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FIRST 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, e-mail: cdejong@vbk.nl) and
mr. F. Kemp (Fort Advocaten, P.O. Box 70091, 1007 KB Amsterdam, telephone: 020-6645111, fax: 020-6620470, e-mail: kemp@fortadvocaten.nl)

Delegated Judge : *mr. H.M. Patijn*, Amsterdam District Court

Date of the report : 25 September 2009

Reporting period : 20 March 2009 – 25 September 2009

Hours spent : 8,286.5 hours

Balance bankruptcy account : € 8,786,509.81

The report in this bankruptcy has been prepared in accordance with the Recofa Guidelines for Bankruptcies and Moratoriums of Payments [*Surséances van Betalingen*]. On account of the scale and special circumstances of the bankruptcies, this report - in consultation with the Delegated Judge [*Rechter-Commissaris*] - will deviate with regard to relevant points from the normal reporting.

This report is available for public inspection on the websites www.vbk.nl and www.fortadvocaten.nl. However, only those reports which are printed on paper bearing the logos of Van Benthem & Keulen and Fort Advocaten and the signatures of both Receivers [*Curatoren*] are authentic.

On account of the fact that there is not a simple structure as envisaged by the standard reporting model, the reporting on the bankruptcies has been consolidated. However, the Receivers strive to wind up the bankruptcies per company and not in a consolidated manner. The winding up of these companies is complicated because there were tax groups for VAT and corporate tax, consolidated financial reporting and a group credit with joint and several liability of each company.

The Kroymans bankruptcies have received plenty of attention from society and media. Within the framework of their public accountability the Receivers try to achieve a sufficient degree of transparency in this report. In the preparation of this report the Receivers have partly relied upon consultations with members of the management and other persons concerned and on financial information which has not been audited. 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 possible that further investigation will produce new or other facts or lead to other opinions or conclusions.

As there are a great number of bankruptcies involving considerable financial and social interests, the District Court [*Arrondissementsrechtbank*] has appointed two Receivers. The Receivers put together a team which provided assistance; this was an absolute necessity especially in the hectic initial stage. This team is comprised of the following lawyers:

A. Van der Schee, T. Steffens, J.P. de Boer, S.I.P. Schouten, A.M. de Gooijer, all specialised in insolvency law,

S.W.H. Arends, specialist in corporate law,

E.J.C. van der Ploeg, C.M. van der Veer, R.A. Couperus, R.L. Hoffman, R.L.G. Kraaijvanger, W. van Kesteren, M.J. Tops, R.H.J. van Houts, S. A. Lang, F.J. Petter, V.P. Melens.

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1A. LIST OF THE COMPANIES DECLARED BANKRUPT

This list contains an enumeration of all Dutch group companies which have been declared bankrupt. A Delegated Judge of the Amsterdam District Court has been appointed in all bankruptcies, even in those bankruptcies which 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 **Appendix 2**, an organigram of the group.

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 te 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.	09/351 F		28-04-2009	1

Marathon 3 1213 PB Hilversum Chamber of Commerce: 30125832				
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.	09/298 F		14-04-2009	27

Konijnenberg 101
4825 BC Breda
Chamber of Commerce: 20084594

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 te 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	09/331 F	27-04-2009	13

3543 AA Utrecht
Chamber of Commerce: 30206754

KIA CENTER AMSTERDAM Berchvliet 20 1046 CA Amsterdam Chamber of Commerce: 30186619	09/332 F	27-04-2009	22
VAN DER MEULEN ANSEMS AUTOMOBIELBEDRIJVEN B.V. Hugo van der Goeslaan 49 5642 TX Eindhoven Chamber of Commerce: 17043932	09/245 F	01-04-09	49
KROYMANS DEALERS B.V. Soestdijkerstraatweg 66-66a 1213 XE Hilversum Chamber of Commerce: 30165593	09/376 F	22-04-09	29
KROYMANS CAR RENTAL HOLLAND B.V. Kruisweg 460 2132 LA Hoofddorp Chamber of Commerce: 32092360	09/283 F	16-04-2009	17
KROYMANS ROTTERDAM-ZUID B.V. Aploniastraat 4 3094 CC Rotterdam Chamber of Commerce: 32119319	09/296 F	15-04-09	11
KROYMANS AUTO OUTLET B.V. Klokkenbergweg 50 (A) 1101 AP Amsterdam Chamber of Commerce: 32126176	09/244 F	02-04-09	6
INTERNATIONAL PARKING CENTER B.V. Marathon 3 1213 PB Hilversum Chamber of Commerce: 34073641	09/380 F	14-05-2009	0
AUCON INTERNATIONAL B.V. Hugo van der Goeslaan 49 5643 TX Eindhoven Chamber of Commerce: 24346396	09/521 F	05-06-2009	0
NIMOX N.V. Hoognaarderweg 3 1217 AB Hilversum Chamber of Commerce: 11024626	09/329 F	24-04-09	1
JOH. F. SMITS B.V. Marathon 3 1213 PB Hilversum Chamber of Commerce: 24065568	09/377 F	11-06-2009	0
TC BENELUX B.V. Marathon 3 1213 PB Hilversum Chamber of Commerce: 18038629	09/456 F	09-06-2009	0
AUTOCENTRUM W COLLARIS B.V. Hoge Naarderweg 3 1217 AB Hilversum	09/360 F	08-05-2009	0

