

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 July 1, 2008 though December 31, 2008. The Receiver will not repeat here the findings and recommendations contained in the Receiver’s Second Interim Report dated August 11, 2008, 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. These reports are incorporated herein by this reference. The Receiver encourages parties to review those reports for background related to the Receiver’s current activities as well as other information at the Receiver’s website at www.grassmueckgroup.com/global_online.php.

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

Over the past six months, the Receiver and his team of 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, to take custody of and evaluate assets and to investigate potential claims against insiders and third parties.

The Receiver’s primary focus during this time period was to fulfill his duties under the

Order to: (A) secure, protect and recover assets, including tangible and intangible assets and choses in action; (B) refine the accounting of the Receivership Entities; (C) liquidate assets; (D) with Court approval, prepare claims procedure, analyze distribution of assets to investors and develop claims website for claim entry; (E) investigate, analyze and pursue claims against third parties; (F) maintain an open line of communications with investors; (G) investigate, analyze and pursue fraudulent conveyance claims. 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 December 31, 2008.

A. Secure, Protect and Recover Assets

The Receiver continues to possess and control all remaining assets of the Receivership Estate. The Receiver currently has four pieces of real property for sale in La Grande and Union Oregon. Below is a list of the properties and their current status:

Address	City, State	Listing Price	Current Status
627 E Arch St.	Union, OR	\$299,900	No accepted offers.
2208 L Ave.	La Grande, OR	\$125,000	Accepted offer of \$120,000
434 W Jefferson	Union, OR	\$25,000	Accepted offer of \$22,500
2711 Bearco Lp.	La Grande, OR	\$175,000	No accepted offers.

The Receiver continues to aggressively market these properties, and despite the current market downturn, the estate continues to receive offers to purchase Estate properties.

As the Court is aware, the Receiver filed a lawsuit to recover additional properties based upon the fraudulent transfer of real property. The Receiver filed the action against nine individuals and two companies. The Receiver has reached tentative settlements on four properties, which are listed below.

Address	City, State	Anticipated Listing Price
60539 Peach Rd.	La Grande, OR	\$375,000
1137 N. Cove St.	Union, OR	\$130,000
716 S. 3 rd St.	Union, OR	\$99,900
570 E. Birch	Union, OR	\$39,900

The Receiver anticipates settlement of the case as to four additional defendants and properties within the next 60 days and will then prepare these properties for immediate sale.

B. Accounting of Receivership Entities

Information relating to the financial position of the Receivership Estate is detailed below in Section III.

C. Liquidation of Assets

The liquidation of assets this period is primarily composed of the sale of real property. Due to the steep decline in the real estate market and the unique nature of the commercial property remaining to be sold, the Receiver was only able to sell two pieces of real property during this time period. The property located at 1805 Z Avenue, La

Grande, Oregon was sold for \$160,000.¹ The Receiver anticipates the sale of three to five additional properties in the first half of 2009.²

D. Claims Process

The Receiver has worked diligently with his professionals and the Court to develop a fair and cost effective process to allow investors to file claims for monies invested with Receivership Entities. This process has taken considerable time due to the large number of investors (there are almost 9,000 identified investors), the lack of reliable records to identify investors and the limited amount of funds available to be returned to investors. The Receiver determined that the best way to minimize the expenses of the claims process was to allow investors to file their claims online. The Receiver and his team developed a claims website at no expense to the receivership estate that should minimize the expenses related to processing claims.

The Receiver was concerned about the relatively little money available to return to investors and the cost of processing and auditing claims with such a large number of investors. The Receiver weighed the options and presented the Court with several different options. With the input from the Court, the Receiver submitted a modified proposed plan for distribution and claims notices, and the Court approved the same. Notice of the claims bar date were sent on January 5, 2009. The Court has set a claims bar date of April 10, 2009 at 5pm. All claims must be received by this date and time or may be forever barred. For specific details of this process, please go to the Receiver's website and review the Notice of Claim Bar Date.

¹ The Receiver accepted an offer on 434 Jefferson for \$22,500, which closed after the date of this report.

