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

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Designated Judge	:	N.A.J. Purcell LL.M, Amsterdam District Court
Date of the report	:	1 October 2012
Reporting period	:	10 November 2011 – 1 October 2012
Hours spent in the reporting period	:	1,596.80
Total amount of hours spent	:	17,872.60
Balance of the bankruptcy account	:	EUR 5,681,756.23

INTRODUCTION

This is the fifth 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 and www.fortadvocaten.nl. Only those written reports bearing the signatures of both Receivers [*Receivers*] are authentic.

The Kroymans bankruptcies attracted a lot of attention from society and the media. For that reason, extensive background information was provided in the first report. This fifth report is a concise report.

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

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

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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.

Enterprise	Bankruptcy No.	Moratorium Date	Bankruptcy Date	Personnel
KROYMANS CORPORATION B.V. Marathon 3 1213 PB Hilversum Chamber of Commerce: 32048737	09/221 F	20-03-09	31-03-09	0
KROYMANS IMPORT EUROPE B.V. Corridor 25 3621 ZA Breukelen Chamber of Commerce: 32093856	09/223 F	20-03-09	31-03-09	51
KROYMANS NEDERLAND B.V. Marathon 3 1213 PB Hilversum Chamber of Commerce: 32000237	09/358 F		06-05-2009	0
KROYMANS CAR IMPORT B.V. Marathon 3 1213 PB Hilversum Chamber of Commerce: 32114622	09/220 F	20-03-09	31-03-09	0
KIA NEDERLAND B.V. Marconiweg 2 4131 PD Vianen Chamber of Commerce: 23072057	09/267 F		05-04-2009	75
B.V. AUTO IMPORT MAATSCHAPPIJ A.I.M. Ir. D.S. Tuijnmanweg 1 4131 PN in Vianen Chamber of Commerce: 23032615	09/353 F		28-04-09	33
KROYMANS JAGUAR IMPORT NEDERLAND B.V. Soestdijkerstraatweg 66a 1213 XE Hilversum Chamber of Commerce: 30073504	09/354 F		28-04-09	0
JAGUAR NEDERLAND B.V. Soestdijkerstraatweg 66a 1213 XE Hilversum Chamber of Commerce: 30114118	09/355 F		29-04-09	0
JAGUAR NEDERLAND C.V. Soestdijkerstraatweg 66a 1213 XE Hilversum Chamber of Commerce: 30114354	09/349 F		29-04-09	18
SSANGYONG HOLDING B.V. Marathon 3	09/291 F		17-04-2009	0

1213 PB Hilversum Chamber of Commerce: 32046696					
SSANGYONG NEDERLAND B.V. Marathon 3 1213 PB Hilversum Chamber of Commerce: 30125832	09/351 F		28-04-2009		1
DIRECTAUTO B.V. Corsicaweg 10 1044 AB Amsterdam Chamber of Commerce: 32126624	09/292 F		17-04-2009		0
ALFA ROMEO NEDERLAND B.V. Klokkenbergweg 15 1101 AK Amsterdam Zuidoost Chamber of Commerce: 32106406	09/301 F		21-04-2009		33
KROYMANS RETAIL GROUP B.V. Hoge Naarderweg 3 1217 PB Hilversum Chamber of Commerce: 32079795	09/222 F	20-03-09	31-03-09		14
AUTOBEDRIJF GEBR. VULLINGS TILBURG B.V. Kraaienvestraat 22 5048 AB Tilburg Chamber of Commerce: 18037703	09/297 F		14-04-2009		41
KROYMANS HILVERSUM B.V. Soestdijkerstraatweg 64 1213 XE Hilversum Chamber of Commerce: 32026898	09/280 F	07-04-09	16-04-09		20
AUTOCENTER W VAN ZIJLL B.V. Veldhoven 7 6826 TS Arnhem Chamber of Commerce: 090242725	09/326 F		17-04-2009		38
KROYMANS ASTON MARTIN B.V. Soestdijkerstraatweg 66-66a 1213 XE Hilversum Chamber of Commerce: 32079889	09/322 F		23-04-09		5
VRIENS AUTOCENTER B.V. Biesdonkerweg 31 4826 KS Breda Chamber of Commerce: 20032839	09/299 F		14-04-2009		59
KROYMANS BREUKELLEN B.V. De Corridor 25 3621 ZA Breukelen Chamber of Commerce: 11060081	09/243 F		01-04-09		10
KROYMANS NIJMEGEN B.V. Aamsestraat 86 6662 NK Elst Chamber of Commerce: 32092203	09/300 F		20-04-2009		16
PERFEKTA AUTOSCHADE ROERMOND B.V. Burghoffweg 9 6042 EX Roermond Chamber of Commerce: 13039469	09/288 F		15-04-2009		0
NEDAM AUTOMOBIELMAATSCHAPPIJ	09/290 F		15-04-2009		26

