

Other Documents

1:07-cv-00767-WSD Securities And Exchange Commission v. Global Online Direct, Inc. et al
8months, SUBMDJ

U.S. District Court**Northern District of Georgia****Notice of Electronic Filing**

The following transaction was entered by Laddin, Darryl on 2/21/2008 at 12:42 PM EST and filed on 2/21/2008

Case Name: Securities And Exchange Commission v. Global Online Direct, Inc. et al
Case Number: 1:07-cv-767
Filer: Michael A. Grassmueck
Document Number: 62

Docket Text:

AFFIDAVIT re [60] MOTION for Order (i) Authorizing the Sale of Certain Real Properties Free and Clear of All Liens, Claims, Interests and Encumbrances; (ii) Authorizing the Receiver to Pay Certain Liens and Claims From the Sale of the Real Properties; (iii) Relieving MOTION for Order (i) Authorizing the Sale of Certain Real Properties Free and Clear of All Liens, Claims, Interests and Encumbrances; (ii) Authorizing the Receiver to Pay Certain Liens and Claims From the Sale of the Real Properties; (iii) Relieving by Michael A. Grassmueck. (Attachments: # (1) Exhibit A, # (2) Exhibit B, # (3) Exhibit C, # (4) Exhibit D, # (5) Exhibit E, # (6) Exhibit F)(Laddin, Darryl)

1:07-cv-767 Notice has been electronically mailed to:

Alana R. Black blacka@sec.gov, alana@aya.yale.edu, kuceram@sec.gov

William P. Hicks Hicksw@SEC.Gov, Kuceram@SEC.Gov

Darryl Scott Laddin dladdin@agg.com

William Gordon Leonard leonardb@mindspring.com

Aaron William Lipson lipsona@sec.gov

Avital Stadler avi.stadler@sablaw.com

David R. Zaro dzaro@allenmatkins.com

1:07-cv-767 Notice has been delivered by other means to:

Ira L. Ching
3326 Union Street
Apartment 4A
Flushing, NY 11354

Elaine D. Hadden
c/o 1737 East G. Street, #36
Ontario, CA 91764

Arnold G. Krell
15222 SW Firtree Drive
Tigard, OR 97223

Donovan Le
c/o 1419 S. 308th Lane
Federal Way, WA 98003

Rebecca Rust-Krell
15222 SW Firtree Drive
Tigard, OR 97223

Colleen Standifer
c/o 1618 41st Street NW
Gig Harbor, WA 98335

LeRoy Standifer
c/o 1618 41st Street NW
Gig Harbor, WA 98335

Stephan L. Wakefield
508 Boyton Avenue
Kensington, CA 94707

Joshua A. del Castillo
Allen Matkins Leck Gamble Mallory & Natsis, LLP
515 South Figueroa Street
7th Floor
Los Angeles, CA 90071

The following document(s) are associated with this transaction:

Document description:Main Document

Original filename:n/a

Electronic document Stamp:

[STAMP dcecfStamp_ID=1060868753 [Date=2/21/2008] [FileNumber=2276168-0]
][a3fd2d7ec0442eb539c9fa8ce6bf11b6d67a2f14fba937aa549db91dd9b87a3fa6
144dac246a3d9c17ca92e78f40d13fc147c264d574b04c81cc86286f301c5]]

Document description:Exhibit A

Original filename:n/a

Electronic document Stamp:

[STAMP dcecfStamp_ID=1060868753 [Date=2/21/2008] [FileNumber=2276168-1]
] [2d24010d563893e47e8 7cc3203f27b3f622ac593087ea21e4f590f0bcab48d53d0e
418a0192964ae0cd5eca093bc5f0cc1ece4aecee79eb9991582653bbb2306]]

Document description:Exhibit B

Original filename:n/a

Electronic document Stamp:

[STAMP dcecfStamp_ID=1060868753 [Date=2/21/2008] [FileNumber=2276168-2]
] [93723d12b6b0d5550f5ced77ae95c4f159cca163c522bdd6d43f034140e57447cd6
e320c6f5f7f624e27df0a1ab9f48a558a5f08ceee0a1346f425ee8e901c78]]

Document description:Exhibit C

Original filename:n/a

Electronic document Stamp:

[STAMP dcecfStamp_ID=1060868753 [Date=2/21/2008] [FileNumber=2276168-3]
] [23b805b848d00800b1e79e46661ac3144e935a201d4ea7c9148721bfdab0e7594bd
b5d84312667a55fd080900c0e154ddee8da05fc25d25c3b237e6aea768cca]]

Document description:Exhibit D

Original filename:n/a

Electronic document Stamp:

