not reviewed any documents or evidence that would materially alter the preliminary findings as presented in the Monitor's Report. Therefore, the Monitor's Report has been attached as Exhibit A to this report for reference and to reiterate these findings. The exhibits to the Monitor's Report have not been included here as they contain predominately sensitive investor information.¹ The Receiver strongly urges that the Monitor's Report should be read in conjunction with this Report.

III. EXECUTIVE SUMMARY

A. Summary of Receivership Activities

The companies' records reflect approximately fourteen different entities formed between the years 2005 and 2007. Of these, the primary entities which were at the core of the business model and were the primary vehicles for attracting

¹ These exhibits have previously been presented to the Securities and Exchange Commission and counsel for the Defendants. The sensitive investor data contained in these exhibits would likely require them to be filed under seal. Furthermore, the Receiver will likely update these exhibits in conjunction with its accounting.

investments were Global Online Direct, Inc., Global Online Depository and Bodaga Bay.

These companies were very successful in attracting consumer to invest in the Receivership Entities. Based upon the Receiver's review of records currently in its possession, it appears that Defendants had raised in excess of \$40,000,000.00 from over 9,000 investors. Despite having raised this extraordinary sum of money, the Receivership Entities' cash position as of June 4, 2007 (the "appointment date") was approximately \$462,227.21. In addition to this cash, the Receiver's preliminary estimates reflect that the Receivership non-cash assets have a value of approximately \$3,000,000.00.

Since his appointment, the Receiver has worked diligently to ascertain what happened to the remaining \$30,000,000.00 plus dollars of investor funds, in an effort to marshal assets for the benefit of investors and creditors. Tracking the cash outflows has been a very difficult task in that, among other things, the Receivership Entities lacked even basic financial record keeping. For example:

- the Receivership Entities failed to produce timely financial records;
- the Receivership Entities failed to provide for routine bank reconciliations for their numerous bank accounts;

- the Receivership Entities failed to provide a common accounting system to account for funds received and expended ;
- the Receivership Entities failed to provide for basic tracking mechanisms for accounts receivable; and
- the Receivership Entities failed to provide for basic tracking mechanism for accounts payable.

The limited books and records of the Receivership Entities reflect that investor interest was heightened by the use of friends and family networks as well as a group of seasoned multi-level marketers aggressively promoting the investment program. The promoters extensively used internet resources (websites and message boards), promotional meetings and bi-weekly investor conference calls to promote the program. This marketing approach was further augmented by extraordinarily high commissions, and referral bonuses paid through multiple levels of the program.

Based on the Receiver's review of the Receivership Entities' records and interviews completed to date, it appears that the funds were raised from investors for one stated purpose, but were applied to another. In other words, the statements reflected in advertisements and statements made by Defendants and other

individuals did not appear to portray an accurate picture of the Receivership Entities' past or present activities, and their use and application of the funds.

The balance of this Report reflects the supporting documentation for these summary conclusions. Once again, given the volume of material and information acquired, the shortness of time, the complexity of matters reviewed and analyzed, and the need for additional information; the conclusions and recommendations of the Receiver are subject to change after further consideration and analysis of additional data.

B. Cash Position as of Appointment Date and Current Financial Condition

At the date the Receiver was appointed, Global had cash and cash equivalents totaling \$462,227.21 on hand and in its bank accounts. The Receiver and his team of professionals also uncovered some previously undisclosed accounts resulting in recovery of additional funds totaling \$128,224.08.

The cash flows of the receivership and current cash balance are discussed in Section VIII of this report.

IV. PROCEDURAL BACKGROUND

On June 4, 2007, on application of the Securities and Exchange Commission (the "Commission"), the Court issued its Order Appointing a Receiver, Freezing

Defendants' Assets, and Ordering Other Ancillary Relief and Restraining Order against Global Online Direct, Inc., Bryant E. Behrmann and Larry "Buck" E. Hunter, collectively referred to as "Defendants." Pursuant to this Order, Michael A. Grassmueck was appointed Receiver. Among the specific powers of the Receiver pursuant to the Order are:

- A. to take custody, control and possession of all records, assets, funds, personal property, vehicles, bank accounts, brokerage accounts, real property premises and other materials of any kind in the possession of or under the direct or indirect control of the Receivership Estate or the Receivership Entities;
- B. to manage, control, operate and maintain the Receivership Estate, to use income, earnings, rents and profits of the Receivership Estate, with full power to sue for, collect, recover, receive and take into possession all goods, chattels, rights, credits, monies, effects, lands, books and records of accounts and other documents, data and materials;
- C. to conduct the business operations of the Receivership Entities, including the purchase and/or sale of real or personal property or inventory, the continuation and termination of any contract,

employment arrangement and all other aspects of any active business operation;

