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

Receivers : *mr. C. de Jong* (Van Benthem & Keulen, P. O. Box 85005, 3508 AA Utrecht, telephone: 030-2595959, fax: 030-2595500, email: cdejong@vbk.nl) and
mr. F. Kemp (Fort Advocaten N.V., P.O. Box 70091, 1007 KB Amsterdam, telephone: 020-6645111, fax: 020-6620470, email: kemp@fortadvocaten.nl)

Designated Judge : *mr. C.M. Degenaar*, Amsterdam District Court (formerly *mr. H.M. Patijn*)

Date of the report : 15 April 2010

Reporting period : 26 September 2009 – 15 April 2010

Hours spent in the reporting period : 3,629 hours

Total amount of hours spent : 11,334 hours

Balance of the bankruptcy account : EUR 6,931,748.18

INTRODUCTION

This is the second public report in the bankruptcies of the Kroymans Group. The report has been filed with the Registry of the Amsterdam District Court [*Arrondissementsrechtbank*] and is available for inspection on the websites www.vbk.nl and www.fortadvocaten.nl. Only those reports which are printed on paper bearing the logos of Van Benthem & Keulen and Fort Advocaten and the signatures of both Receivers [*Curators*] are authentic.

The Kroymans bankruptcies are attracting a lot of attention from society and media. For that reason, extensive information was provided in the first report. This second report is more concise and does not reiterate much of the information provided in the first report. For a proper understanding of the facts and the parties referred to in this report and the abbreviations used, please refer to the first report. On account of the scale and special circumstances of the bankruptcies, this report deviates with regard to several points from the Recofa Guidelines for Bankruptcies and Moratoriums of Payments [*Surséances van Betalingen*].

The Receivers have applied for permission to not only prepare a consolidated report but to also consolidate the bankruptcies, please refer in this respect to 10.1 of this report.

In the preparation of this report the Receivers have partly relied upon consultations with the various parties concerned and financial information which is not accompanied by an unqualified auditors' report. The Receivers were not able to verify all information and therefore they 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 other 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 organisation chart of the group, which is attached as Appendix 2 to the first report.

	Bankruptcy No.	Moratorium Date	Bankruptcy Date	Employees
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 1213 PB Hilversum Chamber of Commerce: 32046696	09/291 F		17-04-2009	0

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 WEERT B.V. Kelvinstraat 8 6003 DH Weert Chamber of Commerce: 13012732	09/290 F		15-04-2009	26

PERFEKTA AUTOSCHADE BREDA B.V. Konijnenberg 101 4825 BC Breda Chamber of Commerce: 20084594	09/298 F	14-04-2009	27
AUTOBEDRIJF GEBR. VULLINGS OIRSCHOT B.V. Besteweg 47 5688 NP Oirschot Chamber of Commerce: 17043754	09/293 F	14-04-2009	26
PERFECTA AUTOSCHADE OIRSCHOT B.V. Besteweg 47 5688 NP Oirschot Chamber of Commerce:17041464	09/295 F	14-04-2009	14
AUTOBEDRIJF GEBR. VULLINGS BOXTEL B.V. Industrieweg 3 5281 RW Boxtel Chamber of Commerce: 1604639	09/294 F	14-04-2009	10
NEDAM AUTOMOBIELMAATSCHAPPIJ ROERMOND B.V. Oranjelaan 802 6043 GL Roermond Chamber of Commerce: 13003977	09/289 F	15-04-2009	80
KROYMANS SAAB DEALERS B.V. Klokkenbergweg 15 1100 DN Amsterdam Chamber of Commerce: 32080615	09/324 F	15-04-09	1
KROYMANS ROTTERDAM-NOORD B.V. Vlambloem 52 3068 JE Rotterdam Chamber of Commerce: 24380282	09/356 F	29-04-09	21
KROYMANS AMSTERDAM ZUIDOOST B.V. Klokkenbergweg 15 1100 DN in Amsterdam 33132074	09/281 F	16-04-09	48
KROYMANS HAARLEM B.V. Hoge Naarderweg 3 1217 AB Hilversum Chamber of Commerce: 32046686	09/346 F	28-04-2009	0
KROYMANS UTRECHT B.V. Ringwade 4 3439 LM Nieuwegein Chamber of Commerce: 30130709	09/352 F	28-04-09	18
KROYMANS ALKMAAR B.V. Hoge Naarderweg 3 1217 AB Hilversum Chamber of Commerce: 35027157	09/347 F	28-04-09	0
KROYMANS IMPORT BENELUX B.V. De Corridor 25 3621 ZA Breukelen Chamber of Commerce: 11056317	09/242 F	01-04-09	6
KIA CENTER UTRECHT B.V. Meijewetering 39 3543 AA Utrecht	09/331 F	27-04-2009	13

