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**SEVENTH CONSOLIDATED PUBLIC BANKRUPTCY REPORT PURSUANT TO SECTION 73A OF THE DUTCH BANKRUPTCY ACT IN THE BANKRUPTCIES OF THE KROYMANS GROUP.**

Receivers	:	C. de Jong LL.M (Van Benthem & Keulen N.V., P. O. Box 85005, 3508 AA Utrecht, telephone: 030-2595959, fax: 030-2595500, email: ceesdejong@vbk.nl) and F. Kemp LL.M (Fort Advocaten N.V., P.O. Box 70091, 1007 KB Amsterdam, telephone: 020-6645111, fax: 020-6620470, email: kemp@fortadvocaten.nl)
Delegated Judge	:	N.A.J. Purcell LL.M, Amsterdam District Court
Date of the report	:	15 July 2014
Reporting period	:	1 November 2013 – 1 July 2014
Hours spent in the reporting period	:	353,90
Balance of the bankruptcy account	:	€ 27,408,988.87

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## INTRODUCTION

This is the seventh public report in the bankruptcies of the Kroymans Group. The report has been filed with the Registry of the Amsterdam District Court [*Arrondissementsrechtbank*] and will be placed on the website of the Central Insolvency Register [*Centraal Insolventieregister*] (<http://insolventies.rechtspraak.nl>) and at [www.vbk.nl](http://www.vbk.nl) and [www.fortadvocaten.nl](http://www.fortadvocaten.nl). Only those written reports bearing the signatures of both Receivers [*Curators*] are authentic.

On account of the fact that there is not a simple structure, the reporting on the bankruptcies, but not the winding up of the bankruptcies, has been consolidated.

The Receivers have tried to compile this report with the greatest possible care but they do not vouch for the completeness or accuracy of all information contained in this report. It is possible that further investigation will produce new or other facts or lead to different opinions or conclusions.

For the sake of readability, this report contains important information in summary form from previous reports.

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## 1 INVENTORY

### 1.1 List of the Companies declared Bankrupt

This list contains an enumeration of the Dutch group companies which have been declared bankrupt. A Delegated Judge of the Amsterdam District Court has been appointed in all bankruptcies, even if these bankruptcies have been pronounced at other District Courts. The bankruptcy numbers used are always the Amsterdam numbers. The companies are listed in subject order and this order corresponds, as much as possible, to the organigram of the group that is attached as Appendix 2 to the first report.

	<b>Bankruptcy No.</b>	<b>Moratorium Date</b>	<b>Bankruptcy Date</b>	<b>Personnel</b>
<b>KROYMANS CORPORATION B.V.</b> Marathon 3 1213 PB Hilversum Chamber of Commerce: 32048737	F.13/09/221	20-03-2009	31-03-2009	0
<b>KROYMANS IMPORT EUROPE B.V.</b> Corridor 25 3621 ZA Breukelen Chamber of Commerce: 32093856	F.13/09/223	20-03-2009	31-03-2009	51
<b>KROYMANS NEDERLAND B.V.</b> Marathon 3 1213 PB Hilversum Chamber of Commerce: 32000237	F.13/09/358		06-05-2009	0
<b>KROYMANS CAR IMPORT B.V.</b> Marathon 3 1213 PB Hilversum Chamber of Commerce: 32114622	F.13/09/220	20-03-2009	31-03-2009	0
<b>KIA NEDERLAND B.V.</b> Marconiweg 2 4131 PD Vianen Chamber of Commerce: 23072057	F.13/09/267		05-04-2009	75
<b>B.V. AUTO IMPORT MAATSCHAPPIJ A.I.M.</b> Ir. D.S. Tuijnmanweg 1 4131 PN in Vianen Chamber of Commerce: 23032615	F.13/09/353		28-04-2009	33
<b>KROYMANS JAGUAR IMPORT NEDERLAND B.V.</b> Soestdijkerstraatweg 66a 1213 XE Hilversum Chamber of Commerce: 30073504	F.13/09/354		28-04-2009	0
<b>JAGUAR NEDERLAND B.V.</b> Soestdijkerstraatweg 66a 1213 XE Hilversum Chamber of Commerce: 30114118	F.13/09/355		29-04-2009	0

<b>JAGUAR NEDERLAND C.V.</b> Soestdijkerstraatweg 66a 1213 XE Hilversum Chamber of Commerce: 30114354	F.13/09/349		29-04-2009	18
<b>SSANGYONG HOLDING B.V.</b> Marathon 3 1213 PB Hilversum Chamber of Commerce: 32046696	F.13/09/291		17-04-2009	0
<b>SSANGYONG NEDERLAND B.V.</b> Marathon 3 1213 PB Hilversum Chamber of Commerce: 30125832	F.13/09/351		28-04-2009	1
<b>DIRECTAUTO B.V.</b> Corsicaweg 10 1044 AB Amsterdam Chamber of Commerce: 32126624	F.13/09/292		17-04-2009	0
<b>ALFA ROMEO NEDERLAND B.V.</b> Klokkenbergweg 15 1101 AK Amsterdam Zuidoost Chamber of Commerce: 32106406	F.13/09/301		21-04-2009	33
<b>KROYMANS RETAIL GROUP B.V.</b> Hoge Naarderweg 3 1217 PB Hilversum Chamber of Commerce: 32079795	F.13/09/222	20-03-2009	31-03-2009	14
<b>AUTOBEDRIJF GEBR. VULLINGS TILBURG B.V.</b> Kraaienvestraat 22 5048 AB Tilburg Chamber of Commerce: 18037703	F.13/09/297		14-04-2009	41
<b>KROYMANS HILVERSUM B.V.</b> Soestdijkerstraatweg 64 1213 XE Hilversum Chamber of Commerce: 32026898	F.13/09/280	07-04-2009	16-04-2009	20
<b>AUTOCENTER W VAN ZIJLL B.V.</b> Veldhoven 7 6826 TS Arnhem Chamber of Commerce: 090242725	F.13/09/326		17-04-2009	38
<b>KROYMANS ASTON MARTIN B.V.</b> Soestdijkerstraatweg 66-66a 1213 XE Hilversum Chamber of Commerce: 32079889	F.13/09/322		23-04-2009	5
<b>VRIENS AUTOCENTER B.V.</b> Biesdonkerweg 31 4826 KS Breda Chamber of Commerce: 20032839	F.13/09/299		14-04-2009	59

<b>KROYMANS BREUKELEN B.V.</b> De Corridor 25 3621 ZA Breukelen Chamber of Commerce: 11060081	F.13/09/243	01-04-2009	10
<b>KROYMANS NIJMEGEN B.V.</b> Aamsestraat 86 6662 NK Elst Chamber of Commerce: 32092203	F.13/09/300	20-04-2009	16
<b>PERFEKTA AUTOSCHADE ROERMOND B.V.</b> Burghoffweg 9 6042 EX Roermond Chamber of Commerce: 13039469	F.13/09/288	15-04-2009	0
<b>NEDAM AUTOMOBIELMAATSCHAPPIJ WEERT B.V.</b> Kelvinstraat 8 6003 DH Weert Chamber of Commerce: 13012732	F.13/09/290	15-04-2009	26
<b>PERFEKTA AUTOSCHADE BREDA B.V.</b> Konijnenberg 101 4825 BC Breda Chamber of Commerce: 20084594	F.13/09/298	14-04-2009	27
<b>AUTOBEDRIJF GEBR. VULLINGS OIRSCHOT B.V.</b> Besteweg 47 5688 NP Oirschot Chamber of Commerce: 17043754	F.13/09/293	14-04-2009	26
<b>PERFECTA AUTOSCHADE OIRSCHOT B.V.</b> Besteweg 47 5688 NP Oirschot Chamber of Commerce: 17041464	F.13/09/295	14-04-2009	14
<b>AUTOBEDRIJF GEBR. VULLINGS BOXTEL B.V.</b> Industrieweg 3 5281 RW Boxtel Chamber of Commerce: 1604639	F.13/09/294	14-04-2009	10
<b>NEDAM AUTOMOBIELMAATSCHAPPIJ ROERMOND B.V.</b> Oranjelaan 802 6043 GL Roermond Chamber of Commerce: 13003977	F.13/09/289	15-04-2009	80
<b>KROYMANS SAAB DEALERS B.V.</b> Klokkenbergweg 15 1100 DN Amsterdam Chamber of Commerce: 32080615	F.13/09/324	15-04-2009	1