WEERT B.V. Kelvinstraat 8 6003 DH Weert Chamber of Commerce: 13012732				
PERFEKTA AUTOSCHADE BREDA B.V.	09/298 F	14-04-2009	27	
Konijnenberg 101 4825 BC Breda Chamber of Commerce: 20084594				
AUTOBEDRIJF GEBR. VULLINGS OIRSCHOT B.V.	09/293 F	14-04-2009	26	
Besteweg 47 5688 NP Oirschot Chamber of Commerce: 17043754				
PERFECTA AUTOSCHADE OIRSCHOT B.V.	09/295 F	14-04-2009	14	
Besteweg 47 5688 NP Oirschot Chamber of Commerce: 17041464				
AUTOBEDRIJF GEBR. VULLINGS BOXTEL B.V.	09/294 F	14-04-2009	10	
Industrieweg 3 5281 RW Boxtel Chamber of Commerce: 1604639				
NEDAM AUTOMOBIELMAATSCHAPPIJ ROERMOND B.V.	09/289 F	15-04-2009	80	
Oranjelaan 802 6043 GL Roermond Chamber of Commerce: 13003977				
KROYMANS SAAB DEALERS B.V.	09/324 F	15-04-09	1	
Klokkenbergweg 15 1100 DN Amsterdam Chamber of Commerce: 32080615				
KROYMANS ROTTERDAM-NOORD B.V.	09/356 F	29-04-09	21	
Vlambloem 52 3068 JE Rotterdam Chamber of Commerce: 24380282				
KROYMANS AMSTERDAM ZUIDOOST B.V.	09/281 F	16-04-09	48	
Klokkenbergweg 15 1100 DN in Amsterdam 33132074				
KROYMANS HAARLEM B.V.	09/346 F	28-04-2009	0	
Hoge Naarderweg 3 1217 AB Hilversum Chamber of Commerce: 32046686				
KROYMANS UTRECHT B.V.	09/352 F	28-04-09	18	
Ringwade 4 3439 LM Nieuwegein Chamber of Commerce: 30130709				
KROYMANS ALKMAAR B.V.	09/347 F	28-04-09	0	
Hoge Naarderweg 3 1217 AB Hilversum Chamber of Commerce: 35027157				
KROYMANS IMPORT BENELUX B.V.	09/242 F	01-04-09	6	

De Corridor 25 3621 ZA Breukelen Chamber of Commerce: 11056317				
KIA CENTER UTRECHT B.V.	09/331 F	27-04-2009	13	
Meijewetering 39 3543 AA Utrecht Chamber of Commerce: 30206754				
KIA CENTER AMSTERDAM	09/332 F	27-04-2009	22	
Berchvliet 20 1046 CA Amsterdam Chamber of Commerce: 30186619				
VAN DER MEULEN ANSEMS AUTOMOBIELBEDRIJVEN B.V.	09/245 F	01-04-09	49	
Hugo van der Goeslaan 49 5642 TX Eindhoven Chamber of Commerce: 17043932				
KROYMANS DEALERS B.V.	09/376 F	22-04-09	29	
Soestdijkerstraatweg 66-66a 1213 XE Hilversum Chamber of Commerce: 30165593				
KROYMANS CAR RENTAL HOLLAND B.V.	09/283 F	16-04-2009	17	
Kruisweg 460 2132 LA Hoofddorp Chamber of Commerce: 32092360				
KROYMANS ROTTERDAM-ZUID B.V.	09/296 F	15-04-09	11	
Aploniastraat 4 3094 CC Rotterdam Chamber of Commerce: 32119319				
KROYMANS AUTO OUTLET B.V.	09/244 F	02-04-09	6	
Klokkenbergweg 50 (A) 1101 AP Amsterdam Chamber of Commerce: 32126176				
INTERNATIONAL PARKING CENTER B.V.	09/380 F	14-05-2009	0	
Marathon 3 1213 PB Hilversum Chamber of Commerce: 34073641				
AUCON INTERNATIONAL B.V.	09/521 F	05-06-2009	0	
Hugo van der Goeslaan 49 5643 TX Eindhoven Chamber of Commerce: 24346396				
NIMOX N.V.	09/329 F	24-04-09	1	
Hoognaarderweg 3 1217 AB Hilversum Chamber of Commerce: 11024626				
JOH. F. SMITS B.V.	09/377 F	11-06-2009	0	
Marathon 3 1213 PB Hilversum Chamber of Commerce: 24065568				
TC BENELUX B.V.	09/456 F	09-06-2009	0	
Marathon 3 1213 PB Hilversum Chamber of Commerce: 18038629				