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.	09/360 F	08-05-2009	0	
Hoge Naarderweg 3 1217 AB Hilversum Chamber of Commerce: 14019157				
NIMOX INTERFINANCE B.V.	09/361 F	08-05-2009	0	
Hoge Naarderweg 3 1217 AB Hilversum Chamber of Commerce: 11024987				

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

1.2 Management and Organisation

Kroymans Corporation B.V. heads a group consisting of tens of companies including, in particular, companies which are active in the car sector.

The Board of Directors was responsible for the day-to-day management. At the beginning of 2008 the Board of Directors comprised Guy Demuyne (CEO), Ton van der Steenhoven (CFO), Milco de Vries (COO) and Ivo Manders (Corporate Affairs). There was an Executive Committee with representatives from the most important divisions; this Executive Committee was replaced by a Supervisory Board [*Raad van Commissarissen*]. On 11 February 2008. Mr R. W. A. de Becker and Mr A.W.M. Ebben entered into office as supervisory directors and were joined by Mr R.D. Laxy on 3 November 2008. According to the Trade Register, the shareholders are as follows:

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

The Kroymans Group at the beginning of 2008 was the result of an amalgamation of the Kroymans Group and ARM Stokvis in 2000. The Kroymans Group was active in the field of 4 divisions:

- car import (Saab, Jaguar, Kia, SsangYong, Alfa Romeo, Cadillac, Corvette, Hummer as well as Ferrari, Aston Martin and Maserati);
- import and distribution of car parts;
- 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;
- leasing and financial services.

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

It is important to note that the composition of the Kroymans Group at the beginning of 2008 was not the same as that of the group in which the bankruptcies have currently been pronounced. The companies which are part of the bankrupt group are also called "the Trading Companies". In the last months prior to the bankruptcies, a number of transactions, in which ownership of enterprises was transferred, controlling interests were changed and credit relationships with the banks concerned were radically altered, were concluded. For a further explanation, please refer to the first report.

1.3 Figures

At the beginning of 2008 Kroymans Corporation B.V. presented the consolidated annual figures for 2007 and it was stated that the group's financial position was solid. Moreover, the conclusion was drawn that the group (hereinafter also called "the Kroymans Group") had grown enormously both in size and vision and that the enterprise was in a new phase.

The Annual Accounts 2007 have been prepared and Ernst & Young Accountants issued an unqualified auditors' report on these accounts. 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 (Earnings Before Interest, Taxes, Depreciation & Amortisation)	EUR 166,904,000
EBIT (Earnings Before Interest, Taxes)	EUR 42,307,000
PBT (Profit Before Tax)	EUR 20,558,000
PAT (Profit After Tax)	EUR 14,532,000

1.4 Insurance Policies

As from the middle of 2007 all insurance policies for the Kroymans Group were arranged through the intermediary of Kroymans Insurance B.V., which acted as general agent and insurance agent. Sole shareholder and managing director of Kroymans Insurance B.V. is Kroymans Lease Holding B.V., and therefore Kroymans Insurance B.V. is part of the group of companies which exited on 20 February 2009. This group is also called “the Leasing Companies”.

In view of the continuous growth of the group and the insurance portfolio involved, the management decided, for the sake of efficiency, to place (part of) the insurance portfolio under its own management. As Kroymans Insurance B.V. acts as general agent or insurance agent, it was thus entitled to a part of the premium commissions.

Group insurance policies for specific risks were found to have been concluded for the entire group. The premium due was “apportioned” over the various companies, for example on the basis of turnover or number of employees. This situation continued to exist after the division of the group.

Garage policies, which provide cover for a number of risks involved in the conduct of a garage business, were important for the operation of the subsidiaries. The insurer of the so-called garage policies always cancelled this insurance policy after each pronouncement of bankruptcy of a subsidiary, even though the annual premiums had already been paid in full and in advance.