As part of the claims process, all of those who invested \$2,000 or less or those who do not have or wish to provide proof of investment, will be part of the “convenience class”. All convenience class claims will be allowed if the Receiver can verify the claim by checking the claim against the records of the Receivership Entities. If the convenience class claim is allowed, the maximum authorized distribution on such claim is \$10.00.

For further information or to file a claim, visit the Receiver’s website at http://www.grassmueckgroup.com/global_online.php or the claims site directly at <https://www.globalonlinereceivership.com>.

Due to the length of time to process claims, address all claims objections and litigate any disputes, the Receiver does not anticipate a distribution will be possible until the last quarter of 2009.

E. 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 file a separate report with the Court to address the Receiver’s findings as to these claims. In the interim, the Receiver employed the low-cost approach of sending over 200 demand letters to certain third parties requesting repayment of ill-gotten gains. The Receiver’s efforts resulted in nearly \$50,000 in recovery for the Receivership Estate.

F. 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's website receives an average of 1,000 visits per month that are directly attributable to this case. The Receiver also receives a significant amount of correspondence through email via 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 daily phone calls from investors and has fielded hundreds of calls since the Receiver's appointment.

G. Fraudulent Conveyance Claims

As noted above, the Receiver has filed a complaint for fraudulent transfer and conveyance, unjust enrichment, constructive trust and equitable lien to recover nine properties from insiders that were transferred without consideration or benefit to the Receivership Estate. During this reporting period, the Receiver completed discovery in the case and turned his efforts towards settlement. There is settlement now pending on four properties with settlement expected on two additional properties anticipated in the next 60 days. The Receiver continues to work towards settlement on the last two properties, however, the Receiver believes that a dispositive motion may need to be filed with this Court to bring this matter to an end. The ninth property, at 3006 N Birch Street, La Grande, Oregon, was sold prior to the litigation being filed and would not have resulted in a benefit to the Receivership Estate. The Receiver intends to abandon the litigation as to this property.

Based upon the Receiver's evaluation of each of the subject properties, the Receiver continues to believe that the recovery pursuant to this litigation will significantly exceed the amount of fees expended to recover them and will yield significant benefit to the Receivership Estate.

It should be noted that, at each stage of the case, the Receiver has reviewed the cost-benefit analysis 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 Estate from expending money to recover real properties and other monies. The efforts of the Receiver and his professionals should net 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 and the cash flow of the Receivership Estate. For a complete explanation, please see Exhibit A and B to this report and the Receiver's Forensic Accountant's Report, previously filed.

A. Receivership Entity Accounting

The Receiver filed his Receiver's Forensic Accountant's Report on March 31, 2008. The report covered 13 financial institutions, 16 bank accounts and over 20,000 financial transactions that spanned only 20 months. The Receiver and his team continue to update the accounting as additional information becomes available and intends to use this information to perform claims auditing.

B. Current Financial Position of the Estate

The Summary Financial Position for the Receivership Estate is attached to this report as **Exhibit A**.

- Cash and Equivalents – As of December 31, 2008, the Receivership Estate has \$965,341.91 in cash and cash equivalents.
- Real Property – As previously discussed, the Receiver has taken possession of numerous parcels of real property. The Receiver has secured and insured these assets as appropriate. Due to the extreme fluctuations in the real estate market, the Receiver has not assigned values to these parcels of property.
- Contingent Assets – The Receiver has identified various items, including real property, investments in various business operations and potential actions against third parties, that are best identified as Contingent Assets that although potentially representing a source of funds to the Estate though they are presently sufficiently undefined to warrant the designation of contingent.
- Liabilities – An accurate presentation of accounts payable and liabilities will only be available once the Receiver has completed the claims process.

C. Cash Flow of Receivership Estate.

Between July 1, 2008 and December 31, 2008, the Receivership Estate had a decrease in net cash of \$606,141. This decrease was due primarily to the payment of fees accrued by the Receiver, the Receiver's legal counsel and the Receiver's forensic accountant from June 2007 to April 2008. These fees totaled \$760,569.51 and represents significant work related to the marshalling of assets, recovery of assets through fraudulent conveyance litigation and other third party actions, responding to litigation filed by investors and the