<b>KROYMANS ROTTERDAM-NOORD B.V.</b> Vlambloem 52 3068 JE Rotterdam Chamber of Commerce: 24380282	F.13/09/356	29-04-2009	21
<b>KROYMANS AMSTERDAM ZUIDOOST B.V.</b> Klokkenbergweg 15 1100 DN in Amsterdam 33132074	F.13/09/281	16-04-2009	48
<b>KROYMANS HAARLEM B.V.</b> Hoge Naarderweg 3 1217 AB Hilversum Chamber of Commerce: 32046686	F.13/09/346	28-04-2009	0
<b>KROYMANS UTRECHT B.V.</b> Ringwade 4 3439 LM Nieuwegein Chamber of Commerce: 30130709	F.13/09/352	28-04-2009	18
<b>KROYMANS ALKMAAR B.V.</b> Hoge Naarderweg 3 1217 AB Hilversum Chamber of Commerce: 35027157	F.13/09/347	28-04-2009	0
<b>KROYMANS IMPORT BENELUX B.V.</b> De Corridor 25 3621 ZA Breukelen Chamber of Commerce: 11056317	F.13/09/242	01-04-2009	6
<b>KIA CENTER UTRECHT B.V.</b> Meijewetering 39 3543 AA Utrecht Chamber of Commerce: 30206754	F.13/09/331	27-04-2009	13
<b>KIA CENTER AMSTERDAM B.V.</b> Berchvliet 20 1046 CA Amsterdam Chamber of Commerce: 30186619	F.13/09/332	27-04-2009	22
<b>VAN DER MEULEN ANSEMS AUTOMOBIELBEDRIJVEN B.V.</b> Hugo van der Goeslaan 49 5642 TX Eindhoven Chamber of Commerce: 17043932	F.13/09/245	01-04-2009	49
<b>KROYMANS DEALERS B.V.</b> Soestdijkerstraatweg 66-66a 1213 XE Hilversum Chamber of Commerce: 30165593	F.13/09/376	22-04-2009	29
<b>KROYMANS CAR RENTAL HOLLAND B.V.</b> Kruisweg 460 2132 LA Hoofddorp Chamber of Commerce: 32092360	F.13/09/283	16-04-2009	17

<b>KROYMANS ROTTERDAM-ZUID B.V.</b> Aploniastraat 4 3094 CC Rotterdam Chamber of Commerce: 32119319	F.13/09/296	15-04-2009	11
<b>KROYMANS AUTO OUTLET B.V.</b> Klokkenbergweg 50 (A) 1101 AP Amsterdam Chamber of Commerce: 32126176	F.13/09/244	02-04-2009	6
<b>INTERNATIONAL PARKING CENTER B.V.</b> Marathon 3 1213 PB Hilversum Chamber of Commerce: 34073641	F.13/09/380	14-05-2009	0
<b>AUCON INTERNATIONAL B.V.</b> Hugo van der Goeslaan 49 5643 TX Eindhoven Chamber of Commerce: 24346396	F.13/09/521	05-06-2009	0
<b>NIMOX N.V.</b> Hoognaarderweg 3 1217 AB Hilversum Chamber of Commerce: 11024626	F.13/09/329	24-04-2009	1
<b>JOH. F. SMITS B.V.</b> Marathon 3 1213 PB Hilversum Chamber of Commerce: 24065568	F.13/09/377	11-06-2009	0
<b>TC BENELUX B.V.</b> Marathon 3 1213 PB Hilversum Chamber of Commerce: 18038629	F.13/09/456	09-06-2009	0
<b>AUTOCENTRUM W COLLARIS B.V.</b> Hoge Naarderweg 3 1217 AB Hilversum Chamber of Commerce: 14019157	F.13/09/360	08-05-2009	0
<b>NIMOX INTERFINANCE B.V.</b> Hoge Naarderweg 3 1217 AB Hilversum Chamber of Commerce: 11024987	F.13/09/361	08-05-2009	0
<b>KROYMANS PROCUREMENT B.V.</b> Marathon 3 1213 PB Hilversum Chamber of Commerce: 30187330	F.13/09/295	14-05-2009	1
<b>KROYMANS ACQUISITION XII B.V.</b> Kruisweg 460 1437 CH Rozenburg Chamber of Commerce: 32123518	F.13/09/378	14-05-2009	0

<b>KROYMANS AUTOMOBIEL DIVISIE B.V.</b> Marathon 3 1213 PB Hilversum Chamber of Commerce : 30099426	F.13/09/348	28-04-2009	0
<b>AUCON B.V.</b> Hugo van der Goeslaan 49 5643 TX Eindhoven Chamber of Commerce: 23083947	F.13/09/730	15-09-2009	0

## 1.2 Management and Organisation

Kroymans Corporation B.V. heads the group that consists of the companies stated above in 1.1.

The Board of Directors comprised Mr P. Cornelis (CEO), Mr T. van der Steenhoven (CFO) and Mr I. Manders (Corporate Affairs). There is a Supervisory Board comprised of Mr R. W. A. de Becker, Mr A.W.M. Ebben and Mr R.D. Laxy.

The shares are held as follows:

- 15,142 ordinary shares at € 454 by the Stichting Administratiekantoor Citadel Holding
- 1 preference share at € 454 by Mr F.J. Kroymans.

The Kroymans Group developed its operations through four divisions:

1. car import (Saab, Jaguar, Kia, SsangYong, Alfa Romeo, Cadillac, Corvette, Hummer as well as Ferrari, Aston Martin and Maserati);
2. retail operations (dealer companies) in the Netherlands (Cadillac, Corvette, Hummer, Saab, Opel, Chevrolet, Suzuki, Jaguar, Ford, Aston Martin, Ferrari, Maserati, Alfa Romeo, Kia and SsangYong), and retail operations in Belgium and Germany;
3. import and distribution of car parts;
4. leasing and financial services.

Approximately 4,000 persons were employed in the four divisions.

At the beginning of 2008, the composition of the Kroymans Group was different than that of the group in which the bankruptcies have been pronounced. The companies that are part of the bankrupt group are also called 'the Trading Companies (TC)' and are mentioned above – to put it simply – as the first two divisions: import and retail.

Shortly before the bankruptcies, enterprises were transferred, controlling interests were changed and the credit relationships with the banks concerned were radically altered. To put it in a nutshell - and again simply - the enterprises that are part of the third division (parts) were cut out of the group during the first exit and the enterprises of the fourth division during the second exit. This latter group of enterprises is also called 'the Leasing Companies (LC)'.