After consultations, the insurer declared its willingness to continue the cover for the equipment and stock of cars until further notice (of sale).

1.5 Cause of the Bankruptcy

Two decisions were of vital importance:

- In 2003 an agreement was concluded with General Motors (GM) and the importership for the GM brands Cadillac, Corvette and Hummer in Europe was acquired. These operations were severely and structurally loss-making.
- In 2007 and 2008 the group attempted to expand its operations in Germany, such as for example in Munich, Berlin and the Ruhr Area. These new operations were very capital intensive and severely loss-making.

Although the explanatory note to the Annual Accounts 2007 stated that the financial position was solid, the management established during the first quarter of 2008 that there was increasing pressure on profits. In June 2008 a decision was taken to adopt a restructuring plan and to carry out disinvestments. The management expected these plans to be financially feasible and adequate to safeguard the profitability and the continuity of the group.

At the end of June 2008 the management informed the bank syndicate concerned (hereinafter also called “the Trading Banks”) of the plan and various points were further elaborated. The management informed the Receivers that the first half of 2008 still ended with a profit, that there was a positive cash flow and that all ratios agreed under the credit agreement had been met.

The results in the second half of 2008 were very disappointing, in particular on account of a collapsed market. In November 2008 in the Netherlands 21.6% fewer cars were sold than in the same month in 2007. Brands such as Cadillac and Hummer, in particular, were badly hit. The consequences of amendments to the tax law (notional income for private use of a company car and CO2 emissions), increasing petrol prices, a changing social awareness and decreasing consumer trust also played a significant part. Sector analyses show that

consumers were saving more and purchasing smaller cars. In addition to this, the German companies earned less profits than anticipated.

At the end of the third quarter, in September 2008, the management saw that the agreed credit ratios were not being met and informed the bank syndicate of this at the end of September 2008. Moreover, in the middle of October 2008, the Tax & Customs Administration [*Belastingdienst*] was informed that the tax remittances for September (including VAT, Payroll Tax and Social Security Premiums and Purchase Tax on Passenger Cars and Motorcycles (hereinafter called "PTPCM")) could not be paid.

The management of the Kroymans Group presented a new rescue plan to the bank syndicate on 19 and 22 September 2008. This plan forecasted an annual turnover 2008 of EUR 1,693 bn, a Gross Profit of EUR 292 m, an Ebit of EUR 17 m negative and a PBT of EUR 40 m negative.

The banks commissioned a feasibility study of the plans. The report was completed at the beginning of December and its conclusion was that on implementation of the plans the borrowing base would be exceeded by EUR 69 million in week 9 of 2009: therefore unsecured financing. It is important to note, moreover, that the situation was rapidly deteriorating and worrying results for October and November 2008 had been announced. New forecasts were made on the basis of these results.

It was analysed that the losses were mainly being incurred by Car Import, General Motors and Retail. The analysis assumed a PBT (Profit Before Tax) negative of EUR 74,327,000. Car Import, General Motors and Retail NL were incurring the greatest losses and were, according to the analysis, in freefall. Concern was also expressed about *"the lack of cash culture and available level of detail and quality being provided by the operating companies"*.

The management of the group partially rejected the findings of the report.

At the request of the bank syndicate, KPMG was then commissioned to make a further analysis of the financial situation. The Receivers do not yet have a clear picture of ensuing events because of the ambiguous information received from the various parties concerned. It is clear in any case that the activities of KPMG partly contributed to the exits and rescheduling of the credit facility described in the first report.

Soon after the second exit in February 2009 had been effectuated, a new management of the Leasing Companies was appointed and the financing provided by the Leasing Companies to the Trading Companies was discontinued. The results of the remaining Trading Companies were poor and there was an acute need for liquidity funds at the beginning of 2009.

On 17 March 2009 a new plan was presented to the Trading Banks. This plan was rejected. As all Trading Companies had become a party to the group credit and there was an unauthorised debit balance in the borrowing base, no single company was still able to make payments.

On 20 March 2009 an application for a moratorium of payments for the three Holding Companies was filed with the District Court.

Activities Inventory:
194:0 hours

2 EMPLOYEES

At the time of the first moratoriums of payments, there were approximately 1,000 persons employed by the Dutch Trading Companies. Another 1,000 persons were employed at the foreign Kroymans establishments; the majority of these employees worked in Belgium and Germany. The Dutch employees had still received their salary for February 2009, but salaries could no longer be paid in March 2009.