AUTOCENTRUM W COLLARIS B.V. Hoge Naarderweg 3 1217 AB Hilversum Chamber of Commerce: 14019157	09/360 F	08-05-2009	0
NIMOX INTERFINANCE B.V. Hoge Naarderweg 3 1217 AB Hilversum Chamber of Commerce: 11024987	09/361 F	08-05-2009	0
KROYMANS PROCUREMENT B.V. Marathon 3 1213 PB Hilversum Chamber of Commerce: 30187330	09/ 295 F	14-05-2009	1
KROYMANS ACQUISITION XII B.V. Kruisweg 460 1437 CH Rozenburg Chamber of Commerce: 32123518	09/378 F	14-05-2009	0
KROYMANS AUTOMOBIEL DIVISIE B.V. Marathon 3 1213 PB Hilversum Chamber of Commerce : 30099426	09/348 F	28-04-2009	0
AUCON B.V. Hugo van der Goeslaan 49 5643 TX Eindhoven Chamber of Commerce: 23083947	09/730 F	15-09-09	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 comprises Mr P. Cornelis (CEO), Mr T. van der Steenhoven (CFO) and Mr I. Manders (Corporate Affairs). There is also a Supervisory Board that comprises 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 EUR 454 by the Stichting Administratiekantoor Citadel Holding
- 1 preference share at EUR 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	EUR 2,077,929,000
Cost of sales	EUR 1,703,104,000
Gross profit	EUR 374,825,000
EBITDA	EUR 166,904,000
EBIT	EUR 42,307,000
PBT	EUR 20,558,000
PAT	EUR 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 rights for the brands Cadillac, Corvette and Hummer in Europe were acquired and developed. The operations involved were heavily loss-making. Then in 2007 and 2008, the operations in Germany, such as for example in Munich, Berlin and the Ruhr Area, were expanded. These new operations were very capital intensive and also heavily loss-making.

In the first quarter of 2008, there was increasing pressure on profits. In the second half of the year 2008, the losses rapidly increased, in particular on account of a collapsing market.

Soon after the second exit in February 2009 had been effectuated, a new management of the Leasing Companies took control 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 with the District Court.

1.6 Activities

In the past period all kinds of complications and problems, partly of a factual nature and often unexpected, have still occurred.

An in-depth investigation has been carried out into the stock position and its discharge. Consultations on the division of sales proceeds realised are being held with the parties concerned. See further 3.2 of this report.

Interviews regarding the circumstances surrounding the second exit were held. Not all questions have been answered, see further 7.2 of this report.

Talks are being held with the Tax & Customs Administration on a correct and efficient settlement of tax aspects.

1.7 Abbreviations and Terms used

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

2 EMPLOYEES

See previous reports.

3 ASSETS

3.1 Immovable Property

All immovable property, whether encumbered with mortgage or not, has been sold.

A number of membership and apartment rights held by Kroymans Corporation have not been sold. The beneficial ownership of these membership and apartment rights was transferred to Mr Kroymans, who still acts as landlord. These rights pertain to six apartments and one shop located at the Rijnstraat in Amsterdam, one apartment right and three membership rights at the Stadionplein in Amsterdam and the proceeds from the sale of an apartment which are being held on deposit.

Van Lanschot Bankiers N.V. takes the position that the membership rights are encumbered with a third-party pledge and the apartment rights with a third-party mortgage, which serve as security for its claims against Mr Kroymans.