## 1.3 Figures

At the beginning of 2008, Kroymans Corporation B.V. presented the consolidated annual figures for 2007. Ernst & Young Accountants issued an unqualified auditors' report on the Annual Accounts 2007. The most important financial data from these Annual Accounts is:

Net Turnover	€ 2,077,929,000
Cost of sales	€ 1,703,104,000
Gross profit	€ 374,825,000
EBITDA	€ 166,904,000
EBIT	€ 42,307,000
PBT	€ 20,558,000
PAT	€ 14,532,000

## 1.4 Insurance Policies

All insurance matters have been settled.

## 1.5 Cause of the Bankruptcy

In 2003, an agreement was concluded with General Motors (GM) and the importership for the brands Cadillac, Corvette and Hummer in Europe were acquired and developed. The activities involved were heavily loss-making. In 2008 there was increasing pressure on the results and the losses rapidly increased, partly on account of a collapsing market. See also the note in 7.3.

Soon after the second exit in February 2009 had been effectuated, a new board took control of the Leasing Companies and the financing provided by the Leasing Companies to the Trading Companies was discontinued. The remaining Trading Companies had an acute need for liquidity funds.

On 20 March 2009, the four holding companies filed an application for a moratorium of payments.

## 1.6 Activities

In the past period the consultations with the Tax & Customs Administration in order to arrive at a correct determination of the tax debts and reclaims have been intensified. Agreements have since been made on several issues.

The investigation into legalities and possible liabilities has been completed. Consultations will be held with the Delegated Judge as to whether any further steps should be taken.

In the various bankruptcies separate problems of various natures have been settled.

The discharge check has been reduced to concrete problem cases.

## 1.7 Abbreviations and Terms Used

<b>TC</b>	Trading Companies: the companies declared bankrupt;
<b>TB</b>	Trading Banks: the syndicate of banks that provided credit to the Trading Companies;
<b>LC</b>	Leasing Companies: the companies that were still part of the Kroymans Concern shortly before bankruptcy and which, due to a reorganisation carried out in February 2009, were cut out of the concern;
<b>LB</b>	Leasing Banks: the group of banks that provided credit to the Leasing Companies;
<b>STAK</b>	Stichting Administratiekantoor Kroymans: the foundation which managed the depository receipts issued for shares in Kroymans Lease Holding BV after the second exit;
<b>KLH</b>	Kroymans Lease Holding BV;
<b>Armac</b>	Armac BV is as Leasing Company a subsidiary of KLH and provided the import companies, which were part of the Trading Companies, with financing for their dealer activities;
<b>KIE</b>	Kroymans Import Europe BV, a Trading Company, which as importer of American brands, headed a European distribution network;
<b>GMAC</b>	The financing company of General Motors which, often through local entities, provided dealer financing to the European dealer network of KIE;
<b>BVA</b>	BVA Auctions BV, an auction agency which has its principal place of business in Amersfoort.

## 2 EMPLOYEES

See previous reports.

## 3 ASSETS

### 3.1 Immovable Property

A settlement agreement relating to the apartment and membership rights was concluded with Van Lanschot Bankiers N.V. and Mr Kroymans. Under this agreement an amount of 1.7 million must be paid (in tranches) to the bankruptcy estate. The first amounts have been received.

All other immovable property whether encumbered, or not, with mortgage, has been sold. Please refer further to the previous reports.

### 3.2 Movable Property, Cars

The discharge check of the stock position of 8,824 vehicles is almost completed. Discussions on conflicting claims to property and security rights have been settled, please refer further to the previous reports.

Two matters were further investigated:

1. 89 cars of the KIA brand which, after unclear financing transactions, cannot be traced in the accounting records;
2. the income from approximately 100 cars of the Opel brand, after a construction of short-term lease with a buy-back obligation, cannot be accounted for.

In respect of 1. As the accounting records did not appear to be properly reconciled, data was requested from various parties. After this data had been analysed, the untraceable 89 cars were reduced to two. This matter will be further investigated.

In respect of 2. This matter concerns Nedam and relates to former lease cars. Meetings were held with the trading parties concerned and it appeared that Nedam had directly invoiced a part of the cars. The payment of a number of other cars was processed via current account. The 100 cars, which could not be accounted for, have been reduced to nine cars; this matter will also be further investigated.

The number of missing cars, or at any rate cars which cannot be accounted for, has thus been reduced to eleven. The Receivers are investigating this matter and where necessary, will be taking statements.

An examination of the motor vehicle tax revealed that there is a small number of "ghost cars" in use, for which registration numbers are known to have been issued to import companies, however these numbers cannot be linked to actual cars. Further investigation into this category of missing cars is being carried out in close consultation with the Tax & Customs Administration.

### Movable Property, Inventory

All inventory property has been sold through auctions and the proceeds have been distributed amongst the various entitled parties.

### 3.3 Other

Participating interests.

The problems in regard of the various foreign participating interests in 11 European countries have been settled, either by means of liquidation or by means of transfer.

In Switzerland there was a problem that was resolved through a settlement reached with Intertrust Switzerland concerning the management and trust services performed by Intertrust.

In the Van der Meulen Ansems bankruptcy there is a shareholding held in Holland Bandencentrale B.V.; the aim is to sell this shareholding.

### 3.4 Bankruptcy Estate

On 1 July 2014 the bankruptcy estate's assets amounted to € 27,408,988.87. This amount is partially held in the bankruptcy account at the Kas Bank and partially at another bank; the most responsible and profitable way to deposit these amounts is periodically sought.

An interim financial report is attached as **Appendix 1**.

In order to be able to provide clarity, where considered necessary, an overview of the accounts payable per company is kept updated, that overview is attached as **Appendix 2**. The TB, LB, Mr Kroymans and all companies, which are part of the KLH group and the Citadel group, have waived all claims, with the exception of the unsecured trade claims of the Citadel group.

The amount of the tax debts is not yet clear. This involves the preponderant interests of unsecured creditors, and therefore there is every reason to determine these debts with extreme care. Constructive consultations are being held with the Tax & Customs Administration.

The Receivers opted for a separate financial winding-up of each bankruptcy instead of a consolidated winding-up. Due to the high degree of interrelation to one another, this is far from being problem-free. The costs of management and liquidation will be apportioned in any case. This apportionment is relatively simple; the allocation of the various payments to the bankruptcy estate, which were made in the form of bankruptcy estate contributions and payments from the escrow account, is more complicated. On account of the many complications pertaining to proprietary rights, an estimated allocation of these payments cannot be made automatically to separate entities.

Therefore, the question is how the distribution and estimated allocation of the realised assets of € 27,408,988.87 should be made. In the case of realised restarts or sale of immovable property, the realised income can be unequivocally allocated to the company concerned and therefore will be recorded in this way. This is not practicable with the bankruptcy estate contributions, which is partly due to the problem that the car stock positions cannot be easily split. In this case income should be allocated in a way which is most in keeping with the situation on the date of bankruptcy.

For that reason, the Receivers have opted to first of all determine per company which proceeds were realised with restarts and the sale of immovable property. These proceeds will be recorded for the company concerned; there is no uncertainty in this respect. The largest part of the realised income comprises bankruptcy estate contributions and settlement amounts. As these amounts have not been broken down per company, the Receivers will allocate pro rata the balance of the theoretical stock position on the date of bankruptcy. The intention was to round this allocation off in March 2014 however this proved to be impossible on account of the ongoing consultations with the Tax & Customs Administration.