significant forensic accounting necessary due to the lack of records maintained by the Receivership Entities and Defendants. The efforts of the Receiver and his team have resulted in the collection of \$1,864,703 for the benefit of the Receivership Estate. 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 is still in process in many areas 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 upon the Receiver's investigations of potential claims against third parties, the Receiver will present the Court with his findings and recommendations and will work with the Court to determine the best possible outcome for the benefit of investors.
- Sale of Real Property. The Receiver currently has three pieces of real property for sale, but anticipates an additional 4-6 pieces of properties will be brought into the Receivership Estate to be sold in the next 90 days.
- Negotiate and Litigate Fraudulent Conveyance Claims. The Receiver will continue to negotiate settlements in order to recover property that was fraudulently conveyed. In the event that negotiation is unsuccessful, the Receiver will file dispositive motions with this Court.
- Investigation and Analysis of the Companies. The Receiver will continue to investigate the affairs of entities related to the Receivership Entities, including

Global Online Arizona, Pantera 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 preparing for the claims process and the subsequent distribution. The Court has approved the claims process, which will begin on January 5, 2009. Once the claims process begins, the Receiver and his team will need to assist investors in filing their claims, process and audit all claims, file the appropriate objections and distribute funds in accordance with the Court's orders.

V. CONCLUSION

This Third Interim Report of Receiver reflects the Receiver's work and conclusions as of December 31, 2008. The findings reflected in this Report are subject to clarification, expansion or change pending additional work by the Receiver and his professionals.

DATED: February 11, 2009

Respectfully submitted,


By: /s/
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Dated: February 11, 2009

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SEC v. Global Online Direct, Inc. et al
Third Interim Report of Receiver
Summary of Financial Position
As of December 31, 2007 and December 31, 2008

Assets	12/31/07	12/31/08
Cash and Equivalents	\$ 461,079	\$ 965,342
Inventory	??	-
Property and Equipment	??	-
Real Property	??	??
Contingent Assets	??	??
Total Assets	<u>??</u>	<u>??</u>
Less: Liabilities	??	??
Net Assets	<u>??</u>	<u>??</u>

Refer to Receiver's Report for discussion regarding Inventory, Property and Equipment, Real Property and Liabilities

SEC v. Global Online Direct, Inc. et al
Third Interim Report of Receiver
Summary of Receivership Cash Flows

	Prior Periods	Current Period	TOTAL
	From 6/4/07 to 12/31/07	From 1/1/08 to 12/31/08	From 6/4/07 to 12/31/08
Beginning Cash Balance	\$ 590,141	\$ 461,079	\$ 590,141
Sale Revenue	1,487	-	1,487
Real Property Sales	-	1,101,036	1,101,036
Auction Proceeds	-	868,099	868,099
Refunds	1,617	1,499	3,116
Lease Income	8,712	6,644	15,356
Fraudulent Transfer Recoveries	-	15,277	15,277
Interest Income	2,113	4,918	7,031
Total Cash Available	604,070	2,458,551	2,601,542
Admin Costs - Monitor Fees	-	(43,584)	(43,584)
Admin Costs - Receivership Fees	-	(760,570)	(760,570)
Auction Costs	-	(393,825)	(393,825)
Copying and Printing	(4,321)	(12,567)	(16,888)
Computer and Internet Expense	(3,923)	-	(3,923)
Contract Services	(14,342)	(2,346)	(16,688)
Insurance	(10,360)	(5,485)	(15,845)
Investor Communications	-	(3,140)	(3,140)
Litigation Expenses	-	(11,935)	(11,935)
Litigation Settlement	-	(110,517)	(110,517)
Payroll Expense	(37,900)	(10,394)	(48,294)
Postage and Delivery	(1,375)	-	(1,375)
Property Taxes	-	(14,631)	(14,631)
Real Property Sales Expense	-	(56,138)	(56,138)
Rent Expense	(7,200)	(23,842)	(31,042)
Repairs and Maintenance	(1,057)	(1,448)	(2,505)
Security Expense	(41,216)	(30,231)	(71,447)
Service Charges	(3,405)	-	(3,405)
Telephone Expense	(1,192)	-	(1,192)
Utilities	(16,700)	(12,555)	(29,255)
Total Expenses to Date	(142,991)	(1,493,209)	(1,636,200)
Ending Cash Balance	\$ 461,079	\$ 965,342	\$ 965,342