One apartment right is not encumbered with a right of mortgage.

Agreement has not been reached on the claims of Van Lanschot Bankiers N.V., at any rate on the scope of these claims. To date, talks held between the parties have failed to yield agreement. The tenant of the mortgaged apartment right has been informed that the apartment is to be sold and has been issued with an eviction notice.

Talks were again held with Van Lanschot and Mr Kroymans, which led to the opening of negotiations that appear to be serious. If an acceptable and quick result is not achieved, a lawsuit will be instituted.

3.2 Movable Property, Cars

The appraisal company hired by the Trading Banks carried out floor checks (visual observations) and checked stock overviews before the date of bankruptcy. After various adjustments, the result was a total stock list of 7,973 cars.

The Receivers had their own check of the stock position carried out. For the purpose of that check, lists of all car movements in the last 36 months before the date of bankruptcy were compiled from the various computer systems of the Trading Companies. This resulted, by means of a provisional discharge check (processing of purchases and sales), in a stock list on the date of bankruptcy. This list was compared to the aforementioned stock overviews and floor checks. Where necessary, the list was supplemented. Relevant stock position statements from third parties, such as financiers and transport and storage companies, were processed.

A theoretical stock position of 8,824 car line items on date of bankruptcy was thus established. A discharge check of this position was carried out, whereby an attempt was made to determine the following:

- Was the car, both physically and according to the accounting records, part of the stock on the date of bankruptcy?
In the conduct of the floor check cars, which are not part of the stock (for example garage customers), were recorded and cars delivered to Direct Lease or Kroymans Lease were “additionally added” to the stock overviews. It has since become clear that vehicles sold to dealers or vehicles still on order at “the factory” were also erroneously recorded.
- Was the vehicle sold after the date of bankruptcy, by whom, for which proceeds and where have the proceeds been accounted for?

The manner of sale of all vehicles sold has been established, namely whether through the BVA channel or through Armac or the Receivers. In addition to this, where the proceeds ended up and how they were accounted for was also investigated.

- Which vehicles were internally delivered to Leasing Companies such as Direct Lease and Kroymans Lease?

As regards the financial reporting, these vehicles were found to be still listed in the stock overviews.

- For which vehicles are third parties claiming ownership rights?

In this assessment a distinction is made between:

- The claim of Armac to 4,501 vehicles. In this assessment the nature of the claim is established and the documentation on which Armac bases its alleged rights is determined;
- The claim to Alfa Romeos stored in Antwerp;
- The claim of GMAC to ex-rental vehicles;
- The claim of GMAC to reservation of ownership, whereby the set-off in current account is relevant;
- The question whether vehicles have been delivered back to third parties who asserted ownership rights.

In the meantime, approximately 85% of the theoretical stock has been “accounted for” and a strenuous effort is being made to round off the last 15%. It is anticipated that in a final list the cars will be categorised as follows:

- Vehicles which are listed in the stock overviews and whose discharge has been accounted for;
- Vehicles which are listed in the stock overviews but whose discharge has not been accounted for. In this category information will be requested from the Department of Road Transport (RDW);
- Vehicles which are listed in the stock overviews but which, according to the accounting records, were not (no longer) part of the stock on the date of bankruptcy;
- Vehicles which have been sold and are also listed in the stock overviews but which, according to the accounting records, were not (yet) part of the stock on the date of bankruptcy.

As it soon became evident after the pronouncement of the bankruptcy that there were conflicting claims from various parties, including the Trading Banks (pledge), Leasing Companies (ownership rights), holders of rights of retention, suppliers’ reservation of ownership and the Receivers, an agreement relating to the manner of sale of the cars, which was aimed at preventing a decrease in value and settling disputes at a later date, was concluded on 17 August 2009. This agreement was concluded between the Receivers, Trading Banks, Leasing Companies and Leasing Banks and under this agreement – in short – all sales were to be made through a sales channel set up by the BVA auction agency and all proceeds were to be paid into escrow.

More than 5,000 cars have since been sold through the agreed sales channel (BVA), the proceeds of which sales are in escrow; see for a summary **Appendix 1**.