The outcome of these consultations is of importance in answering the question which bankruptcy estate debts and bankruptcy debts can be paid. The total amount of the notified bankruptcy estate debts amounts to € 4,955,190.17.

Determination of the tax claims, the VAT in particular, is of the utmost importance because all bankrupt companies are jointly and severally liable for this high preferential debt. There is no point in making further calculations of estimated allocations of assets per company if it is clear from the outset that a distribution may only be made to the Tax & Customs Administration.

## 4 DEBTORS

In accordance with the provisions of the settlement agreement, the security rights invoked by the TB against debtors are no longer disputed. The following claims do not fall under any right of pledge:

1. VAT reclaims on bad debts.
2. Any claims on account of director's liability.
3. Premium refunds.
4. Membership rights.
5. Foreign KIE cars.

In regard of 1. These reclaims are included in the consultations with the Tax & Customs Administration;

In regard of 2. See under 7;

In regard of 3. Premium refunds have been collected;

In regard of 4. See under 3.1;

In regard of 5. See under 7.3 and 10.1.

## 5 BANK/SECURITIES

### 5.1 Trading Banks

The Trading Banks worked together in a syndicate that comprised ING, Rabobank, ABN AMRO Bank and (the former) Fortis. A comprehensive settlement agreement was concluded with the banks on 6 December 2012.

### 5.2 Armac

Armac provided in various ways dealer financing for the importers. On the basis of this financing, Armac claimed ownership of all cars financed by it. The Receivers rejected most of these claims.

This debate also ended with the conclusion of the settlement agreement on 6 December 2012.

### 5.3 Conflicting Claims

Please refer to the previous reports.

## 6 RESTARTS

Where possible, restarts have been realised. Please refer in this respect to the first report.

## 7 LEGALITIES

### 7.1 First Exit

A lawsuit regarding the form in which the first exit took place and its consequences was conducted. The Receivers had – in short – invalidated the sale and transfer of the shares in a number of subsidiaries to Citadel and co. because that sale was prejudicial to the creditors.

Following all kinds of procedural complications, this lawsuit was cancelled in the context of the settlement agreement.

### 7.2 Second Exit

The second exit related – in short – to the agreement concluded between Kroymans Nederland B.V. and STAK, under which agreement the shares that Kroymans Nederland B.V. held in KLH were transferred to STAK against issue of depositary receipts for these shares. The Receivers investigated this second exit and its consequences for the joint creditors of the Trading Companies. After the decision was taken to also instigate a lawsuit regarding the problems of the second exit, this became part of the negotiations with the TB.

This aspect is also part of the settlement agreement and therefore legal action is no longer needed.

### 7.3 Other Liabilities

The Receivers consider that it is part of their statutory duty to investigate the quality of the management conducted and in particular, to consider whether there was mismanagement. As regards the question as to whether the central concern policy was structured in a lawful manner, the Receivers wish to arrive at a final verdict on the management conducted in the period leading up to the bankruptcy. It is clear that major and irrevocable investment decisions were already taken in 2003, which were partly to blame for the later losses. Those decisions had irreversible consequences. At that time there was a great belief in the opportunities for positioning the brands of General Motors in the higher segment. In one of the meeting reports this is expressed as Plastic Fantastic versus German soundness and reliability. Large initial investments were made, at first for approximately € 50 million. When it first became clear that turnovers were less than hoped for, large stocks were already being held and therefore it was not easy to discontinue the activities. A new Cadillac model would be launched in 2007 and all hope was placed on this new model. However, it was not a success while, in addition to this, the market collapsed in 2008. There was a 70% drop in turnover in 2008.

The Receivers have investigated whether the initial investment decisions were taken and implemented with sufficient care. The quality of the accounting records has also been examined.

In addition to this, there are two companies in regard of which further investigation into the management of these companies was considered to be expedient, namely Nedam Automobielsmaatschappij Roermond B.V. (“Nedam”) and Kroymans Import Europe B.V. (“KIE”). At these companies transactions and entries had been carried out which, at first sight, seemed unusual.

In the context of this investigation the Receivers held talks with managers and other persons involved, studied documents and requested Nederpel De Block & Partners (“NDB&P”) to audit the accounting records.

This all resulted in the following provisional findings.

### 7.3.A. Central Management

#### 2000-2007

In this period there was a stormy development and both turnover and balance sheet total quadrupled. The number of staff members quadrupled. The year 2007 was the last year in which final annual accounts – accompanied by an unqualified auditor's report – were issued. The net profit (PAT = Profit After Taxes) did not keep pace with the growth of turnover and balance sheet total. In 2001 the PAT amounted to € 20.5 million, in 2005, in spite of the enormous growth of the enterprise, the PAT had only marginally risen to € 25.3 million. In terms of percentage – as a percentage of the turnover – the profits declined after the year 2000, whereby the fact that the corporate tax rate had decreased from 35% in 2001 to 31.5% in 2005 had not yet been taken into account.

These ratios are difficult to name. Compared to the turnovers realised, the profits only amounted to approximately 1%.

#### 2008-2009

In the course of 2008 there was a massive reversal and both turnover and result were under increasingly stronger pressure.

That was a result, on the one hand, of the general economic circumstances which deteriorated rapidly. In the car sector there was an additional negative circumstance. The sales had been in a downward spiral for some time and both in the Benelux and Germany, the two markets in which Kroymans was prominent, the volumes rapidly decreased. The increase in oil prices, changing legislation and new tax impositions also contributed to the downturn.

Profits were made with the leasing activities, but losses were invariably sustained with General Motors, as was also the case with most of the retail activities. On account of the fact that the developments in 2008 were increasingly disappointing, the interim prognosis invariably had to be adjusted downwards in that year.

The sales and results, in particular at KIE and Retail, continued to decline and the Kroymans Corporation closed 2008 with results of € 111 million negative, whereby approximately € 18 million extraordinary charges still had to be taken into account.

The Receivers have established the most important decisions taken, whereby particular attention has been paid to 2003-2005 because at that time the most crucial (dis)investment decisions were taken. Two of these decisions will be specifically examined.

1. Acquisition of the importership of General Motors for Cadillac in Europe;
2. Chevrolet US and Corvette in 2003 (Car Import American Brands);
3. Purchase of Lausalec, distributor of car parts in 2004;
4. Conclusion of joint venture with Van Heck in 2005 (60% share);
5. Acquisition of importership Alfa Romeo in the Netherlands (2005);
6. Acquisition of exclusive importership HUMMER H3 in Europe (2005);
7. Further elaboration of the multi-brand strategy Retail (2005);
8. Extension of dealership Germany with NISSAN (2005).

In regard of 1. General Motors

In 2003 Kroymans became exclusive importer for Europe of the General Motors brands, Cadillac and Corvette. Under this importership, which had a term of seven years, Kroymans

was obliged to position the brands Cadillac and Corvette. Kroymans decided to open 25 Cadillac Experience Centres (CECs), where the entire assortment of Cadillacs and Corvettes was presented and which would serve as showcase dealerships. Investments were made in the Netherlands, Belgium and Germany and where possible, in Switzerland and Austria too. Moreover, it was the intention to offer in the higher segment (with brands such as Audi, BMW, Porsche, Mercedes and Volvo) an equivalent alternative but with more benefits. Cadillac had to become "The premium American Brand for Europe", as an alternative to the premium German Brands. However, once again, the ambition to sell 20,000 cars in 2010, i.e. a market share in the segment of 7.8%, was not reached by a long chalk.