In consultation with the trade unions, the Works Council, the H.R. department of the Kroymans Group and the implementing body for employee insurance schemes in the Netherlands, "the UWV", the wage guarantee scheme, which is embodied in the Unemployment Insurance Act [*Werkloosheidswet*], was implemented for the benefit of the employees. Initially this implementation led to serious problems, which were also brought to the attention of the Minister by the Standing Committee for Social Affairs and Employment of the Lower House of the Dutch Parliament. Ultimately all matters were harmoniously resolved and the UWV made use of the salary accounts of the Kroymans Group for the implementation of the wage guarantee scheme.

When the occasion arises, the Receivers provide follow-up and information.

Activities Employees:
20:0 hours

3 ASSETS

3.1 Immovable Property

Retail companies

A number of retail companies were housed in premises which were held in ownership and were encumbered with an equitable mortgage of the Trading Banks.

In addition to this, there were three petrol stations, of which one was unencumbered and two were mortgaged.

The premises and petrol stations have since been sold; a contribution was made to the bankrupt estate for the mortgaged property. The proceeds of the unencumbered petrol station, EUR 506,276.39, were paid to the bankrupt estate.

Membership rights

Kroymans Corporation holds a number of membership rights of cooperative apartment associations. These cooperative apartment associations have a right of leasehold to apartment complexes in Amsterdam. The membership right gives entitlement to the use of an apartment located in the complex, which right is transferrable. According to a notarial deed dated 3 October 1995, the “beneficial ownership” of these membership rights was transferred to Mr Kroymans. According to the same notarial deed, Kroymans Corporation gave Mr Kroymans power of attorney to transfer the membership rights to himself in the future. At the time of pronouncement of bankruptcy of Kroymans Corporation, this transfer had not yet been made. Van Lanschot Bankiers N.V. (hereinafter called “Van Lanschot”) is claiming the sales proceeds and takes the position that the membership rights are encumbered with a third-party pledge, which serves as security for a claim of EUR 2,300,000 against Mr Kroymans. The Receivers dispute the validity of the pledge.

Apartment rights

Kroymans Corporation has also been found to be the holder of two apartment rights at the Stadionplein in Amsterdam. According to two notarial deeds dated 9 August 2002 and 27 December 2006, the “beneficial ownership” of these apartment rights was transferred to Mr Kroymans. On 11 March 2005 a right of mortgage was established on behalf of Van Lanschot for an amount of EUR 1,500,000. No other limited real rights have been established on the other apartment right.

On 25 February 2009, just before the pronouncement of bankruptcy, Kroymans Corporation sold one apartment right. Van Lanschot is also claiming a right of pledge to this right. The proceeds of the sale, EUR 419,530.12, have been paid, by agreement of the parties concerned, into a deposit account of the civil-law notary.

Consultations on the consequences of the transfer of the beneficial ownership – also considered in the light of the Nebula Judgment of the Dutch Supreme Court (HR 3 November 2006, NJ 2007/155) and any third-party pledge - are being held with the parties concerned. The Receivers are intending to sell the membership and apartment rights in the short term.

3.2 Movable Property

The large car stocks found are the most important component of the assets. There were cars at:

1. Trading Companies (dealers that are part of the Kroymans Group);
2. other dealers which are not part of the Kroymans Group, both in the Netherlands and abroad; and
3. various storage depots, such as in the ports of Rotterdam and Antwerp.

In July and August 2009 agreements were made on the manner of sale. These agreements were laid down in a written agreement because of the conflicting claims from pledgee banks, Leasing Companies, retentors, suppliers under reservation of title and receivers.

Under the agreement all vehicles and movable property designated in this agreement will be sold by BVA Auctions. The proceeds of the sales will be paid into an escrow account opened for that purpose and in which there is now a gross balance of more than EUR 71 million. The party entitled to the sales proceeds concerned will be subsequently determined for each car and movable property.

A “valuation committee” is in charge of the sale and this committee determines the manner of sale on the basis of proceeds maximisation. Reports indicating the selling party and the underlying money flows are periodically issued.

A summary of the position as at the end of February 2010 is attached as **Appendix 1**.

Various sales methods are mentioned in this summary.