- D. to make such ordinary and necessary payments, distributions, and disbursements as he deems advisable or proper for the marshaling, maintenance or preservation of the Receivership Estate;
- E. to terminate business operations and to sell, rent, lease or otherwise hypothecate or dispose of the assets of the Receiver Estate;
- F. to contact and negotiate with any creditors of the Defendant Global for the purpose of compromising or settling any claim, including the surrender of assets to secured creditors;
- G. to have control of, receive and collect any and all sums of money due or owing to Defendant Global whether the same are now due or shall hereafter become due and payable, and incur such expenses and make such disbursements as are necessary and proper for the collection, preservation, maintenance, administration and operation of the Receiver Estate;
- H. to renew, cancel, terminate, or otherwise adjust any pending lease agreements to which Defendant Global is a party;

- I. to institute, defend, compromise or adjust such actions or proceedings in state or federal courts now pending and hereafter instituted, as may in his discretion be advisable or proper for the protection and administration of the Receivership Estate;
 - J. to institute such actions or proceedings to disgorge assets of the Receiver Estate held by third parties, impose a constructive trust, obtain possession and/or recover judgment with respect to persons or entities who received assets or funds traceable to investor monies, with all such actions filed in this Court;
 - K. to open bank accounts or other depository accounts, in the name of the Receiver on behalf of the Receiver Estate;
 - L. to prepare any and all tax returns and related documents regarding the assets and operation of the Receiver Estate;
 - M. to take any action which could be taken by the officers, directors, managers, members, partners, trustees or other principals of the Receiver Estate;
 - N. to abandon any asset that, in the exercise of his reasonable business judgment, will not provide benefit or value to the Receiver Estate;
- and,

- O. to administer, manage, and direct the marshaling, disbursement and/or transfer of monies or other assets held by third parties that are subject to the freeze. The Receiver may, in the reasonable exercise of his discretion, authorize the release, use or segregation of proceeds held by third parties;
- P. to perform an accounting of the offering and sale of securities that is outlined in the Commission's Complaint;
- Q. to perform an accounting of all inventory, merchandise, products, assets or things of value in the possession, custody, or control of Global or other persons that were acquired with funds or proceeds received from the Investors (collectively, the "Inventory"), perform a valuation of the Inventory, and ensure that any liquidation, sale or disposition of the Inventory takes place in a commercially reasonable manner so as to maximize the value of the Receiver Estate.

Subsequent to the production and delivery of the Monitor's Report, on July 3, 2007 the Commission filed its First Amended Complaint, alleging a larger number of investors and a greater amount of investor funds lost.

V. OVERVIEW OF RECEIVER'S ACTIVITIES TO DATE

A. Security

Immediately upon the Receiver's appointment in this matter, the Receiver secured each of the four warehouses located at 1805 Z Avenue (the "Z Warehouse"), 2208 L Avenue (the "L Warehouse"), 59998 Smith Loop (the "TV Warehouse") in La Grande, Oregon, and 627 E. Arch Street in Union, Oregon (the "Union Complex"), and two retail store outlets at 102 SE Frazer Avenue, Pendleton, Oregon (the "Pendleton Store") and 2108 Caldwell Boulevard, Nampa, Idaho (the "Nampa Store"). In addition, the Receiver investigated other properties related to the Receivership Entities to determine ownership or lease status. The locks at each facility were changed and the appropriate security company was notified of the receivership.

For the purpose of safeguarding records and computer memory devices, the Receiver removed and secured all records and computers and disconnected any existing network connections. In addition, the Receiver contacted all computer consultants and electronic data providers to ensure an immediate backup of the system database was made and that all data was secure.