The acquisition of the importership was the basis for a strong expansion of the activities in Germany. In the period 2003-2005 various dealers were taken over and the coverage of the most important regions Berlin, Munich and Ruhr Area was developed and implemented.

The implementation of these policy intentions dating from 2003 had far-reaching consequences. The investments involved in building up the importership of Cadillac/Corvette and the implementation of the multi-brand retail strategy in Germany were not recouped and placed the concern under severe strain.

In regard of 5. Acquisition of the importership of Alfa Romeo Nederland (2005)  
In 2005 Kroymans acquired the contract for the representation of Alfa Romeo in the Netherlands and thus it assumed, inter alia, an investment obligation of minimum € 20 million in order to open 5 Gallerias; three had to be opened before the end of 2006 and all five one year later. The costs involved in these Gallerias also put the concern under enormous pressure.

#### Board members

The Board Team (BT), also called the Board of Directors (BoD), met each week. In 2005 this board comprised Ton van Soest (CEO), Eric Dolmans, Ivo Manders (Corporate Affairs) and Ton van der Steenhoven (TvdS, CEO). The last-mentioned was involved up to the end. In the course of 2005 Milco de Vries (COO) joined the board.

The Advisory Board (AB), comprising Frits Kroymans, Henri Polman and Albert Ebben also attended the meetings.

In the middle of 2006 Guy Demuynck took over the position of CEO from Ton van Soest. As from March 2006 the AB only attended meetings once a month. Eric Dolmans no longer attended the meetings of the BT as from January 2007. The Supervisory Board, with Rudy de Becker as chairman and Dieter Laxy and Albert Ebben as members, became operational as from 2008.

At the end of August 2008 Guy Demuynck was succeeded by Dieter Laxy as interim CEO, who moved on as managing director to Kroymans Germany in October 2008 and was replaced as CEO by Peter Cornelis.

#### Decision-making process

Weekly meetings were always held on the basis of an agenda.

Meetings were held on the basis of this agenda and underlying related documents and the CEO and CFO were always involved in any case and in addition, the other members of the Board Team. Minutes were taken and action lists drawn up. An update of the action list was distributed at each meeting.

We have gone through the main points of all agendas, related documents and underlying files. The documents have been carefully kept up to date, but the actions list has been

recorded so briefly that it is difficult to determine which meaningful discussions took place and why decisions were taken.

The AB and the BoD held a strategy meeting twice a year, of which the June meeting was the most extensive one. In addition, they met for a number of days, on the basis of an agenda set in advance and extremely extensive briefing materials, in Majorca.

In regard of the decision-making on (dis)investments, a distinction was made in Kroymans between smaller and larger investments. Smaller investments were initiated at "local" level and presented to the MT. In the case of larger transactions, the BT was actively involved at the very start. It is not clear where the limit lay. In all discussions and policy intentions up to the start of 2008, the focus lay – almost - completely on further growth. The following can be mentioned as important points:

- Retail and Import GM (American Brands) were cause for concern and the figures were regularly discussed;
- the focus continued to lie for some time on growth, investment proposals were the subject of discussion at virtually every meeting;
- this applied for all divisions such as:
  - Parts (takeover Lausalec, joint venture Van Heck),
  - Retail Germany (new locations and premises, takeover dealers, acquisition of dealership Nissan, setting up and expanding multi-brand dealers),
  - Import Cars (Volvo, Tata, Chinese brands),
  - Import GM (Experience Centres, Roll-out Eastern Europe),
  - Retail Belgium (takeover dealers, new locations, reuse premises etc.)
  - Industrial (Acquisition proposals for various takeovers);
- at the BT there was more attention for these points than for transforming the poorly performing divisions into healthy ones;
- due to the "takeover hunger", there an increasingly greater need for capital, both subordinated capital and non-subordinated long-term and short-term loan capital;
- the less well performing divisions took up a large part of the operating capital on account of the high stocks and accounts receivable positions;
- the scope of the reversal became clear too late in 2008 and the (dis)investment plans could not be developed on time;
- partly on account of unclear starting points and concealing figures, as regards KIE in particular, the development of new plans required too much time and attention and meetings were long and laborious;
- the result decreased more rapidly than was anticipated and the cash need could no longer be met in October 2008 and therefore tax payments were deferred;
- the Board of Directors was of the opinion that the banks were obliged to grant additional leeway and was prepared to play hardball;
- in spite of all kinds of measures, the business could not be kept running due to the increasing losses and debts; at one point there was not even any more space for financing the already sold cars.

The fact that growth was of prime importance was not undisputed. This issue was a subject of discussion. In one of those meetings De Becker commented that solely investment plans were discussed in the meeting, but that there was no money available for these plans because everything was tied up in stocks and high accounts receivable positions. That comment hit the nail on the head. Things were rapidly going downhill and the rescue plans were, in effect, overtaken each time by the facts; because if a rescue plan was adopted at a meeting, by the time of the next meeting the turnover had again decreased further by 20%.

Considered in retrospect and from a distance, the conclusion may be drawn that the permanent capital was reasonably healthy, but there was a high need for credit; that is not unusual in the car sector.

### Evaluation of the decision-making

The decision-making adequately meets, at a procedural level, the criteria of care to be observed. The members of the board had specialised knowledge. Meetings were held on a structured basis and were supported by documents. Relevant decisions were taken at board meetings.

However, the minutes and action lists do not provide insight into the discussions conducted and the underlying motives. The financial information about KIE was not reliable either (see under 7.3.C.)

It is noticeable that the board was quite regularly confronted with activities independently launched by Mr Kroymans and only received information about these activities later. The emotional bond of Mr Kroyman with retail activities and importerships of certain brands of cars also appears to have been an important factor in decisions on (dis)investments and reorganisations.

In the last three years no major investment decisions were taken. Such decisions dated from an earlier period in which the board acted with care, partly on the basis of external advice and investigation. The available documents clearly show that the board ensured that it was adequately informed before the decision-making.

Therefore, the Receivers are of the opinion that in the case of essential decision-making on investments which, considered in retrospect, did not work out well, improper management cannot be contended.

In regard of the (central) accounting records, these records have been found to meet, by and large, the applicable requirements set and to reconcile with the annual figures as drawn up by the accountant. In regard of Nedam, there are doubts about the stock positions and the current account relation, although this latter issue has probably been clarified. It would seem that the figures have been deliberately manipulated at KIE in order to give the impression that targets set beforehand were achieved and in order to obtain bonuses.

### 7.3.B. Management of Nedam

The stock position and individual car movements deduced from the accounting records of Nedam do not reconcile with the data as obtained from third parties (such as GMAC) and the floor checks carried out. However, in view of the totals, the stock differences cannot be considered to be of material importance and therefore the Receivers are of the opinion – for the time being – that there are no grounds for improper management.

A sales merry-go-round was set up at Nedam, but that did not result in creditors being prejudiced. Nedam purchased cars from the importer and sold those cars for a short period to a lease company. The cars were subsequently bought back on the basis of a previously concluded purchase statement and the cars were resold to GMAC which, in turn, resold the cars to dealers. This was financially settled via current account in 2007. This current account relation was analysed and updated after the date of bankruptcy and resulted in a payment by GMAC to the bankruptcy estate.