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.	09/ 295 F	14-05-2009		1
Marathon 3 1213 PB Hilversum Chamber of Commerce: 30187330				
KROYMANS ACQUISITION XII B.V.	09/378 F	14-05-2009		0
Kruisweg 460 1437 CH Rozenburg Chamber of Commerce: 32123518				
KROYMANS AUTOMOBIEL DIVISIE B.V.	09/348 F	28-04-2009		0
Marathon 3 1213 PB Hilversum Chamber of Commerce : 30099426				

1B INVENTORY - GENERAL INTRODUCTION:

- *the situation at the beginning of 2008,*
- *overviews of the concern structure, management and organisation,*
- *various rescue plans, consultations with the bank syndicate,*
- *causes of the bankruptcy,*
- *summary of the two exits,*
- *relation to the Leasing Companies.*

Kroymans Corporation B.V. heads a concern consisting of tens of companies including, in particular, companies which are active in the car sector. At the beginning of 2008 Kroymans Corporation B.V. presented the consolidated annual figures for 2007; the group's financial position was said to be solid and it was concluded that the concern (hereinafter also called "the Kroymans Group") had grown enormously both in size and vision and that the enterprise was in a new phase (**Appendix 1**, the Commercial Annual Accounts 2007).

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	EUR 166,904,000
(Earnings Before Interest, Taxes, Depreciation & Amortization)	
EBIT	EUR 42,307,000
(Earnings Before Interest, Taxes)	
PBT	EUR 20,558,000
(Profit Before Tax)	
PAT	EUR 14,532,000
(Profit After Tax)	

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:

- 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)
- retail operations in Belgium and Germany,
- leasing and financial services.

See Page 80 et seq. of the Annual Accounts for a more detailed description, **Appendix 1**.

Two developments were - in retrospect - 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 realised.
- In 2007 and 2008 the group attempted to expand its operations in Germany, such as for example in Munich, Berlin and the Ruhr Area.

In the organisation of the Kroymans Group the Board of Directors was responsible for the day-to-day management. At the beginning of 2008 the Board of Directors comprised Guy Demuynck (CEO), Ton van der Steenhoven (CFO), Milco de Vries (COO) and Ivo Manders (Corporate Affairs). There was also an Executive Committee with representatives from the

most important divisions; this Executive Committee was replaced by a Supervisory Board [*Raad van Commissarissen*]. Mr R. W. A. de Becker and Mr A.W.M. Ebben entered into office as supervisory directors on 11 February 2009. Moreover, on 3 November 2008 Mr R.D. Laxy entered into office as supervisory director. 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.

Approximately 4,000 persons were employed in total at 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. In the last months prior to the bankruptcies a number of transactions took place whereby ownership of enterprises was transferred, controlling interests were changed and credit relationships with the banks concerned were radically altered. An organigram illustrating the composition of the group at the beginning of 2008 is attached as **Appendix 2**. A brief explanation of the changes in the group will be given in this chapter and will be considered in more detail further on in this report.

On 23 January 2009 the so-called first exit involved a transfer of the ownership of - in short - Steril B.V., Lasaulec B.V. and Sator B.V. (together with their subsidiaries) to Citadel Enterprises B.V. (hereinafter called "Citadel"), whose management is conducted by Mr F.J. Kroymans and Mr H.R.G. Polman. The foundation, Stichting Administratiekantoor Citadel Enterprises, is sole shareholder; the officers of the foundation are Mr F.J. Kroymans, Mr H.R.G. Polman and Mr A.W.M. Ebben. Citadel is not part of the Kroymans Group and was not a party to the credit arrangement.

An organigram illustrating the composition of the Citadel Group after the first exit is attached as **Appendix 3**.

