

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

**FIRST INTERIM FEE APPLICATION OF RECEIVER, MICHAEL A.
GRASSMUECK, FOR INTERIM FEES AND EXPENSES FOR THE
PERIOD JUNE 4, 2007 THROUGH APRIL 30, 2008**

Michael A. Grassmueck, the court appointed receiver for Global Online Direct, Inc. et al. (the "Receiver"), brings this First Interim Fee Application (the "Fee Application") for professional fees and expenses incurred between June 4, 2007 and April 30, 2008 (the "Application Period"). Detailed statements of the fees and expenses requested by the Receiver are attached hereto as Exhibit A and incorporated herein by this reference.

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I. BRIEF INTRODUCTION

On June 4, 2007, this Court issued an Order Appointing Receiver (the "Order"), which named Michael A. Grassmueck the Permanent Receiver of Global Online Direct, Inc. and its subsidiaries and affiliates (the "Receivership Estate").

The Order identifies the Receiver's duties and responsibilities as follows: (i) securing, protecting and recovering assets, including tangible and intangible assets and chooses in action; (ii) preparing an accounting and investigating the basis for the receivership proceeding; (iii) analyzing claims and developing, with Court approval, a plan for allowing claims and the equitable distribution of assets to investors; (iv) liquidation of assets; and (v) pursuit of claims for the benefit of the Receivership Estate.

During the Application Period, the Receiver and his professionals have worked diligently to investigate the business practices of the receivership entities and individual defendants, to locate and marshal assets, to ascertain what happened to over \$40 million dollars raised by the Defendants, and to value and sell assets for the benefit of the Receivership Estate. Additionally, the Receiver, with the assistance of Allen Matkins and Financial Forensics, has focused on complying with his duties under the Order to prepare an accounting, to preserve the assets' values, and commence such litigation as may be required to recover Receivership Estate assets held by third parties including any action for fraudulent conveyance needed to recover real property and money given by the defendants to third parties.

In the Receiver's Reports filed in July 2007 and January 2008, the Receiver provided the Court with detailed information concerning his activities and the progress of the Receivership. As such, the description of much of the Receiver's work is reflected in those reports and incorporated herein by this reference.

II. EMPLOYMENT OF PROFESSIONALS

Pursuant to the Order, the Receiver engaged certain professionals to assist him in performing his duties. These include:

- Allen Matkins Leck Gamble Mallory & Natis LLP (“Allen Matkins”) was employed as the general receivership counsel for Receiver and has performed major work in the areas of assisting in the forensic accounting, pursuing discovery against potential third party claimants, reviewing correspondence from and advising the Receiver regarding complex investor issues, and aiding in the preparation of court filings.
- Financial Forensics (“Financial Forensics”) was employed as the forensic accountants to the Receiver and has performed major tasks surrounding the reconstruction of financial records, data collection and review, interviews and depositions, drafting reports and pursuing claims against third parties.
- James G. Murphy Co. (the “Auctioneer”) was employed to consult and auction the personal property of the Receivership Entities.

III. SUMMARY OF WORK

The Receiver has successfully recovered \$2,071,468.49 to date. Since the filing of Interim Report of Receiver on January 18, 2008, the work performed has fallen generally into the following categories:

- General Receivership Matters. The Receiver continues to monitor and provide updates to the affected investors through his dedicated web page and dedicated email address.

- Accounting. The Forensic Accountants' Report was filed March 31, 2008 and completed the forensic recreation of over 20,000 financial transactions that occurred in the eighteen months prior to the Application Period.
- Investigation and Analysis of Claims against Third Parties. The Receiver has commenced several investigations into third parties and currently is working to settle several claims.
- Sale of Assets. The Auctioneer and Receiver sold the personal property of the Receivership Estate at an April 2008 auction. The auction sales totaled \$868,098.50.
- Sale of Real Property. The Receiver has to date sold eight pieces of real property and five pieces remain to be sold. The Receiver anticipates taking possession of additional property in the future as third party litigation is settled.
- Investigation and Analysis of the Companies. The Receiver continues to investigate potential litigation against individuals and companies that received significant sums of money from Defendants.
- Claims and Distributions. The Receiver is in the process of determining an appropriate claim system and distribution method given the large number of claimants and the limited amount of return. The Receiver anticipates submitting a claims and distribution process to the Court in the near future.

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IV. SUMMARY OF APPLICATION

From June 4, 2007 through April 30, 2008, the Receiver's fees were \$124,558. This represents an average billing rate of \$138 per hour. The daily time records reflecting these services are detailed in Exhibit A. The Receiver also seeks reimbursement of expenses advanced on behalf of the Receivership Estate in the sum of \$6,158.67, which is included in Exhibit A.

The Receiver currently has cash on hand in the amount of \$1,574,750.68. Furthermore, the Receiver expects to receive approximately \$1,200,000 from additional sales proceeds. In addition, the Receiver believes that additional funds may be recovered through the third party litigation currently pending and additional litigation currently anticipated, although the timing and amounts are uncertain at this time.

WHEREFORE, the Receiver requests the Court to enter an order as follows:

1. Approving payment of professional fees to Michael A. Grassmueck for the Application Period in the amount of \$124,558.00.
2. Approving reimbursement of expenses to Michael A. Grassmueck in the amount of \$6,158.67.
3. Authorizing and directing the Receiver to pay Michael A. Grassmueck, Financial Forensics and Allen Matkins with funds out of the assets of the Companies pursuant to the Order.

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4. Granting such further and other relief as the Court deems just and proper.

Dated: July 23, 2008

Respectfully submitted,

By: 

David R. Zaro
(Admitted Pro Hac Vice)
ALLEN MATKINS LECK
GAMBLE MALLORY & NATSIS
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By: * signature page follows

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Dated: July 23, 2008

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