In the context of the discharge check of the stock, the Receivers found a hole into which approximately 90 cars had disappeared. After retail inquires (also at the Department of Road Transport), these cars did appear to have been sold by GMAC but not paid to Nedam. In the meantime the number of missing cars has been reduced to 9.

In conclusion, the Receivers are of the opinion that there was no question of improper management. The investigation being conducted into the invoicing of specific car transactions shortly before the bankruptcy is currently focussed on 9 cars.

### 7.3.C. Management of KIE

KIE is the legal entity in which the actual activities in regard of the import of GM cars were carried out as from 1 January 2007 after a legal merger of the companies which had previously taken care of these activities.

Kroymans committed itself to making major investments in order to put the brands Cadillac, Corvette and Hummer on the map and these operations were heavily loss-making, with disastrous consequences in 2008. The true scope of this disaster was not apparent from the accounting records.

The Receivers encountered all kinds of complications in the settlement of the car stock position and could not rely on the accounting data. The size of the accounts receivable portfolio was not properly recorded either. Problems arose in the collection of accounts receivable by Mirus International.

As these complications and problems could not be unambiguously deduced from the accounting records, the Receivers saw reason to conduct a further investigation with which a number of former employees assisted.

The accounting records of KIE were kept in a Kerridge software application, which is not a very accessible application for outsiders. For that reason, the data for 2008 and 2009 was exported as Excel file from Kerridge and then combined in easy-to-read overviews.

### Financial settlement KIE

A separate division "Car Import GM (American) Brands" (hereinafter also called: "Import GM") was introduced in the financial management report as from 2006. Up to 2006 these activities were part of the total report in regard of the Car Import Group which, together with the Parts Group, formed the Import Division.

The starting point is that the total turnover (including intercompany sales) of Cadillac, Corvette and HUMMER scarcely increased in the period 2004-2007. See the overview below.

<b>Car Import GM (American) Brands Management reports (* € 1,000)</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
Sales (incl. Intercompany)	114,803	296,865	258,313	286,494	232,300
Gross profit (incl. IC)	-5,501	38,914	27,041	45,357	
%	-4.79%	13.11%	10.47%	15.83%	
Operating expenses		25,693	43,925	51,102	
Other (non) operating items		3,051	2,093	42	
Financing result		8,231	6,429	6,134	
	46,216	36,975	52,447	57,278	
<b>Profit before taxes</b>	<b>-51,717</b>	<b>1,939</b>	<b>-25,406</b>	<b>-11,921</b>	<b>-5,281</b>

Therefore, the turnovers fell short of the high expectations of 2003 and the investments based on these expectations.

The last recorded turnovers arise, for the most part, from the accounts receivable item. In the performance of its debt-collection activities, Mirus only collected a very small part of this item. The gross balance of the accounts receivable was € 31.2 million, while only € 3.3 million was received. A VAT refund of € 1.4 million and approximately € 1 million paid by General Motors was part of that latter amount. Only € 0.9 million was collected from the regular accounts receivable.

Mirus indicated when reporting on the performance of its activities that there were a large number of items which could not be collected due to various causes:

- The poor quality of the accounts receivable file. One and a half years before the bankruptcy, the balance was as high as € 90 million. An attempt was made to clean up the file, but that process was by no means completed. The remaining portfolio of approximately € 30 million of amounts owed was of a poor quality.
- An amount of € 23.4 million in car sales was invoiced, while those cars were not delivered and were not in stock at the storage company in Rotterdam either.
- Many sales invoices were, in fact, consignment invoices which, according to the calculations of Mirus, amounted to € 2.7 million.
- The accounts receivable and the numbers linked to these accounts were not unambiguously recorded in the various accounting systems. Dealers had several accounts receivable numbers or several dealer codes.
- Due to the bankruptcy of GM, dealers submitted counterclaims.
- There were all kinds of specific agreements with debtors which were inadequately recorded.
- The same applied for bonus agreements and marketing contributions.

It is very difficult to obtain clarity about consignment cars, credited cars and stock positions. The same applied, to a greater extent, for the accounts receivable position. Before 2008 the accounts receivable positions at the end of each quarter were mapped out as follows:

KIE - Actuals	Act	Act	Act	Act	Act	Act
	2007	2008	2008	2008	2008	2009
	Dec	Mar	Jun	Sep	Dec	Feb
<b>Balance sheet</b>	<b>Kroymans</b>	<b>Kroymans</b>	<b>Kroymans</b>	<b>Kroymans</b>	<b>Kroymans</b>	<b>Kroymans</b>
	<b>Import</b>	<b>Import</b>	<b>Import</b>	<b>Import</b>	<b>Import</b>	<b>Import</b>
	<b>Europe B.V.</b>	<b>Europe B.V.</b>	<b>Europe B.V.</b>	<b>Europe B.V.</b>	<b>Europe B.V.</b>	<b>Europe B.V.</b>
More than 12 months	2,051,851	1,876,146	1,607,241	2,032,697	3,654,039	6,180,194
Between 6 and 12 months	2,202,213	2,469,335	4,771,362	7,239,328	6,125,184	5,450,377
Between 3 and 6 months	2,899,250	11,470,132	5,609,543	4,654,491	5,401,453	3,861,440
Less than 3 months	24,159,014	16,175,053	9,044,587	13,668,018	4,019,145	3,491,104
Between 0 and 30 days	17,160,221	2,946,827	3,852,817	3,239,854	1,710,664	1,097,133
Turnover bonuses	-	-	-	-	-	-
Trade Receivables gross	48,472,550	34,937,493	24,885,549	30,834,388	20,910,486	20,080,247
Provisions for bad debts	(817,537)	(357,580)	(380,914)	(415,770)	(2,045,408)	(2,052,578)
Trade Receivables Net	47,655,013	34,579,913	24,504,634	30,418,618	18,865,077	18,027,668
Factored receivables	(12,285,117)	(36,973,204)	(36,973,204)	(29,473,204)	(25,078,185)	(25,802,898)
<b>Trade Receivables Net of Factoring</b>	<b>35,369,896</b>	<b>(2,393,291)</b>	<b>(12,468,569)</b>	<b>945,414</b>	<b>(6,213,107)</b>	<b>(7,775,230)</b>

This overview shows a considerable reduction in the balance of the accounts receivable and does not provide an adequate picture of the underlying problems. The Receivers have found that the age of the accounts receivable was artificially kept low. It appears in a more detailed overview that the total position is much larger.

#### KIE – Overview of the accounts receivable from Kerridge

	31-12-2007	31-1-2008	29-2-2008	31-3-2008	30-4-2008	31-5-2008	30-6-2008
DI	43,460,354	42,344,542	34,928,491	31,527,303	28,656,329	24,303,904	20,624,604
GMAC	31,796,920	16,467,417	17,816,324	14,620,797	17,584,414	18,389,749	20,453,972
IC	15,888,222	16,515,724	12,406,384	10,911,674	9,873,473	6,908,900	6,009,171
PARTS	4,563,418	5,935,019	4,758,335	3,410,180	4,638,497	4,027,105	4,224,266
Total	95,708,915	81,262,702	69,909,534	60,469,954	60,752,713	53,629,657	51,312,013

It can be deduced from the above that a part remained off balance sheet. This point will be considered in more detail in the analysis of the development of results.