Recently, BVA issued a new draft list that could form the basis for division of a part of the balance. The Receivers have commissioned a further analysis of this list in order to reach a well-considered opinion on all the positions processed in it, whereby attention is focussed, inter alia, on the processing of proceeds, interest income, settlements, mingling of sales proceeds and accounts receivable, set-offs, sums received back, retention proceeds, claims

of third parties, proceeds of cars found abroad, VAT, reservations of ownership and contributions to the bankruptcy estate.

In the context of the discharge check, it was established that Armac sold at least 693 cars through a channel other than the BVA channel. The book value of these sales was EUR 11,393.854 and the realised proceeds of EUR 9,963,480 are not in the escrow account. This involves consignment, demo, demo financial lease, ex-lease/company, factoring, used cars and demo operational lease and demo operational lease SR cars, which were partially sold after the agreement of 17 August 2009.

The Receivers have requested an explanation from Armac and moreover, a suitable proposal to accommodate the consequences of this course of action.

The ownership claims of Armac are dealt with in 5.

Movable Property, Inventory

Many bankrupt companies leased a large part of the operating assets from ASEL, a Leasing Company.

In the meantime, this inventory has also been sold through auctions. The sales proceeds have been partially credited to the bankruptcy account pursuant to Section 57(3) of the Dutch Bankruptcy Act.

A settlement was reached with regard to the remaining net auction proceeds amounting to EUR 248,493, and EUR 121,405.87 was paid to ASEL and EUR 127,087.13 to the bankruptcy estate.

BVA provided an overview of all sold and auctioned inventory. ASEL has informed the Receivers that inventory for a book value of EUR 1 million is missing.

3.3 Other

Participating interests.

Companies in 11 European countries, subsidiaries of Kroymans Corporation or Kroymans Nederland, were part of the group. These foreign participating interests can be subdivided into three categories:

1. German sales organisation;
2. Belgian sales organisation;
3. GM sales organisation elsewhere in Europe.

Practically all foreign companies have since been liquidated.

3.4 Bankruptcy Estate

An amount of EUR 5,244,963.05 realised through the sale of assets has been deposited in a *Meersparen* (more savings) account with the SNS bank. The bankruptcy account held with the Kasbank has a balance of EUR 436,793.18.

This amount will be further increased by contributions to the bankruptcy estate and proceeds of unencumbered assets.

An interim financial report is attached as **Appendix 2**.

Once there is more clarity with regard to receipts and proceeds, the Receivers will present a financial report for each company.

4 DEBTORS

Accounts receivable of import companies

Armac alleges that Kroymans importers' accounts receivable from dealers were assigned to it in the context of financing arrangements. The Receivers are of the opinion that in most cases the assignment was not legally valid. It was quickly agreed between the Receivers and Armac that they would cooperate with regard to the debt collection and that the proceeds would be paid into a separate escrow account. Therefore, the party entitled to the balance of this escrow account will have to be determined in retrospect. The Receivers agreed to Armac's later request to be permitted to take the lead in the debt-collection activities.

The collection of the import companies' accounts receivable from dealers has been largely completed. A separate escrow account has a balance of EUR 5,142,348.49. Consultations are being held on the division of this balance.

The Receivers have examined the legal validity of the claims of Armac and are of the opinion, for the time being, that of these claims, legally valid assignments could not have been concluded for more than an amount of approximately EUR 800,000.

As an amount of approximately EUR 3 million has to be written off as uncollectible; a refund of the VAT paid on this amount will be requested. The Receivers have rejected Armac's claim to this amount recoverable from the Tax & Customs Administration.

Accounts receivable of retail companies

In the collection of the accounts receivable of retail companies, 47 different accounting records had to be processed. The invoice file was cleaned up and examined. The initial starting point was an accounts receivable position of EUR 25.5 million. A part of this amount had been paid but had not been processed in the accounting records. After the accounting records had been adjusted, it was established that the outstanding accounts receivable position of the retail companies was 14.8 million. The accounts receivable had been pledged and the banks instructed Mirus B.V. to carry out the debt-collection activities. An amount of EUR 5,115,275 was collected. Mirus has notified completion of its debt-collection activities.

A number of questions were posed about the Trading Banks' right of pledge with regard to collection of a number of sums. The following issues are still ongoing in any case:

1. A payment of EUR 927,092.65 by GM in place of a promised delivery of 41 Hummers for no consideration.
2. Cash resources that were paid up after bankruptcy.