The first sales channel was digital and cars were sold per auction via an on-line bidding process. In the first months this involved sales of the unencumbered trading stock and movable property in the local dealer establishments. The buyers were mainly clients of the establishment concerned and parties who had become interested via the website. In the auctions of more expensive cars, emphasis was placed on the brand exclusiveness in order to interest the right target group. Cars with damage and cars with incomplete documentation were also sold via the auctions.

At the end of February 2010 more than 800 cars and 2,584 other goods were sold via auctions to approximately 2,700 purchasing parties.

The second sales channel involved private sales by BVA Auctions and the Receivers. The activities of the first group were carried out by a separate sales team called the Forza team. Two large transactions were separately processed because a different format was involved. The Forza team sold 1,300 Alfa Romeos and almost 700 Saabs and Cadillacs/Corvettes/Hummers. These sales were mainly made to brand dealers and to larger parties in Belgium, Germany and South Europe. There were approximately 90 purchasers.

Where problems arose, these problems were resolved, as far as possible, in consultation. This was not always successful. There are still cars in the possession of third parties because of, for example, a claim to a right of retention. If these problems cannot be resolved, legal action will be taken.

Sales in the case of a restart have been processed under the heading “Deals via the Receivers”.

More than 4,900 cars with gross proceeds of almost EUR 64 million were sold via the sales methods described above. The proceeds claimed by third parties have been included under the heading “KFS/Asel Claim”. The final determination of all claims can be made only after completion of a database containing all relevant data which has been specifically developed for this purpose.

A problem has arisen on account of the fact that KFS sold a large number of cars, but the Receivers did not receive any information regarding the numbers and amounts. Therefore, the data regarding the proceeds of these cars is not included in the appendix. KFS is claiming ownership rights to these cars on account of transfer procedures laid down in financing arrangements.

In the case of the sale of equipment and parts, this has been separately stated in the summary. In this case too, there are conflicting claims and moreover a preferential right of attachment of the Tax and Customs Administration; an exact determination has not yet been made.

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.

In respect of 1. German sales organisation

Consultations on the manner of winding up and sale of assets are being conducted with the banks concerned and the German receiver. The financial interest of the bankrupt estate seems to be limited.

In respect of 2. Belgian sales organisation

At the beginning of 21 April 2009 the Belgian Kroymans Retail Group comprising Kroymans Belgium N.V. and its (sub-)subsidiaries Immurfin N.V., Kroymans Brussels N.V., Ambel N.V., Automotive Center Brussels N.V., Jossens N.S. and Carparts Distribution N.V. found itself in a situation of judicial reorganisation pursuant to the Continuity of Enterprises Act [*Wet Continuïteit Ondernemingen*]. This judicial reorganisation is comparable to a moratorium of payments. Kroymans Corporation B.V. and Kroymans Nederland B.V. were shareholders of this Belgian retail group. During the judicial reorganisation the Belgian administrator realised a management buyout which enabled the continuance of the activities of the group with 100 employees. The Receivers cooperated with the transfer of the shares in the Belgian retail group in order to make this management buy-out possible. These shares were transferred on 18 December 2009.

In respect of 3 GM sales organisation

Companies were incorporated in Spain, Luxembourg, Austria, Ireland, France, Great Britain, Switzerland, Sweden and Hungary for the purpose of developing a European dealer network for the GM brands Cadillac, Corvette and Hummer.

It is being considered, in consultation with the parties concerned and the management of the group, and taking into account local law, whether each company can file its own bankruptcy petition.

3.4 Bankrupt Estate

The account of the bankrupt estate has a balance of EUR 6,931,748.18, which was realised through the sale of unencumbered assets, contributions made to the bankrupt estate and cash on hand found.

This amount will accrete to further contributions to the bankrupt estate and sales of unencumbered assets. It is likely that certain claims to ownership and security rights will be rejected. The assets realised from the sales have been earmarked in such a way as to enable a determination of the party entitled to the proceeds.

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

Activities Assets:

945:9 hours

4 ACCOUNTS RECEIVABLE

The collection of accounts receivable has been contracted out to Mirus International B.V. Periodic progress reports are provided to the Receivers. A recent progress report is attached as **Appendix 3**.

The Receivers will have to determine, in consultation with the parties concerned, to what extent valid rights of pledge have been established on accounts receivable, including foreign accounts receivable.