## Quality of the accounting records – GM cars stock

The movements of the stock as shown in the accounting records are set forth in the monthly reports as follows:

KIE - Actuals	Act	Act	Act	Act	Act	Act	Ac
	2007	2008	2008	2008	2008	2009	2009
	Dec	Mar	Jun	Sep	Dec	Jan	Feb
Balance sheet	Kroymans						
	Import						
	Europe B.V.						
More than 12 months	3,184,726	6,254,202	4,623,635	6,547,642	13,945,149	15,373,795	17,241,463
Between 6 and 12 months	7,730,101	4,486,451	7,460,435	10,689,560	16,660,603	14,999,456	18,656,574
Between 3 and 6 months	2,673,741	8,737,946	4,999,802	10,446,906	10,064,341	9,792,943	3,776,444
Less than 3 months	30,094,180	28,614,523	27,700,547	13,424,184	15,674,695	15,052,632	14,758,392
Goods in transit		(48,000)		165,822			
Work in progress	-	-	-	-	-	-	-
Finished Goods	-	-	-	-	-	-	-
Invoiced Instalments	-	-	-	-	-	-	-
Inventories-gross	43,682,748	48,045,122	44,784,419	41,274,115	56,344,789	55,218,826	54,432,873
Provisions for inventories	(493,056)	(581,231)	(205,671)	(682,568)	(1,891,307)	(1,793,565)	(1,737,451)
<b>Inventories net</b>	<b>43,189,692</b>	<b>47,463,891</b>	<b>44,578,748</b>	<b>40,591,547</b>	<b>54,453,482</b>	<b>53,425,260</b>	<b>52,695,422</b>

The problems which the Receivers experienced with the stock positions have been extensively explained in the Fourth Bankruptcy Report.

The reported positions seem to indicate a total stock position of approximately € 45 million. After an incidental decrease at the end of September 2008 to € 40 million, it again increases to more than € 54 million at the end of the year.

The accounting problems, both in the area of the stocks and the accounts receivable, are based on actions that were initiated in the fourth quarter of 2007.

## Profit accountability KIE 2006 and 2007

In 2006 a PBT of -/- € 25,406,000 was reported in regard of KIE.

In 2007 the results shifted to a positive PBT of € 1,938,000.

The board internally set the following results targets:

Results target 2006                      max. -/- € 25,000,000

Results target 2007                      € 2,000,000

## Results 2006

The Receivers are of the opinion that the results 2006 were manipulated in order to reach the applicable target of approximately -/- € 25 million. This can be inferred from the various documents.

On the basis of the foregoing, the Receivers consider it probable that the results of KIE in 2006 should have amounted to € 33.4 million and that the difference was carried forward to 2007.

## Results 2007

The results before corporate tax (PBT) 2007 work out at € 1,938,000. This is in line with the target. However, these results appear to have arisen, for the most part, from the desire of the board and are not based on actual figures. The Receivers can substantiate this opinion with an internal report, email communications and meeting reports.

## Actions 2007 in order to realise the budget

In November the decision was taken to start a sales drive, whereby the intention was to record as many cars as possible as having been bought and to prepare invoices for these sales. For that purpose special packages were offered to the Regional Sales Offices (RSOs). Shortly afterwards, a new Ambassador programme was introduced. This programme minimised the risk for the dealer because cars bought by dealers were taken back by KIE after 6 months, while the interest due for this period of six months was borne by KIE. Specific consignment arrangements in Sweden were also used.

In the context of these arrangements, dealers were persuaded to buy, in addition to the regular orders, extra cars. From an accounting perspective, this resulted in a spectacular, but not a real improvement in the positions.

Through these actions stock positions were – in a nutshell – converted into sales. The following examples illustrate just how unreal this was:

- buyers involved were not always informed of the amount of these conversions;
- a large consignment of cars was shipped on an incoming cargo ship, this was future stock, this stock was manually converted (to reservation/free stock) and then these cars were invoiced.

## Development of results 2007

Financial support of € 24.5 million was received from GM in 2007. This was based on 9,105 units, but at the end of October 2007, only 2,506 cars had been sold.

## Budget 2007

The budget 2007 initially provided for a PBT of € 8,091. The turnover after sales allowances was estimated at approximately € 322 million.

In 2007 various budget adjustments were made and these adjustments were not always consistently presented.

## Comparison budget – reality 2007

An analysis shows that the sales promotion figures deviate considerably from the budget. An amount of € 32,405,000 in marketing costs is assumed in the budget, with a payment of € 24,500,000 from GM to marketing support. That produced a net expense of € 7,905,000.

However, the sales promotion in 2007 item amounts to a net revenue of € 6,767,526 in the final accounting.

As a result of this manner of accounting, the report on the interim figures of 2007 painted a far rosier picture than reality.

## Outstanding accounts receivable

Thus a total accounts receivable position of € 95 million arose, which was financed by GMAC.

Partly as a result of the sales drive, confusion and uncertainty about orders, sales, invoices, bonuses and discounts arose on the basis of the accounting data. These were the problems with which Mirus was confronted in the performance of the debt collection activities in 2009.

#### Stock positions

Due to the actions in December 2007, uncertainty about the stocks also arose; the stock counts were no longer reconciled.

#### Effect of the actions 2007 on the result 2008

Partly as a result of the very large stock positions at dealers and RSOs, the turnover targets 2008 were not met. The turnover in the months January to March inclusive amounted to approximately 50% of those in the comparable months of 2007.

#### Evaluation

It must be concluded that the accounting records at KIE were improperly kept and that acts were carried out unlawfully.

The board of the holding developed policy on the basis of these incorrect figures. Moreover, this prompts the question as to what extent the knowledge of the board at KIE should be imputed to the board of the holding.

The Receivers are considering further action and are facing the choice of whether to again consult with a number of persons or proceed with legal actions.

## 8 CREDITORS

### 8.1 Claims Filed

The accounting records of trade accounts payable are processed per company. The lists have been cleared of the claims submitted by TB, LB, KLH and co., Armac, Citadel and co. (with the exception of the unsecured trade accounts payable of this party) and Mr Kroymans in accordance with the concluded settlement agreement.

A list of creditors is attached as **Appendix 2**; there is an unsecured debt burden of € 59,371,189.87 and a preferential debt burden of € 64,335,464.38, including the tax debts submitted.

### 8.2 Tax & Customs Administration

Kroymans had tax payment arrears at the time of bankruptcy and there was a backlog of unfiled tax returns. This involves the following types of tax:

1. Private motor vehicle and motorcycle tax;
2. Motor vehicle tax;
3. Income tax;
4. Corporate tax;
5. VAT.

The corporate tax returns were filed up to 2006 inclusive, the VAT returns up to January 2009 inclusive and the income tax returns up to February 2009 inclusive. No more returns have been filed for the majority of tax types as from March 2009. For that reason, the Tax & Customs Administration imposed additional VAT assessments for the period February to June 2009 inclusive and additional income tax assessments for the period March to June 2009 inclusive. In addition to this, private motor vehicle and motorcycle tax assessments were imposed on the import companies.

In 2010 a specified statement of the outstanding assessments, amounting to a total of € 40,438,063, was received from the Tax & Customs Administration. Larger amounts were mentioned later on. The enormous amount of (additional) VAT assessments, annulments and setoffs led to uncertainty about the size and composition of the position. An attempt was made to clarify these matters. All written statements were entered in detail into Excel and the subtotals per entity were compared to the statement of totals from the Tax & Customs Administration. There thus seemed to be a maximum position of € 63,130,867.