Initially, the Receivers only had a clear picture of receipts processed in 54 bank accounts. In the meantime, the Receivers also have insight into all of the more than 140 positions at the Trading Banks, and after having studied these positions, they posed questions to the Trading Banks and the persons concerned, for example about unclear debit entries just before bankruptcy.

There is still a lack of clarity with regard to intercompany accounts receivable, set-offs and write-offs.

The Receivers can claim back the VAT paid on the uncollectible accounts receivable item pursuant to Section 29(1) of the Dutch Value Added Tax Act. The Receivers are requesting a refund of more than EUR 500,000. In the calculation of this refund, an uncollectible amount of EUR 6.5 million is not relevant because this amount related to intercompany accounts

receivable and VAT was not charged on it on account of the tax group. Talks on this issue are being held with the Tax & Customs Administration.

Accounts receivable of KIE

At KIE, the outstanding balance of accounts receivable was EUR 31,168,819. An amount of EUR 1,885,533 in trade accounts receivable, of which an amount of EUR 975,000 was received from GM (General Motors), has been collected and the Receivers were closely involved in this collection. A VAT amount of EUR 1,417,507 was also refunded.

The disappointing debt collection result was mainly caused by the poor quality of the accounts receivable records, the large number of consignment invoices and invoices sent in advance for cars that had not yet been delivered because they were still at the harbour.

Lawsuits against a number of debtors of KIE will perhaps be instituted; lawsuits cannot be instituted in all cases in the Dutch courts.

A settlement was reached with GM. GM paid an amount of EUR 1,500,000 into the bankruptcy account, of which amount a contribution of EUR 150,900 to the bankruptcy estate comes to the Receivers.

GMAC acted as dealer financier of the (former) European dealer network of KIE and by virtue of this capacity, mutual debts arose between them. The discussion with GMAC was complicated by the fact that many different local GMAC companies had an accounts receivable position. GMAC also asserted ownership of 36 cars. Agreement was reached with GMAC on the way in which the ownership claims and various accounts receivable positions (with the exception of GMAC Sweden) will be settled; an amount of EUR 1,050,000 will be paid to the bankruptcy estate.

ABC GmbH (Maxum)

ABC Autohandel GmbH ('Maxum') is a car dealer in Austria with which KIE had concluded a dealer contract. On 27 May 2008, Maxum was declared bankrupt and E.M. Bachmann-Lang LL.M was appointed receiver.

In 2007, Kroymans Corporation loaned an amount of EUR 5,750,000 to Maxum. This loan served as a replacement for the claim amounting to EUR 4,265,844, which Bank Austria had against Maxum at that time. Kroymans Corporation was granted a first mortgage of EUR 4,300,000 on immovable property of Maxum. In addition to this, it acquired rights of pledge to inventory and cars.

KIE had also provided a loan to Maxum and namely for an amount of EUR 1,500,000. KIE was granted a second mortgage of EUR 1,500,000 and rights of pledge on inventory and cars.

Armac took the position that the debt owed to Kroymans Corporation, but not the debt owed to Kie, had been assigned to it. Soon after the date of the bankruptcy it was agreed, at the request of Armac, that Armac would take the lead in collecting this debt from Maxum.

After the Receivers had examined the claim to assignment, they disputed it and then Armac took a different position, which is also being disputed.

The receiver of Maxum has since sold the immovable property in Vienna at a public sale and a ranking of claims was established before the Insolvency Division of the Vienna Commercial Court [*Handelsgericht Wien, Abteilung Insolvenz*] on 19 April 2012. The outcome of the

proceedings is that the mortgagee creditor, Kroymans Corporation (or in the case of assignment Armac), is entitled to an amount of EUR 752,669.37.

The Receivers and Armac reached agreement on an escrow agreement and, after deduction of costs, the amount was received in a third-party account on 11 September 2012.

The Receivers and Armac have also instructed an Austrian lawyer to investigate the possibilities of the tax refund.

The Receivers have agreed with Armac that if this request for refund is granted, the refund will be paid into the same account as the net sales proceeds in accordance with the regime of the escrow agreement.