Activities Accounts Receivable:
215:5 hours

5 BANK/SECURITIES

5.1 Trading Banks

The bank syndicate, (hereinafter called “the Trading Banks”), with which a facility agreement (credit agreement) was concluded, comprises ING, Rabobank, ABN-AMRO and Fortis. The Receivers are investigating the security rights invoked by the Trading Banks and both sides are exchanging views on whether payments can be made from the escrow account.

5.2 KLH cs

KLH cs refers to Kroymans Lease Holding BV and a number of other leasing companies of the Leasing Companies. KLH cs is claiming ownership of approximately 4,500 cars. KLH cs is not claiming ownership of parts.

In the meantime, almost all cars have been sold. Where such sales have been made by KLH cs, it has to be established whether these sales have frustrated the rights of the bankrupt estate. The Receivers are of the opinion that the ownership claims of KLH cs are unfounded in a number of cases. Many cases involve incomplete documentation or a defective act of transfer. The Receivers are carrying out a further investigation and are consulting in order to arrive at a careful inventory.

In a few cases the ownership claim of KLH cs has been acknowledged with regard to cars which were under the actual control of the Receivers. These claims were always acknowledged 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. For an explanation of these terms, please refer to the first report.

5.3 Conflicting Claims

In many cases there is a conflict between claims to reservation of title (suppliers), rights of retention (storage companies and dealers), right of pledge (banks) and ownership rights (KLH cs). This can be likened to a jigsaw puzzle of proprietary rights, whereby the Receivers have tried as much as possible to reach agreement in consultation with the interested parties.

As considerable financial interests are involved, it is not inconceivable that legal actions will be required in order to reach final solutions.

Activities Banks/Securities:
479:4 hours

6 RESTARTS

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

Activities Restart/Continuance:
22:5 hours

7 LEGALITY

7.1 First Exit

On 23 January 2009 a number of companies exited Kroymans to Citadel Enterprises B.V., a legal entity in which (whether or not indirectly or via the issue of depositary receipts for shares) Mr Kroymans holds shares. This exit took place in three stages; Kroymans Nederland B.V. transferred the shares in:

- Kroymans Parts Group B.V.,
- Kroymans Industrieel Divisie B.V. and
- A.R.M.-Stokvis B.V.

to Citadel Enterprises B.V. for a joint purchase price of EUR 1.

KPMG guided and assisted the exit. The Trading Banks were closely involved in the exit and initiated the exit. The exiting companies “took with them”, according to their value determined by KPMG, a part of the bank debt of the Kroymans Group, for which part the remaining companies in the Kroymans Group were released from the joint and several liability by the Trading Banks. At the same time a subsequent calculation in respect of the value of the exiting companies was agreed between Kroymans Nederland B.V. (the “vendor”) and Citadel Enterprises B.V. (the “purchaser”).

The Receivers consider this exit to be prejudicial to the creditors within the meaning of the *actio Pauliana*, as it caused a decrease in the size of the assets which provide the possibility of recovery for the creditors and as a result of this, creditors were prejudiced, and moreover, the order of recovery was disrupted.

The transfer was made for a symbolic price whereby the purchaser assumes a part of the debt of the remaining companies; the amount involved approximately corresponds to the calculated value of these enterprises. The Receivers are of the opinion that this transaction has all the characteristics of other classic cases of transactions prejudicial to creditors within the meaning of the *actio Pauliana*, in which payment of the value of the property taken over is made by means of setoff or assumption of debts.

The Receivers invoked the *actio Pauliana* on 27 May 2009.

Legal action was taken against Citadel in December 2009. This matter is before the Amsterdam District Court. Citadel was summoned towards the end of January 2010, and after this date Citadel was granted a postponement for submission of its statement of defence. At the cause-list session of 10 March 2010 the Trading Banks submitted an incidental application for intervention (or joinder on the side of Citadel). Both the Receivers and Citadel may respond in writing to this application.

7.2 Second Exit

On 20 February 2009 an agreement was concluded between Kroymans Nederland B.V. and the foundation, “Stichting Administratie Kantoor” (STAK), whereby the shares which Kroymans Nederland held in KLH were transferred to the foundation 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 group were granted a moratorium of payments, which moratorium of payments was converted into a bankruptcy on 31 March.