A second exit subsequently took place on 20 February 2009. The shares that Kroymans Nederland B.V. held in Kroymans Lease Holding B.V. were transferred against issue of depositary receipts to a foundation called Stichting Administratiekantoor Kroymans Lease Holding, which was specifically established for that purpose. The organigram in **Appendix 4** illustrates the composition of the Kroymans Group after the second exit and also at the time of the first applications for moratoriums of payments on 20 March 2009. The organigram shows that the Stichting Administratiekantoor Kroymans Lease Holding is placed between Kroymans Nederland B.V. and Kroymans Lease Holding B.V.

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.

Supervisory directors and managing directors normally met once a year to consult on strategy. In 2008 this consultative meeting was held in Majorca in June. During this meeting a restructuring plan was adopted; the broad lines of this plan were:

- no further investments in structurally loss-making operations, including all retail operations, car rental and KIE;
- disinvestment of Car Rental National in the Netherlands and Belgium;
- disinvestment Lasaulec, to be sold to Citadel;
- disinvestment of all retail companies in Belgium;
- disinvestment of all non-core retail companies in the Netherlands;
- reduction of the operations in Germany;
- discontinuing SsangYong;

- gradual transfer of KIE to General Motors.

The management did not expect at that time that there would be any problem in financing these plans as the full extent of the credit crisis had not yet become apparent. At the same time these interventions were expected to be sufficient to safeguard the profitability and thus the continuity of the group.

At the end of June 2008 the management informed the bank syndicate of these plans and various points were further elaborated. The management informed the Receivers that the first half of 2008 still ended with a profit of EUR 10 million, 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. The Receivers have learned from the data of the Rai Documentatie Centrum that in November 2008 in the Netherlands 21.6% less cars were sold than in the same month in 2007. Cadillac and Hummer, in particular, were badly hit. The management largely attributes this to the negative image that was being created around General Motors. It had become known, for example, that General Motors was intending to discontinue all Hummer operations and negative reports on General Motors regularly appeared in the news media. These circumstances made it difficult to sell cars from General Motors. The management is, moreover, of the opinion that General Motors did not comply with certain agreements in respect of support, also in a financial sense. The Receivers would add that 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 will also have played a significant part. Sector analyses show that the fall in sales was also caused by the fact that people were saving more and purchasing smaller cars.

It was also established in the third quarter that the German companies were incurring much more losses than was expected. At the end of the third quarter, in September 2008, the management anticipated that, at the Trading Companies in particular, the agreed credit ratios were not being met. The bank syndicate was informed 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 PTPCM¹)), which reportedly involved approximately EUR 15 million, could not be paid. The Tax & Customs Administration pointed out that the PTPCM is linked to a system of permits and that withdrawal of the PTPCM permit would have far-reaching consequences for the group.

The management of the Kroymans Group presented a rescue plan for the Trading Companies 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 studied the plans and wished to have Alvarez & Marsal, an independent consultancy firm, examine the feasibility of the plans. The banks were particularly interested to learn what would happen with the so-called borrowing base (the advance financing mechanism in the credit agreement). The report of Alvarez & Marsal was ready 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. The annual turnover 2008 would amount to EUR 1,557 bn, a deterioration of EUR 439 m compared to 2007 and a deterioration of EUR 136 m compared to the plan presented in September. According to this analysis, the EBITDA for 2008 would be EUR 77,258,000 negative and the EBIT for 2008 EUR 44,550,000 negative.

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. These estimated losses were allocated as follows (**Appendix 5**):

- Car Import, loss 10.4 million.
- General Motors import 34.2 million.
- Parts Import 3.3 million.
- Parts Wholesale 2.5 million.
- Equipment 0.1 million.
- Retail NL 6.6 million.
- Retail Belgium 1.3 million.
- Retail Germany 11.5 million.
- Rental 2.1 million.
- Holding 3.4 million.
- Consolidation 1.1 million.

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.

The banks considered their position to be alarming and analysed that on implementation of the plans there would be 69 million unsecured financing within three months (**Appendix 6**). The Receivers were informed on behalf of the banks that they rejected the proposal. The management informed us that it never received any substantive response from the banks to the reorganisation proposal which was presented in September.

Anyway, the management presented a second reorganisation plan (called plan B) on 10 December 2008. This plan B was more drastic than the first plan and was intended to put an end to the loss-making operations. The broad lines of the plan were:

- a (partial) sale of Sator,
- sale of a substantial part of Lease and Finance operations,
- discontinuance of all retail operations in the Netherlands with the exception of key locations in Hilversum, Utrecht, Amsterdam,
- accelerated disinvestment of German operations.

Plan B states that in week 9 of 2009 there would be a shortage of liquid funds of EUR 35 m (therefore there would be EUR 35 million unsecured financing).

The banks rejected Plan B.