B. Staff Reductions

On the appointment date, the Receiver initiated a review of all staff positions and the current organization of the Receivership Entities. At the time of the Receiver's appointment there were approximately forty five people employed primarily at the Union Complex under an agreement between Global and SMW Enterprises, LLC (herein "SMW") signed on December 10, 2006.² Based on the Receiver's interview with employees and officers, as well as the review of the Receivership Entities financial records and business plan, the Receiver promptly determined that Global no longer required the services of SMW or their employees. The following day was the regularly scheduled payroll date for SMW. Unfortunately, SMW did not make any arrangements to pay their employees and subsequently told the Receiver that the contract between SMW and Global had recently been cancelled and the workers were now employed by Global. The Receiver has not seen evidence of this change and there were no new employment agreements, I-9 forms, W-4 forms or other evidence one would expect to find in support of the claims of SMW. After evaluating the situation, the Receiver determined that, although the workers were not employees of Global, Global had

² SMW is an Idaho corporation owned and operated by Shale and Mark Witt, the daughter and son-in-law of Defendant Hunter.

received some value for the workers' services and therefore paid SMW's payroll liability to those employees.

C. Professionals Employed

The Receiver has engaged the following qualified professionals to assist him and his staff:

Allen Matkins Leck Gamble Mallory & Natsis LLP ("Allen Matkins") was employed as general receivership counsel. Since the appointment date, Allen Matkins has assisted the Receiver in fulfilling his duties under the Order, including, but not limited to (i) working with the Commission and other government agencies to coordinate the activities of the Receiver with those of various law enforcement and regulatory agencies; (ii) investigating third parties to seek recovery of assets; (iii) issuing subpoenas and assisting in obtaining documents from third parties and professionals and commencing a review of certain transfer records; (iv) investigating potential claims against third parties; (v) working with local counsel to further the case; (vi) providing general advice to the Receiver regarding his rights, powers and duties under this Court's Order and general equity receivership laws; (vii) assisting the Receiver in preparation of this report; and (viii) assisting other professionals in connection with this matter.

Arnall Golden Gregory, LLP was employed as local Georgia counsel for the Receiver. Since the appointment date, assistance has included: (i) representation of the Receiver in all correspondence and filings with the Court; (ii) providing advice on local court customs and rules; (iii) assisting the Receiver in his duties under the Order; and (iv) assisting Allen Matkins with the variety of matters that it is handling.

Financial Forensics was employed as forensic accountants and financial consultants to the Receiver. Since the appointment date, assistance has included: (i) obtaining records from financial institution and other third parties; (ii) beginning the massive reconstruction of financial records; (iii) beginning the forensic analysis of Defendants' financial activities; (iv) review and identification of alleged fraudulent activities; (v) transaction and asset tracing; (vi) coordination with Receiver's counsel to identify and pursue additional receivership assets; (vii) analysis of the Receivership Entities' financial position; (viii) preparation and assistance with portions of this Report; and (ix) other accounting and financial support of the Receiver and his counsel.

James A. Murphy Company was employed to: (i) assist the Receiver in recovery of physical assets; (ii) assist in securing assets of the Receivership Entities; (iii) provide an inventory of all assets of the Receivership Entities; (iv)

provide inventory services with regard to personal property and business inventory; and (v) provide assistance with regard to disposition strategies.

Creative Computer Solutions, Inc. (“CCSI”) was employed for: (i) preservation and recovery of all electronic data; (ii) security of electronic data stored online; (iii) security of all website and databases owned by Receivership Entities; and (iv) analysis of computers for important data.

D. Initial Investigation and Asset Recovery

i. General

The Receiver, with the assistance of his team of professionals, has taken possession and control of the known assets of the Receivership Entities; investigated and analyzed the operations of the Receivership Entities; analyzed and begun evaluating the assets held by the Receivership Entities; and commenced an investigation into the value of claims against third parties.

The Receiver has taken physical custody and control of all presently known personal property and records. Furthermore, the Receiver has copied and preserved Global’s online database, formerly maintained and used on the internet to register “lenders” and record transactions, and has created a full backup to secure the integrity of the information contained in the records.

The Receiver has contacted banks and other financial institutions holding funds on behalf of the Receivership Entities, and has either frozen such funds and/or obtained turnover of those funds. The Receiver has also requested all account records from known financial institutions to facilitate preparation of the accounting for Global.

The Receiver has taken inventory of the physical personal and real property assets of the Receivership Entities, inventory lists of which are attached hereto as Exhibits C, D and E. As part of that work, the Receiver has consulted with various industry experts to determine the appropriate method for valuation and liquidation of the physical assets. The Receiver is presently continuing to review the inventory with various parties in an effort to determine the most advantageous method and manner of sale.