[STAMP dcecfStamp_ID=1060868753 [Date=2/21/2008] [FileNumber=2276168-4]
] [9d1c0f62b7c8758a66ae1d7886b251a53af7ec832efee5477c3964da21006df6ecb
94826954c86b5c24b8f678059c3f06a3eaa80a22b0263279bc123d169e7d6]]

Document description:Exhibit E

Original filename:n/a

Electronic document Stamp:

[STAMP dcecfStamp_ID=1060868753 [Date=2/21/2008] [FileNumber=2276168-5]
] [65f2de30d1547c8b5f4d357cda34db3c42228cb16e32a03e3fb1105d1519a0aeb8f
c97110d18dde302d2c3ec247129307e947b53a090fb1c5711ceb54549b9fb]]

Document description:Exhibit F

Original filename:n/a

Electronic document Stamp:

[STAMP dcecfStamp_ID=1060868753 [Date=2/21/2008] [FileNumber=2276168-6]
] [a90e52a150a9e4410184335787449df9066c960a46e6920b18c2b57d91032b717bb
9acd809be72df608b16203fa4663a6c6d20e6119c46b8aff84c136bd361d2]]

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

**DECLARATION OF MICHAEL A. GRASSMUECK IN SUPPORT OF
MOTION FOR ORDER (i) AUTHORIZING THE SALE OF CERTAIN
REAL PROPERTIES FREE AND CLEAR OF ALL LIENS, CLAIMS,
INTERESTS AND ENCUMBRANCES; (ii) AUTHORIZING THE
RECEIVER TO PAY CERTAIN LIENS AND CLAIMS FROM THE SALE
OF THE REAL PROPERTIES; (iii) RELIEVING THE RECEIVER FROM
THE PROVISIONS OF 28 USC §§ 2001-2002; AND (iv) APPROVING THE
REAL ESTATE BROKER'S COMMISSION**

I, Michael A. Grassmueck, declare:

1. I am the duly appointed receiver (the "Receiver") for 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 Hunter, Inc., and their subsidiaries and affiliates and any entities controlled by them (collectively referred to as the "Receivership Entities").

2. I submit this declaration (the "Declaration") in support of the motion for authorization to (i) sell certain real properties free and clear of all liens, claims, interests and encumbrances; (ii) pay certain liens and claims from the sale of the real properties; (iii) relieve the Receiver from the provisions of 28 USC §§ 2001-2002; and (iv) approve the real estate broker's commission (the "Motion"). I have personal knowledge of the facts stated in this Declaration as to which I could and would personally and competently testify if called upon to do so.

3. Since my appointment, in addition to carrying out my other duties as Receiver, I have caused to be investigated, and exercised control over, various assets of Global and the Receivership Entities.

The Receivership Estate Properties

4. In my investigation and review of the assets, I identified at least twenty (20) separate real properties owned by the Receivership Entities (the "Receivership Estate Properties"). I conducted an extensive investigation and analysis in connection with the prospective sale of the Receivership Estate Properties. On August 20, 2007, I caused to be filed an Application to employ the Broker, as property manager and real estate broker, to manage and sell the Receivership Estate Properties. The Application was approved pursuant to Court order entered on October 30, 2007 (the "Broker Employment Order").

The Application to Employ Broker

5. Pursuant to the Application, I identified the Receivership Sale Properties¹ on my list of the Receivership Estate Properties to be sold by the Broker. Further, pursuant to the Application, and a broker agreement entered into between Broker and Receiver (the "Broker Agreement"), I sought authority to pay the Broker a sales commission from the sale of the Receivership Estate Properties of six percent (6%), if the sales price is less than or equal to \$200,000, and five and one half percent (5.5%) if the sales price is greater than \$200,000. All sales of the

¹ All capitalized terms not defined herein shall have the same meanings as set forth in the Motion.

Receivership Estate Properties are to be governed by the Receiver's Earnest Money Agreement, subject to Court approval. The Court entered its Order approving the Application on October 30, 2007.

The Receivership Sale Properties

6. The Receivership Estate's Broker marketed the Receivership Sale Properties by, among other things, listing them with several real estate listing services in Oregon, including "Real Estate Source", "The Real Estate Guide", and the "Home Builders Guide", listed them on the web at "GoodmanMLS", "Century 21. com", and the "Realtor.com", and advertised them in a public newspaper, "The Observer", which is circulated in the area where the Properties are located. The Broker also sent flyers to 980 of the Broker's clients in his efforts to market the Properties.

7. The Properties were listed and advertised for a period of at least twenty-one (21) days, after which the Receivership Estate began receiving offers to purchase the Properties. I accepted the highest offers for each of the Properties, subject to higher bids. The accepted offers were derived through arms-length negotiations, and I believe that the accepted offers, at this time, are the best and highest offers that the Receivership Estate will receive for each of the Properties. However, I reserve the right to pursue higher and better offers to the extent received, and seek as part of the Court's order authority to sell the Properties to the highest bidder.