5 BANK/SECURITIES

5.1 Trading Banks

The Trading Banks work together in a syndicate that comprised ING, Rabobank, ABN-AMRO and (the former) Fortis. Regular verbal consultations were held with the Receivers. As all assets have now been sold, these consultations are mainly focussed on a correct division of the realised sales proceeds. Communications are conducted in writing by the lawyers of the Trading Banks.

Both the nature and the scale of the security rights asserted by the banks continue to be a subject of investigation and debate, in which all kinds of aspects play a part, such as:

- The legal validity of rights of pledge granted by four companies that later participated in the credit arrangement;
- The legal validity of rights of pledge on movable property acquired abroad;
- The legal validity of the excess value arrangement;
- The question whether debts from derivative contracts are covered by collateral;
- Right of pledge to accounts receivable;
- The question whether a payment received in place of an obligation undertaken by GM to deliver 41 Hummers for no consideration has been pledged;
- The question whether cash resources found have been pledged, whereby it is important to note that this money was partially acquired after the date of bankruptcy;
- Rearrangements of securities just before the date of bankruptcy;
- The order to be observed in the forced sale of assets and the question whether the Trading Banks can or are permitted to provisionally waive the right of pledge to the benefit of the Leasing Companies;
- VAT aspects.

5.2 Armac

Armac provided in various ways dealer financing for the importers. On the basis of this financing, Armac is claiming ownership of all cars financed by it. These claims have been rejected for the most part because, for example, there was no transfer of ownership or there was a defect in the transfer of ownership. In various financing categories there are also other defects in the transfer, such as no power of disposition. Armac had already analysed its position before the date of bankruptcy and attempted to strengthen its position by means of contract amendments. The Receivers consider the legal acts carried out in that context prejudicial to creditors within the meaning of the *actio Pauliana* and unlawful.

In the consultations held between Armac and the Receivers, an attempt is being made to determine all points at issue and to list them in a comprehensive working document. Of these issues, the following are mentioned:

- Maxum
- Accounts receivable;
- VAT;
- Ownership claims of Armac to 4,501 cars;
- Lease cars;
- Right of recovery claims;
- Suppliers' reservation of ownership;
- Accounts receivable from Leasing Companies;
- Bankruptcy estate claims;
- Missing vehicles;
- Cars sold by Armac through a channel other than the BVA channel;
- The role of Armac in exit 2.

Agreements on procedure have been made. The potential interest is great.

An important part of the debate is whether the ownership rights of importers were transferred to Armac, whereby a number of technical and factual questions play an important part. The Receivers had an extensive report prepared and presented it to Armac.

The claims to the escrow balance asserted by Armac are being disputed for the most part. The ownership claim of Armac has been acknowledged in a few cases, but always under strict conditions for each brand and type of claim. The legal ground on which the claim is based varies: consignment, demo, factoring, used cars and demo operational lease.

Armac has not asserted any ownership rights to parts.

5.3 Conflicting Claims

See 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

On the twenty-fourth of December 2009, the Receivers in the bankruptcies of Kroymans Corporation B.V. (KC) and Kroymans Nederland B.V. (KN) summoned Citadel Enterprises B.V. and Citadel Components Group B.V. (hereinafter: 'Citadel and co.') to appear before the Amsterdam District Court. The Receivers invalidated – in short – the sale and transfer of the shares in a number of subsidiaries to Citadel and co., because this sale was prejudicial to the creditors of KC and KN.

After Citadel and co. had appeared as defendant in the lawsuit, the Trading Banks submitted an incidental application for third-party intervention (join the lawsuit and become a party in order to support one of the parties and to defend their own claim against the other parties) on 10 March 2010. In this application, the Trading Banks submitted that they have their own interest that they wish to defend in this lawsuit. The District Court ruled by decision of 14 July 2010 that the Trading Banks were permitted to join the lawsuit and become a party in order to support Citadel and co. and also to defend their own claim against the other parties in the principal lawsuit.

Since then a large amount of such incidental applications for third-party intervention have been submitted.

For an overview of the many procedural actions and incidental applications, please refer to the interlocutory judgment of the Amsterdam District Court dated 13 June 2012 (**Appendix 3**).

In the meantime, a pre-trial hearing has taken place and litigation is continuing.

7.2 Second Exit

On 20 February 2009 an agreement was 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. This legal act was undertaken exactly one month before the date on which the holding companies of the concern were granted a moratorium of payments, which moratorium of payments was converted into a bankruptcy on 31 March 2009.