The Receiver has consulted with former Global staff and outside governmental agencies including the Commission, the United States Attorney's Office, the Federal Bureau of Investigation ("FBI") and local law enforcement. The Receiver has met and talked to:

- Counsel for the Commission;
- Counsel at the United States Attorney's Office;
- Agents and representatives of the FBI;

- Counsel for the Receivership Entities;
- Former staff of Global;
- Former consultants to the Receivership Entities;
- Investors of the Receivership Entities;
- Counsel for investors of the Receivership Entities;
- Insurance agents and carriers for Receivership Entities;
- Inventory retailers and wholesalers;
- Numerous financial institutions; and
- Real estate brokers and property managers.

ii. Asset Recovery

As detailed in Section VI below, much of the Receiver's initial work has been in the area of asset recovery. The tangible assets of the Receivership Entities include all cash and equivalents, furniture, equipment, inventory, vehicles, land and buildings. These assets were identified based on the Receiver's physical inspection of various Receivership Entities' facilities and the review of information developed by outside professionals and sources, which include, but are not limited to, Receiver's investigators and other professionals employed by the Receiver. The Receiver details these assets and steps to obtain possession of the assets in Section VI below.

iii. Litigation

The Receivership Entities are defendants in at least one lawsuit concerning trade debt. The Receiver has notified the plaintiff in that case of the Order and stay, and is working with plaintiff's counsel in that matter.

VI. ASSET RECOVERY & PRESERVATION

A. Cash and Equivalents

Upon appointment, the Receiver was provided with a list of bank accounts produced by Defendants. With the assistance of professionals hired by the Receiver and the Commission, additional accounts were identified that had not been previously disclosed by the Defendants in accordance with the Order. Upon issuance of the Order, the Receiver immediately contacted all financial institutions that maintained accounts on behalf of the Defendants and verified the status of these accounts. As appropriate, the Receiver requested that all funds be transferred to the Receiver's designated bank accounts. Simultaneously, the Receiver provided these institutions with the identities of all Receivership Entities and Defendants named in the Order, and requested that searches be performed for all accounts belonging to those parties.

A list of all known bank accounts under the control of Defendants and their respective balances is attached as Exhibit B to this report. This list should be

viewed as preliminary as the Receiver has yet to obtain and review all banking and financial data for the Defendants. As the Receiver obtains additional banking details, it is probable that additional accounts will be identified and pursued.

B. Recovery of Vehicles, Equipment and Inventory

In accordance with the Order, the Receiver has moved quickly to marshal and secure the Receivership Entities' assets held by Receivership Entities, Defendants and by third parties. The Receiver continues to investigate the location of assets that were delivered to third parties. Additionally, the Receiver continues to investigate the status of the accounts receivable for the Receivership Entities.

i. *Securing Assets Held in the Name of Receivership Entities*

As reflected in the Receiver's Inventory Report attached to this Report as Exhibits C and D, the Receiver has taken steps to recover and secure all assets which were located at Receivership Entities' facilities. This includes a full array of business equipment, computers, furniture, fixtures, inventory and automobiles. Due to the quantity and nature of the personal property assets, the Receiver retained two caretakers, contracted through a local labor company, to reside on two separate properties.

A large portion of the physical inventory had already been repackaged in boxes for Global's "Business in Box" program. These boxes are identified merely by a

box number on Exhibit C. However, there are manifests for all of these boxes detailing their respective contents. Samplings of these manifests are attached as Exhibit D to this report. The full compliment of manifests, in excess of 2,500, will be available shortly on the Receiver's website.³

ii. Securing Assets in the Name of Defendants and Third Parties

Based on the investigation conducted by the Receiver and his team, it appears that there is a substantial amount of inventory and assets that are in the control of third parties. The Receiver continues to investigate the location of these assets and will move to secure them as appropriate.

The Receiver has been in contact with local law enforcement and has retrieved assets that were in the possession of the La Grande Police Department and the Union County District Attorney's office. These items were recovered during an investigation of thefts that had occurred throughout this year.

C. Control of Real Property

The Receiver has taken possession and control of certain real property and improvements owned by the Receivership Entities or purchased with assets of the Receivership Entities. Attached hereto as Exhibit E is a list of real properties under the control of the Receiver.

³ www.grassmueckgroup.com

The Receiver has taken steps to engage a property manager to oversee the rental properties owned by the Receivership Entities. The Receiver is currently reviewing the leases and rental agreements to determine whether to continue the current arrangements. Additionally, the Receiver has interviewed a local real estate agent to list the real property for sale. The Receiver anticipates filing a motion for employment of these professionals in the immediate future.