The Wood Villa Property

8. On or about December 6, 2007, the Receivership Estate entered into the Earnest Money Agreement, with proposed buyer Dale K. Miller, for the sale of the Wood Villa Property to Mr. Miller. A true and correct copy of the Earnest Money Agreement with Mr. Miller is attached hereto as Exhibit "A". Mr. Miller offered the amount of \$100,000 for the purchase of the Wood Villa Property. Mr. Miller has paid an earnest money deposit of \$10,000, and will pay the balance of

the purchase price following Court approval of the sale of the Wood Villa Property and at closing of the sale of the Wood Villa Property. The Earnest Money Agreement also provides at Section 3.2 that Mr. Miller acknowledges that the sale of this Wood Villa Property may be subject to higher bids. *See Exhibit "A"*. Since the purchase price is less than \$200,000, the Broker would be entitled to a 6% commission from the sale of the Wood Villa Property in accordance with the Broker Agreement. I estimate a net return from the sale of the Wood Villa Property of \$93,218.19, after credit for certain county taxes of \$231.74, and after payment of the Broker's commission of \$6,000, title charges of \$338, property taxes of \$530.55 and a city lien of \$145.

The High Valley Property

9. On or about December 6, 2007, the Receivership Estate entered into the Earnest Money Agreement, with proposed buyer Robert L. Sheehy, for the sale of the High Valley Property to Mr. Sheehy. A true and correct copy of the Earnest Money Agreement with Mr. Sheehy is attached hereto as Exhibit "B". Mr. Sheehy offered the amount of \$90,000 for the purchase of the High Valley Property. Mr. Sheehy has paid an earnest money deposit of \$1,000, and will pay the balance of the purchase price following Court approval of the sale of the High Valley Property and at closing of the sale of the High Valley Property. The Earnest Money Agreement also provides at Section 3.2 that Mr. Sheehy acknowledges that the sale of this High Valley Property may be subject to higher bids. *See Exhibit "B"*. Since the purchase price is less than \$200,000, the Broker would be entitled to a 6% commission from the sale of the High Valley Property in accordance with the Broker Agreement. I estimate a net return from the sale of the Wood Villa Property of \$83,949.71, after credit for certain county taxes of \$260.05, and after payment of the Broker's commission of \$5,400, title charges of \$315, and property taxes of \$595.34.

The Smith Loop Property

10. On or about December 6, 2007, the Receivership Estate entered into the Earnest Money Agreement, with proposed buyer Eagle Cap Campers, Inc. ("Eagle Cap"), for the sale of the Smith Loop Property to Eagle Cap. A true and correct copy of the Earnest Money Agreement with Eagle Cap is attached hereto as Exhibit "C". Eagle Cap initially offered the amount of \$175,000 for the purchase of the Smith Loop Property. The Receivership Estate countered at \$200,000, and Eagle Cap accepted the counter-offer at \$200,000. A true and correct copy of the Seller's Counter-Offer is attached as Exhibit "D". Eagle Cap has paid an earnest money deposit of \$10,000, and will pay the balance of the purchase price following Court approval of the sale of the Smith Loop Property and at closing of the sale of the Smith Loop Property. The Earnest Money Agreement also provides at Section 3.2 that Eagle Cap acknowledges that the sale of this Smith Loop Property may be subject to higher bids. *See* Exhibit "C". Since the purchase price is less than \$200,000, the Broker would be entitled to a 6% commission from the sale of the Smith Loop Property in accordance with the Broker Agreement. I estimate a net return from the sale of the Smith Loop Property of \$186,785.49, after credit for certain county taxes of \$828.71, and after payment of the Broker's commission of \$11,000, title charges of \$700, property taxes of \$1,897.72, and a construction lien of \$446.

The L Avenue Property

11. On or about January 21, 2008, the Receivership Estate entered into the Earnest Money Agreement, with proposed buyer James R. Richards ("Richards"), for the sale of the L Avenue Property to Richards. A true and correct copy of the Richards Earnest Money Agreement is attached hereto as Exhibit "E". Richards offered the amount of \$285,000 for the purchase of the L Avenue Property. Richards has paid an earnest money deposit of \$10,000, and will pay the balance of the purchase price following Court approval of the sale of the L Avenue Property

and at closing of the sale of the L Avenue Property. The Earnest Money Agreement also provides at Section 3.2 that Richards acknowledges that the sale of this L Avenue Property may be subject to higher bids. *See* Exhibit "E". Since the purchase price is more than \$200,000, the Broker would be entitled to a 5.5% commission from the sale of the L Avenue Property in accordance with the Broker Agreement. I estimate a net return from the sale of the L Avenue Property of \$266,989.79, after credit for certain county taxes of \$1,085.53, and after payment of the Broker's commission of \$15,675, title charges of \$685, and property taxes of \$2,733.74.