The Receivers are of the opinion that the legal act of 20 February 2009 was undertaken in the knowledge of an inevitable bankruptcy. They invalidated the legal act of transfer by means of an extrajudicial statement invoking the *actio Pauliana*. The management of STAK rejects this statement of invalidity.

The Receivers, the STAK and the Leasing Banks concerned consulted with one another in order to consider whether a solution could be found for the situation that has arisen; the

Receivers are striving to achieve restoration of the former situation without having to bring the matter to court.

The previous history is also relevant to the present matter. On 13 February 2009 the STAK was established and the Maatschappij tot Beheer van het Administratiekantoor was appointed as first managing director. On 20 February 2009 the trust conditions [*administratievoorwaarden*] were laid down. On 19 March 2009 Mr Lieth and Mr H.W.L. de Beaufort were appointed co-managing directors of the STAK.

On 16 April 2009 an extraordinary general meeting of shareholders, on the recommendation of the Leasing Banks, resolved to appoint Mr Sinke and Mr Schoolenberg as managing directors of Kroymans Lease Holding B.V. (KLH).

On 4 May 2009 an extraordinary general meeting of shareholders resolved to amend the articles of association of Kroymans Lease Holding B.V.; the amendment entails - briefly summarised - that the shareholders' power in the STAK is greatly reduced and less supervision is exercised over the management of KLH.

The Receivers are of the opinion that the STAK is remiss in the performance of its supervisory duties and does not adequately protect the interests of Kroymans Nederland B.V. (as holder of depositary receipts issued for shares). The Receivers are also of the opinion that severance of the group relationship led to a loss at the Trading Companies because after the exit cars were removed from the Trading Companies and payments to the Trading Companies under financing agreements were discontinued.

The Receivers find it noteworthy that the management of the Leasing Companies initially and primarily reports to and consults with the bank syndicate. The Receivers have objected to this situation.

After the Receivers declared the annulment of the aforementioned legal act, Mr De Beaufort retired as managing director on 16 October 2009. Since this date the board of STAK has less than the prescribed number of directors and is not able to take decisions.

7.3 Other Liabilities

The Receivers are investigating illegalities, prejudicial acts, mismanagement and de facto management. Talks have been or will be held with the managers, supervisors and advisers concerned. Meticulous agreements have been made on the status of these talks. Once these talks have been concluded, the Receivers will make a further assessment.

Activities Legality:

419:1 hours

8 CREDITORS

8.1 Claims Filed

It is not an easy task to arrive at a satisfactory inventory of all creditors. The notification and processing of regular trade accounts payable does not pose any problems, but it is difficult to determine the position of importers, Trading Banks and the Tax & Customs Administration.

A condensed overview of the debt exposure is attached as **Appendix 4**: this exclusively refers to creditors who have filed their claim. The positions of the Trading Banks and the Tax & Customs Administration, the most important creditors, are not included in this overview.

8.2 Tax & Customs Administration

The claim of the Tax & Customs Administration against the tax group for the VAT of the Kroymans Group amounts to at least EUR 28,075,037. The Tax & Customs Administration is still determining the assessments to be imposed pursuant to Section 29(2) of the VAT Act [*Wet op de Omzetbelasting*]. Therefore, the assessments are not yet final.

The Tax & Customs Administration reportedly made an agreement with the tax group of the Kroymans Group in the context of the sale of Sator B.V. by Citadel. The Receivers were not involved and moreover, there are doubts about the purpose and intent of the agreement. The Tax & Customs Administration has been requested to further define its position. As soon as a reply has been received from the Tax & Customs Administration, the Receivers will also be able to determine a position.

The 2007 and 2008 corporate tax returns for the tax group of the Kroymans Group were filed in the middle of December 2009. The 2007 return was almost ready and the 2008 return was prepared on the instructions of the Receivers. The bankrupt estate has an interest in the completion and filing of the returns in connection with the loss setoff. The 2006 corporation tax assessment amounted to EUR 8,952,262 and this amount can be set off against the losses in 2007 and 2008.

As far as is now known, the total tax debt amounts to EUR 54,776,678 as at 22 March 2010. This amount comprises road tax, wage tax, PTPCM tax, corporate tax and VAT assessments, however this amount will change after the determination of the assessment to be imposed pursuant to Section 29(2) of the VAT Act and the 2007 and 2008 corporation tax assessments.