D. Liabilities

At this time, it is difficult to ascertain what trade payables may be outstanding as Global failed to maintain sufficient accounting records, and operated on a cash basis. The Receiver is currently unaware of any material trade payables or long-term liabilities incurred by the Receivership Entities.

The primary liability of Global is its obligation under the Secured Profit Inventory Program (or "SPIP"). The SPIP is discussed at length in the Monitor's Report, attached as Exhibit A.

VII. CLAIMS AGAINST THIRD PARTIES

The Receiver has commenced an investigation into, among other things, claims by the Receivership Entities against third parties for recovery of assets fraudulently transferred and claims for disgorgement of assets wrongfully transferred to third parties. The Receiver believes that the investors' interests will be best served

through a coordinated and controlled approach to claims litigation. The Receiver has not commenced any litigation in connection with these matters, however, the pursuit of these matter is ongoing.

VIII. ANALYSIS OF THE COMPANIES AND THEIR FINANCES

A. Lack of Records

As previously referenced in the Monitor's Report, Global failed to implement even basic internal financial controls appropriate for Global's business and financial characteristics. The Company's records are deficient as follows:

- No formal accounting books and records;
- Lack of necessary documents to prepare any type of meaningful accounting;
- No inventory of assets;
- Inability to track and properly account for cash received from investors;
- Lack of formal or written business plans; and
- Lack of basic cash management system.

Given the utter lack of any meaningful financial records, it is evident that the Global was merely managed by the check register or "balance in bank". This is insufficient for a company of this size.

B. Preparation of Accounting

The Receiver and his team of professionals have been working diligently since their appointment to obtain the necessary records in order to produce an accounting detailing the cash inflows and outflows of Global since its inception. Due to the lack of records maintained by the Defendants, this has been a resource intensive task. The Receiver will be unable to complete the accounting until the various document requests outstanding have been materially fulfilled. In addition to data requests presented to various financial institutions in accordance with the Order, the Receiver's counsel has also presented numerous subpoenas for data as illustrated in Exhibit F.

The Receiver and his professionals have been reviewing financial records as they are produced by financial institutions and other third parties. During the review of these limited records, two preliminary observations can be made:

- millions of dollars have been transferred to Defendants Hunter and Behrmann, their family members and other related parties; and
- it appears that a select group of individuals were very well compensated for referrals and promotion of the Secured Profit Inventory Program.

Upon completion, the Receiver's accounting will sufficiently detail the source and use of funds for the Receivership Entities.

C. Cash Flows of Receivership

The cash flows since inception of receivership are presented in Exhibit G to this report. The primary cash inflow to the receivership was from Global accounts held at financial institutions. As illustrated in Exhibit G, the primary cash outflow was to cover the final payroll for SMW Enterprises' employees. The current balance of Cash and Cash Equivalents for the estate is \$552,317.47.

IX. OVERVIEW OF THE RECEIVERSHIP WORK TO BE PERFORMED AND RECOMMENDATIONS

As indicated herein, the Receiver's work in many areas is preliminary and needs to continue in order to realize potential value for the investors of this receivership estate. At present, the Receiver recommends the following:

- Investigation and Analysis of Claims against Third Parties. The Receiver recommends a continued investigation and analysis of claims for the recovery of assets from third parties. There appear to be substantial assets, including cash, transferred to third parties for little or no consideration. It is appropriate to continue to pursue such claims for recovery of assets.

- Sale of Fixed Assets. The Receiver has taken into his possession personal property, inventory and vehicles of the Receivership Entities that continue to depreciate in value over time. The Receiver proposes to file a motion to sell these goods within the next 30 to 60 days.
- Sale of Real Property. The Receiver has taken control of real property owned by the Receivership Entities and determined that it is not needed for any business purpose. The Receiver is in the process of engaging a property manager and real estate agent in order to maximize the value received from these properties. The properties proposed for sale are detailed in Exhibit E. The Receiver anticipates locating additional properties belonging to Receivership Entities and the Receiver intends to list these properties for sale as they are located and controlled.
- Investigation and Analysis of the Companies. The Receiver intends to further investigate the affairs of the Receivership Entities to determine the validity of the related entities, their holdings, and their relationship to the Defendants, to identify additional assets and claims.
- Asset Recovery. The Receiver believes that there are additional unknown assets to recover, including accounts receivables, cash and

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing **Preliminary Report of Receiver, Michael A. Grassmueck** by depositing a copy of same in the United States Mail, first class postage prepaid addressed to:

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This 20th day of July, 2007.

s/Darryl S. Laddin
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