The Bellwood Property

12. On or about December 6, 2007, the Receivership Estate entered into the Earnest Money Agreement, with proposed buyers Gregg Marugg and Cindi Stawicki ("Marugg and Stawicki"), for the sale of the Bellwood Property to Marugg and Stawicki. A true and correct copy of the Marugg and Stawicki Earnest Money Agreement is attached hereto as Exhibit "F". Marugg and Stawicki initially offered the amount of \$25,000 for the purchase of the Bellwood Property. The Receiver countered at \$35,000, and Marugg and Stawicki accepted the counter-offer at \$35,000. A true and correct copy of the counter-offer for the Bellwood Property is attached as Exhibit "G". Marugg and Stawicki paid an earnest money deposit of \$1,000, and will pay the balance of the purchase price following Court approval of the sale of the Bellwood Property and at closing of the sale of the Bellwood Property. The Earnest Money Agreement also provides at Section 3.2 that Marugg and Stawicki acknowledge that the sale of this Bellwood Property may be subject to higher bids. *See* Exhibit "F". Since the purchase price is less than \$200,000, the Broker would be entitled to a 6% commission from the sale of the Bellwood Property in accordance with the Broker Agreement. I estimate a net return from the sale of the Bellwood Property of \$32,547.55, after

credit for certain county taxes of \$100.10, and after payment of the Broker's commission of \$2,100, title charges of \$200, and property taxes of \$252.55.

The Main Street Property

13. On or about January 17, 2008, the Receivership Estate entered into the Earnest Money Agreement, with proposed buyers Frank Wentzel and Jane Wentzel ("Wentzels"), for the sale of the Main Street Property to the Wentzels. A true and correct copy of the Wentzels Earnest Money Agreement is attached hereto as Exhibit "H". The Wentzels offered the amount of \$95,000 for the purchase of the Main Street Property. The Wentzels have paid an earnest money deposit of \$2,500, and will pay the balance of the purchase price following Court approval of the sale of the Main Street Property and at closing of the sale of the Main Street Property. The Earnest Money Agreement also provides at Section 3.2 that Wentzels acknowledge that the sale of this Main Street Property may be subject to higher bids. *See* Exhibit "H". Since the purchase price is less than \$200,000, the Broker would be entitled to a 6% commission from the sale of the Main Street Property in accordance with the Broker Agreement. I estimate a net return from the sale of the Main Street Property of \$88,614.63, after credit for certain county taxes of \$235.97, and after payment of the Broker's commission of \$5,700, title charges of \$326, and property taxes of \$595.34.

The Relief Requested

14. Pursuant to the Application, and the Earnest Money Agreements, each sale of the Receivership Real Properties is subject to Court approval. Thus, pursuant to the Motion, I seek Court approval of the sale of the Receivership Sale Properties free and clear of all liens, claims and encumbrances, with such liens, claims and encumbrances attaching to the proceeds of sale. The Receivership Sale Properties shall be sold "AS IS," "WHERE IS," and "WITH ALL FAULTS", and without any representations or warranties in respect to the condition of these Properties.

15. Further, I request that the Court authorize me to sell to the highest bidder for the Receivership Sale Properties, and to authorize me to pay from the proceeds of sale, the valid liens, taxes, and claims, on the Receivership Sale Properties, subject to any objections to such liens, taxes, and claims by the Receivership Estate.

16. I additionally request that the Court waive the provisions of 28 U.S.C. §§ 2001(a) and 2002, which provide for the sale of the Receivership Sale Properties pursuant to a foreclosure-type or public auction process. Further, I request that the Court waive the provisions of 28 U.S.C. § 2001(b) applying to private sales, including requiring certain appraisals, newspaper publications for the private sale, and confirmation of the private sale.

17. In accordance with my business judgment, the waivers of Sections 2001(a) and 2002 are appropriate and the most likely way for the Receivership Estate to realize the highest prices for the sale of the Receivership Sale Properties through the commercially reasonable and customary method of listing the Properties with a broker and conducting a private sale. Further, I believe that listing and selling the Properties through a broker for the highest price offered, is the best method to obtain the highest and best price for the Properties, without having to incur the additional expenses in complying with Section 2001(b).

///

///

///

18. Finally, I request that the Court approve the Broker's applicable sales commission, from the proceeds of sale of the Receivership Sale Properties, as described in the Motion and in the Receiver's Application to Employ Property Manager and Real Estate Broker, filed on August 20, 2007, which was approved by the Broker Employment Order.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed this 20th day of February, 2008, at Portland, Oregon.


MICHAEL A. GRASSMUECK