The Receivers investigated the role of the banks in the second exit and its consequences for the joint creditors of the Trading Companies. The question whether the banks, as has been stated by various persons concerned, gave undertakings to continue the financing of the Trading Companies, was an important consideration in this investigation.

In order to be able to unearth the facts, the persons concerned were interviewed about the course of events. A few interviews had already taken place in 2010, but with recent interviews an attempt was made to obtain clarity with regard to the exits and the financing of the KC group.

During various interviews the Receivers learned that after the second exit, at the request and initiative of the banks, STAK appointed a new board of Armac and instructed it to immediately proceed to liquidate companies and to discontinue the financing activities. The Receivers consider that it is of the utmost importance to obtain clarity, partly on account of the question whether as from that moment the banks and the Leasing Companies acted in the knowledge that the bankruptcies of the Trading Companies were inevitable.

Although STAK previously promised the Receivers its cooperation in their investigation into the facts with regard to the second exit, it has refused to make the letters of appointment and other relevant documents available to the Receivers.

7.3 Other Liabilities
See the previous reports.

8 CREDITORS

8.1 Claims Filed

The accounting records of trade accounts payable are being processed for each company.

8.2 Tax & Customs Administration

Consultations on the manner in which tax returns are filed in the period after the pronouncement of bankruptcy are being held with the Tax & Customs Administration. The tax returns are filed each year and are filed for the entire tax group.

In the context of the first exit, Citadel made an agreement with the Tax & Customs Administration on account of the dissolution of the tax group; that was also the case with the Leasing Companies at a later date. As these agreements affect the VAT position of the Trading Companies, consultations have been held on the status and scope of these agreements.

Consultations are also being held on the determination of correct applications for VAT refunds pursuant to Section 29 (1) and (2) of the Dutch Value Added Tax Act.

A copy of the VAT system applied by BVA to the realised sales has been submitted to the Tax & Customs Administration.

8.3 Trading Banks

A final filing and processing of the Trading Banks' claim has not yet taken place.

See previous reports.

9 LAWSUITS

For information on the lawsuit concerning the first exit, please refer to 7.1.

It is not unlikely that a lawsuit will have to be instituted with regard to apartment rights (see 3.1), the ownership rights of Armac (see 3.2 and 5.2) and the second exit (see 7.2).

10 KIE, OTHER

10.1 KIE

Upon commencement of the bankruptcy, according to the reconstructed stock records, there was a stock of 4,346 KIE cars. Several parties were claiming ownership. The investigation revealed that KIE cannot assert any rights to 2,104 cars.

Negotiations are being conducted on the remaining categories of cars and if necessary, lawsuits will be instituted. An arrangement was reached with the stock financiers and under this arrangement a number of cars were allocated to KIE. Third parties are claiming a part of them and lawsuits have taken place.

Agreement has not yet been reached on the destination of 46 cars stored at a Swedish storage company and a lawsuit will have to be instituted.

The allocation of many cars at the premises of foreign dealers has been settled out of court. In Switzerland agreement has not yet been reached on the status of parts of the stock.

KIE has accounts receivable from dealer financiers. Three-party agreements had been concluded between KIE, the dealer financier and the dealer. The agreements are governed by local law and provide that the dealer financier pays KIE the purchase price owed by the dealer. The cars were always sold under reservation of ownership. The ownership rights and other rights under sale agreements were allegedly transferred by KIE to the dealer financier. These accounts receivable are substantial and are being disputed by the dealer financiers on various grounds.

10.2 Period required for Completion of the Bankruptcy Proceedings

It is not possible to forecast the period required for completion of the bankruptcy proceedings.

10.3 Action Plan

The cars and the other assets have been sold.

Consultations are being held on the correct division of the sales proceeds and these consultations involve complicated problems.

Periodic consultations are being held with Armac.

Consultations with the banks have been scheduled and in these consultations an attempt will be made to reach a comprehensive settlement.

The lawsuit concerning the first exit will continue. It is not unlikely that clarification concerning the second exit will be requested in court.

10.4 Filing of the Next Report

The next report will be submitted in May 2013.

Prepared and filed with the Registry of the Amsterdam District Court on 1 October 2012.

C. de Jong, Receiver

F. Kemp, Receiver