We were not able to verify whether this position is correct and also found it difficult to comply with information obligations because very many different accounting records are involved and not everything had been fully recorded in the last month. The Tax & Customs Administration has similar problems because it cannot corroborate and substantiate all (additional) assessments. Moreover, not all assessments are computerised. After correction of errors and double counts, we arrived at an amount of € 53 million, which we consider to be the maximum debt position.

Consultations about the tax positions are being held with the Tax & Customs Administration Large Enterprises, ZGO segment, in Utrecht. It has been agreed that we will initially endeavour to together arrive at a correct determination. Objection and appeal, which are provided for under the formal regulations, will be postponed until the time that it would have to be established that no agreement will be reached by mutual consent. In these consultations we also have the assistance of Nederpel De Block & Partners; where

necessary we also call in the assistance of specialised tax consultants. The consultations are progressing and are being conducted in a constructive manner.

Broadly speaking, the situation is as follows:

## 1. Private motor vehicle and motorcycle tax

Upon purchase of a private motor vehicle, private motor vehicle and motorcycle tax has to be paid, in principle, in advance upon each registration in the name of the buyer. The importers of the Kroymans concern had private motor vehicle and motorcycle tax licences on the basis of which the private motor vehicle and motorcycle tax could be paid later. Conditions were attached to these licences. We reviewed the conditions included in the licence in order to verify whether the assessments were imposed on the basis of a return or were imposed ex officio and checked whether payments had been made by other parties. After application of this control method, we are assuming that there is a total private motor vehicle and motorcycle tax amount of € 16,877,626, divided among 7 import companies. These are bankruptcy debts without joint and several liability.

## 2. Motor vehicle tax

This type of tax is of no material importance and will not be further examined. There are a small number of ghost cars in use, whose registration numbers are known to have been issued to import companies, but which cannot be linked to actual cars. This is not a tax problem but falls under the category of missing cars.

## 3. Income tax

The income tax assessments amount in total to € 5,443,900. These assessments were imposed on 38 companies for the months February, March and April. On the basis of the statutory system of assumption of the wage payment obligation under Section 60 et seq. of the Unemployment Act [*Werkloosheidswet*], there is an overlap. As a result of the consultations, the assessments for the months March and following will not be collected, therefore an amount of € 1,466,687 remains. The debt position has been reduced to € 3,977,213.

## 4. Corporate tax

There is a tax group for the corporate tax and as a result of this, several and joint liability of all entities. The Concern filed the return 2006, after which the Receivers filed the returns 2007 and 2008. A corporate tax assessment for 2006 of € 6,088,046 was imposed. In 2007 there was still a tax profit, but in 2008 a major loss was sustained. There was also a very considerable loss in 2009. After consultations, clarity was obtained about the processing and manner of payment and settlement of the carry back for the years 2002 to 2008. It has been agreed that the assessment of € 4,255,070 will be set off against the still outstanding assessment for 2007 and the remaining refund of € 2,755,338 will be deducted from other tax debts. The (joint and several) debt position has thus been reduced to € 6,980,408.

## 5. VAT

This is the most complicated type of tax. There is a tax group and therefore all entities which are part of this group are jointly and severally liable.

## Agreements

The parties have established that under the settlement agreement dated January 2009 the VAT position as at 23 January 2009 is zero. This date was assumed as starting point during the consultations.

A second settlement agreement dated February 2009 does not provide for a similar determination, but the amount of € 950,000 received by the Tax & Customs Administration in the context of this agreement will be deducted from the amount which is found to be due.

## Objection

Notices of objection against VAT, such as for the private use of the cars for the period 2007, have been withdrawn. This issue was no longer of material importance, also because these issues fall within the scope of application of the settlement agreement dated the end of January 2009.

## Assessments

Returns were filed and assessments imposed (ex officio).

All business activities were discontinued in April. The ex officio assessments for May and June 2009, and sometimes even after these dates, were annulled after notice of objection. The returns for February 2009 seem to reconcile with the accounting records.

To the best of the Receivers' knowledge, no returns were filed for March and April 2009. The ex officio assessments for March and April 2009 are too high and do not reconcile with the accounting records.

As regards the received invoices eligible for input tax deduction, all invoices for the month January 2009 have been paid. As regards the month February 2009, that also appears (for the most part) to be the case. Although certain creditors were no longer paid in that period, that did not apply for regular invoices of trade partners.

Talks have been held with the Tax & Customs Administration in order to arrive at a correct method for determination of the assessments, whereby the question has to be considered whether the invoices received have been paid, or perhaps a Section 29(2) claim has arisen. The Receivers have had detailed reports prepared on this matter and these reports will form the basis for further consultations. An attempt will be made to arrive at a joint position.

The assessments for March and April 2009 will be reduced to the percentage as included in the reports of the Receivers.

To the extent that assessments for May or later are still outstanding, these assessments will be reduced to zero.

## 29-2 Claim

The Receivers have made an analysis of this position. Assessments were imposed ex officio. The question is to what extent invoices were paid. To that end, a further examination of the files will be carried out.

## 29-1-Reclaim

The Receivers have reclaimed VAT on bad debts; this involves retail and import. The reclaims have been discussed and investigated and will be in line with the reclaims submitted which led to agreement on this issue.

There can be said to be a claim against the bankruptcy estate.

### Bankruptcy estate returns

The returns for 2009, 2010, 2011 and 2012 submitted by the Receivers have been accepted. Returns for later years still have to be filed.

Consultations with the Tax & Customs Administration will be continued and the Receivers are hopeful that these consultations will result in a joint position by means of which the tax positions are set at the correct amounts. Only then can it be considered whether a distribution can be made in the bankruptcies of certain entities.

The VAT assessments found amount to a total of € 34,635,289. It is anticipated that this joint and several debt position will be very considerably reduced.

The Receivers anticipate that the VAT debt will amount to maximum € 10 million.

### 8.3 Trading Banks

The TB have waived all their remaining claims, including verifiable claims and claims against the bankruptcy estate.

## 9 LAWSUITS

All ongoing lawsuits have been cancelled. Contrary to previous reports, it is clear that no lawsuits with regard to apartment rights, Maxum, the ownership claims of Armac and the second exit will be instigated.

## 10 KIE, OTHER

### 10.1 KIE

KIE headed the European distribution network for cars of the General Motors brand. These activities were financed for the most part by GMAC, at any rate by local GMAC entities established in various countries. There were disputes with General Motors and GMAC about the settlement of all financing provided in Europe and the mutual claims arising therefrom and the conflicting proprietary claims to cars which were found in various countries where retailers, which were part of the distribution network of KIE, were established.

Settlement agreements, in which the TB are also involved, were concluded on both matters, namely the claims and the cars.

Under these settlements GMAC made payments and bankruptcy estate contributions were received by the receiver.

The ongoing matter with regard to KIS In Switzerland has been settled, the amounts due to the bankruptcy estate have been received.

The ongoing matters in the bankruptcy of KIE have thus been settled.

### 10.2 Period required for Completion of the Bankruptcy Proceedings and

### 10.3 Action Plan

The Receivers are principally striving to obtain clarity about the amount of the tax claims. At that time it will be clear whether, and if so, in which bankruptcies distributions can be made to the unsecured creditors.

The investigation into liabilities has been completed. The Receivers are still considering which conclusions should be drawn from this investigation.

### 10.4 Filing of the Next Report

The next report will be submitted in January 2015.

Prepared and filed with the Registry of the Amsterdam District Court on 15 July 2014.

C. de Jong  
Receiver

F. Kemp  
Receiver