

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

SECURITIES AND EXCHANGE
COMMISSION,

Plaintiff,

v.

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

Defendants.

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

**SECOND INTERIM REPORT OF
RECEIVER MICHAEL A. GRASSMUECK
AS OF JUNE 30, 2008**

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 “Receivership Subsidiaries”) and their subsidiaries, affiliates, and any entities controlled by them (collectively, the “Receivership Entities”), submits this interim 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, et al., (the “Order”) in the United States District Court for the Northern District of Georgia Atlanta Division.

This Report provides the court and all interested parties with the status of the Receiver’s activities, investigations, analysis, conclusions and recommendations for the period of January 19, 2008 through June 30, 2008. The Receiver will not repeat here the preliminary findings and recommendations contained in the Receiver’s Forensic Accountant’s Report dated March 31, 2008, the Receiver’s Interim Report dated January 18, 2008, the Receiver’s Preliminary Report dated July 20, 2007 or Report of the Monitor dated April 18, 2007 (“Monitor’s Report”). These reports are incorporated herein by this reference. The Receiver also encourages parties to review those reports for background and to look to the Receiver's website www.grassmueckgroup.com/global-online.php for the Receiver's current activities.

II. OVERVIEW OF RECEIVER’S ACTIVITIES DURING THIS REPORTING PERIOD

Over the past six months, the Receiver and his professionals have continued to investigate the business practices of the Receivership Entities and the Defendants, to ascertain what happened to the approximately \$42 million raised by Defendants, and to take custody of and evaluate assets.

The Receiver’s primary focus during this time period was to fulfill his duties under the Order to: (1) secure, protect and recover assets, including tangible and intangible assets and choses in action; (2) prepare an accounting; (3) liquidate assets; (4) review and allowance of claims against the Receivership Estate; (5) analyze and develop, with Court approval, an equitable approach to the distributing of assets and losses to investors; and (6) investigate, analyze and pursue claims, with Court approval, against certain third parties. While fulfilling these duties, the Receiver has collected

\$1,819,098.50 in cash during this reporting period and recovered several parcels of real property which are in the process of being sold.

The following Report addresses these general categories in varying degrees of detail in relation to the progress and focus of the Receiver during the past six months of the receivership, and is current as of June 30, 2008.

A. Securing, Protecting and Recovering Assets

The Receiver continues to possess and control all assets of the Receivership Estate. The Receiver has identified 16 bank accounts which have been closed and the funds transferred to the Receiver. In addition to properties sold during this reporting period, the Receiver currently has five pieces of real property that are marketed for sale. Below is a list of these properties and their current listing price:

Address	City, State	Listing Price
1805 Z Ave.	La Grande, Oregon	\$195,000
627 E Arch St.	Union, Oregon	\$385,000
0 Beakman St.	Union, Oregon	\$30,000
2208 L Ave.	La Grande, Oregon	\$175,000
434 W Jefferson St.	Union, Oregon	\$33,000

The Receiver is aggressively marketing these properties and hopes to effectuate the sale of these properties very soon.

As detailed below, the Receiver continues to investigate the fraudulent transfer of certain real and personal property and has filed an action against nine individuals and two companies to recover these assets. The Receiver anticipates settlement of these lawsuits will bring additional assets into the Receivership Estate within the next 90 days.

B. Accounting of Receivership Entities

Information relating the Receiver's Forensic Accountant's Report and the financial position of the Receivership Estate is detailed below in Section III.

C. Liquidation of Assets

The liquidation of assets during this period fall into two different categories: the auction of personal property and the sale of real properties. Each is discussed in detail below.

1. Personal Property Auction

The Receiver conducted a personal property auction April 7-10, 2008. Due to the efforts of the Receiver, the auction received regional news coverage from three television stations, at least five radio stations and numerous newspapers. The auction was attended by several thousand people, including over 1,300 registered bidders. Overall, the auction was a great success with sales of \$868,098.50. This was well in excess of initial expectations. This success was due in large part to additional inventory located and marshaled by the Receiver for sale at the auction. It should be noted that locating, transferring and selling the additional inventory increased the expenses related to the auction. The total expenses related to the moving and preparation of assets and auction expenses were \$296,610.66, providing a net benefit to the Receivership Estate of \$571,487.84.

2. Real Property Sales

Despite the recent real estate market downturn, the Receiver sold seven pieces of real property during this reporting period. The address and sale price of each property is detailed below.

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Address	City, State	Sale Price
1151 N. Main	Union, Oregon	\$99,000
2206 E. L Ave	La Grande, Oregon	\$285,000
10114 Wood Villa Dr.	La Grande, Oregon	\$100,000
103 N. Bellwood Ave.	Union, Oregon	\$35,000
59998 Smith Lp.	La Grande, Oregon	\$260,000
460 W. Lincoln	Union, Oregon	\$105,000
499 E. Beakman	Union, Oregon	\$67,000

The total net proceeds to the receivership estate from real property sales for this reporting period were \$951,000. The Receiver anticipates additional real property sales in the next reporting period.