8.3 Trading Banks

The claim of the Trading Banks has not yet been finally filed and processed.

Activities Creditors:

481:6 hours

9 LEGAL ACTIONS

There is one ongoing legal action, please refer to Chapter 7.1.

Activities Legal Actions:
102:5 hours

10 OTHER

10.1 Application for Permission to consolidate the Bankruptcies

The Receivers have applied to the Delegated Judge for permission to consolidate the bankruptcies. The Delegated Judge has not yet responded to that request.

A large number of circumstances within the Kroymans Group justify this application:

- consolidated annual accounts were prepared;
- a large degree of administrative/accounting entanglement;
- central management and managerial entanglement;
- it was stated in the employment contracts of directors of subsidiaries that they also had to be guided by the group interest;
- there was a tax group for corporate tax;
- there was a tax group for VAT;
- group credit with joint and several liability of each Trading Company with the bank syndicate (ABN-Amro, Rabobank, Fortis, ING);
- organisational dependency through joint operations;
- mutual financial dependency through joint and several liability and financing of Trading Companies by Leasing Companies;
- internal inter-group charges, which were not always transparent;
- unclearly documented inter-group transactions;
- zero balance system of cash management.

As the bankrupt companies are jointly and severally liable for extensive debts to the Tax and Customs Administration and the Trading Banks, the Receivers are of the opinion that the interests of the unsecured creditors will not be prejudiced.

10.2 KIE

Just as in the first report, special attention will be given to the position of Kroymans Import Europe B.V. ("KIE"). At the start of the bankruptcy there was a stock of 4,324 cars. The owner of the car was determined per country on the basis of this file:

- I. the dealer;
- II. the dealer financier;
- III. KIE; or
- IV the stock financier.

Except for a few small countries, this investigation has been completed for the most part. It has been established with regard to 230 cars at the premises of dealers that KIE owns these cars or, on account of sale of the car, has a claim against the dealer financier.

An attempt was made to pick up cars from dealers' premises and collect outstanding invoices with regard to the sale of cars. Many dealers opposed surrender of the cars and assert counterclaims with regard to guarantee obligations, bonus schemes or damage sustained. Where opportune, settlements are made.

A settlement was reached with the stock financiers of KIE, GMAC Bank GmbH and GMAC UK Plc concerning the cars at a storage company in Rotterdam which was claiming a right of retention to these cars. Under this settlement 1,425 cars were surrendered to the stock financiers. The cars, which were allocated to KIE in the context of the settlement with the stock financiers, are encumbered with various claims, both of individual dealers and of dealer financiers. With regard to dealer financiers, this involves a total of 36 cars. The Receivers are of the opinion that KIE has the ownership rights to the cars because the cars concerned were bought back and transferred. It is likely that these disputes will result in legal action.

The cars which were released to KIE in the context of settlements with the parties concerned and stock financiers and which are not, therefore, encumbered with the rights of third parties, have been sold.

KIE has claims against dealer financiers by virtue of amounts promised but not paid. There were three-party agreements between KIE, the dealer financier and the dealer. The agreements are governed by local law and provide that the dealer financier pays KIE, on behalf of the dealer, the purchase price of the cars sold by KIE to the dealer, whereby these cars are always sold under reservation of title to the dealer. Furthermore, the ownership rights and other rights were reportedly transferred by KIE to the dealer financier under contract of sale. Substantial claims are involved and these claims are being disputed by the dealer financiers on various grounds.

Partly because of the fact that KIE's accounting records have been inadequately kept, it is not easy to arrive at a reconstruction of the ownership rights, security rights and claims.

10.3 Period required for Conclusion of the Bankruptcy Proceedings

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

10.4 Action Plan

The first stage of the bankruptcies has been concluded and the regular administration has been completed. As almost all cars have been sold, emphasis will be mainly given in the coming period to preparation of an inventory of asserted ownership and security rights, in which complicated questions of allocation will have to be addressed. The question as to whether agreements can be reached on (partial) release of the deposit will be investigated.

The Receivers will further investigate illegalities.

10.5 Filing of the Next Report

The next report will be submitted in October 2010.

Activities Other:

748:5 hours

Prepared and filed with the Registry of the Amsterdam District Court on 22 April 2010.

C. de Jong, Receiver

F. Kemp, Receiver