D. Claims Processing and Review

The Receiver is currently working with his professionals to develop a fair and cost effective process to allow investors to file claims for monies invested with Global. This process is taking additional time due to the large number of investors, (there are almost 9,000 identified investors), and the lack of reliable records to identify investors and individual investments. The Receiver anticipates sending out a proof of claim form to investors in the next 60 to 90 days. Based upon the Receiver's substantial experience, the Receiver estimates that an additional 90 days will be required to review and resolve the claims after the claims bar date. The Receiver will file a motion in the next 30 to 45 days setting forth the details of the claims process.

E. Distribution to Investors

As part of the work in the claims process, the Receiver and his professionals are analyzing the appropriate methodology for distribution of funds back to investors. The Receiver will submit his distribution plan when he submits his plan for claims review.

F. Investigate, Analyze and Pursue Claims Against Third Parties

The Receiver and his team continue to investigate and analyze potential claims against third parties. The Receiver believes that the Receivership Estate holds claims against these parties and will seek Court permission to pursue actions against these parties.

G. Investor Communications

The Receiver continues to ensure that all investors are able to get their questions answered through his website, email and telephone. The Receiver's website, www.grassmueckgroup.com/global_online.php, is updated frequently to keep investors abreast of current information and court filings so they can follow the progression of the case. The Receiver also receives a significant amount of correspondence through email at global@grassmueckgroup.com. Since the inception of the case, the Receiver's office has responded to thousands of emails from investors. Additionally, the Receiver's office continues to receive almost daily phone calls from investors and has fielded hundreds of these calls since the Receiver's appointment.

H. Fraudulent Conveyance Claims

As reported in the Receiver Reports, the Receiver filed a complaint for fraudulent transfer and conveyance, unjust enrichment, constructive trust and equitable lien to recover nine (9) properties and other cash that were transferred without consideration or benefit to the Receivership Estate. During this reporting period, substantial discovery in the case was completed and the Receiver is now attempting to resolve this matter, either

through settlement or dispositive motions. Based upon the Receiver's evaluation of each of the subject properties, the Receiver continues to believe that the recovery pursuant to this litigation, currently estimated at over \$500,000, will significantly exceed the amount of fees expended in the case. As such, it is expected that the litigation will yield significant benefit to the Receivership Estate.

It should be noted that, at each stage of the case, the Receiver has evaluated the cost-benefit of pursuing a complaint for fraudulent transfer against these parties and others, including but not limited to, Pantera and Wakefield. Overall, the Receiver has diligently tracked the cost of the case and the benefits to the Receivership Estate from expending money to recover real properties, and other monies, that should yield several hundred thousand dollars to the Estate.

III. ACCOUNTING AND FINANCES

Below is information relating to the status of the Receiver's Forensic Accountant's Report, the current financial position of the Receivership Estate and the cash flow of the Receivership Estate. For a complete explanation, please see **Exhibits A and B** to this report and the Receiver's Forensic Accountant's report, previously filed.

A. Status of Accounting

The Receiver filed his Receiver's Forensic Accountant's Report on March 31, 2008. It took longer to complete and file this report than the expected due to the complete lack of records which led to delays in obtaining and processing certain essential financial records. Global opened and managed at least 16 known bank accounts in their 20 months of operations from 13 separate financial institutions. Ultimately, the Receiver's team reviewed and reconciled over 20,000 financial transactions in the preparation of this report.

B. Current Financial Position of the Estate

As of June 30, 2008, the Receivership Estate has \$1,571,482 in cash and cash equivalents. The Summary of Financial Position for the Receivership Estate is attached to this report as **Exhibit A**.

C. Cash Flows of Receivership Estate

Between January 19, 2008 and June 30, 2008, the Receivership Estate had an increase in net cash of \$1,110,403. This additional cash is primarily a result of the sale of personal property at auction and the sale of seven pieces of real property. The Summary of Receivership Cash Flow is attached to this report as **Exhibit B**.

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

As indicated herein, the Receiver's work in many areas is still in process and must continue in order to maximize return to affected investors. Presently, the Receiver recommends the following:

- Investigation and Analysis of Claims against Third Parties. Based on the outcome of the Receiver's investigation, the Receiver anticipates seeking authority of the Court to pursue claims against certain third parties who received substantial cash or assets for little or no consideration.
- Sale of Real Property. The Receiver is continuing to sell the five remaining pieces of real property in the Receivership Estate. As part of his effort, the Receiver continues to evaluate market conditions and aggressively position these properties for prompt sale. The Receiver anticipates taking possession of additional properties belonging to the Receivership Entities and will list them for sale at the appropriate time.

- Investigation and Analysis of the Companies. The Receiver will continue to investigate the affairs of entities related to the Receivership Entities, including Global Arizona and other affiliated entities that received large sums of money, in order to ascertain whether it is possible to recover some of these amounts.
- Claims and Distributions. The Receiver and his professionals are evaluating different procedural options for the claims and distribution process. Once a fair and cost effective procedure has been developed, the Receiver will submit a proposed claims process to the Court for approval.

V. CONCLUSION

This Report of Receiver reflects the Receiver's work and conclusions as of June 30, 2008. The findings reflected in this Report are preliminary and are subject to clarification, expansion or change pending additional work by the Receiver and his professionals.

Dated: August 11, 2008

Respectfully submitted,

By: /s/ Michael A. Grassmueck
MICHAEL A. GRASSMUECK
Court-Appointed Receiver

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Dated: August 11, 2008

Respectfully submitted,

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Respectfully submitted,

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