At the request of the bank syndicate, KPMG was 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 aforementioned first exit. This exit is described in more detail in § 7.

In this General Introduction we will suffice by establishing that on the sale of the four companies to Citadel on 23 January 2009 the group credit was rescheduled whereby - in

short - the group credit of EUR 216 m was allocated according to an estimated value for an amount of EUR 151 m to the sold B companies and for an amount of EUR 60 m to the remaining A companies (the Trading Companies). This estimated allocation is based on a calculation of the value of the four sold companies by KPMG.

After a second sale the amount of EUR 60 m was reduced to EUR 51 m: the remaining unused credit lines of the Trading Companies.

In connection with this first exit, at any rate from January 2009, the bank syndicate required and obtained new securities by means of the provision of extra pledges and by companies which had not previously been party to the credit agreement becoming a party to this agreement. The Receivers will critically review these extensions.

The Receivers received conflicting information about events prior to this exit. The management of the Kroymans Group states that it cooperated with the exit in the belief that the banks would continue the extension of credit and where necessary, would provide support. The bank syndicate is of the opinion that it pointed out to the management the risks involved in a continued operation of the Trading Companies.

It is the Receivers' understanding that the management of the Kroymans Group attempted to provide for the calculated financing deficit of 35 m by means of a claim against GM by virtue of sales support of EUR 10 m and a personal loan of the ultimate shareholder of EUR 25 m.

The sales and results continued to deteriorate.

Even after the first exit, Kroymans Lease Holding B.V. and its subsidiaries (**see Appendix 4**) continued to be part of the concern. These group companies are hereinafter called "the Leasing Companies", in order to distinguish them from the group of bankrupt companies which are hereinafter called "the Trading Companies".

There were plans for a second exit. At the end of February 2009 a meeting was again held with the banks, in which this second exit was again raised; there was a fully detailed plan. The management informed the Receivers that the plan was prepared and elaborated under the direction and at the request and initiative of the banks.

Soon after the exit in February 2009 had been effectuated, a new management of the Leasing Companies was appointed and was directed to sell off securities. The second exit will be examined in more detail in § 7b.

The results of the remaining Trading Companies were so bad that there was an acute need for liquidity funds at the beginning of 2009. In addition to the disappointing sales, the profits were under pressure on account of the fact that Saab Cars in Sweden had been granted (the Swedish variant of) a moratorium of payments in February 2009. There were also increasing problems at General Motors; commitments laid down in signed support documents were not being fulfilled, according to the management.

On 17 March 2009 plan C (Plan Marathon) was presented to the bank syndicate; 8 million was needed in order to rescue 3 companies: KIA, Jaguar and the Hilversum companies. 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, not one of the Trading Companies was still able to make payments. This situation caused great frustration within the management of various Trading Companies, in particular at the Trading Companies which were achieving profitable operations on a stand-alone basis.

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

On 20 March 2009 these applications were granted and *mr. De Jong* and *mr. Kemp* (*mr. Kemp* replaced *mr. M. Groenewegen* whose office was not permitted to act in the bankruptcy) were appointed administrator.

The overview of the corporate structure on 20 March (**Appendix 5**) shows that initially the position of the administrators merely amounted to that of an administrative shareholder of the many subsidiaries. On 20 March 2009 the management under the articles of association of the three Holdings and the subsidiaries was in the hands of:

Managing director of Kroymans Car Import B.V.:	Kroymans Nederland B.V.
Managing directors of Kroymans Retail Group B.V.:	Kroymans Nederland B.V. T.H.I.M. Janssens P.A.M. de Wild
Managing directors of Kroymans Nederland B.V.:	Kroymans Corporation B.V. A.J.M. van der Steenhoven I.H.H.J.M. Manders
Managing directors of Kroymans Corporation B.V.:	A.J.M. van der Steenhoven I.H.H.J.M. Manders P.A. Cornelis
Managing directors of Jaguar Nederland B.V.:	Kroymans Car Import B.V. G.X. Pot
Managing directors of B.V. Auto Import Maatschappij A.I.M.:	Kroymans Car Import B.V. C.H. van den Berg
Managing directors of Kroymans Import Europe B.V.:	Kroymans Corporation B.V. G.C.A Jansen J.A.H. Scholtens H. Salomons
Managing directors of Kroymans Import Benelux B.V.	Kroymans Nederland B.V. O.C.M. de Bruijn
Managing directors of Kia Nederland B.V.	Kroymans Car Import B.V. C.N.M. Baltus

On 3 November 2008 Mr P.A. Cornelis was appointed CEO and replaced Mr Demuyneck.

In the past year there have been several changes in the management of a number of companies. At many subsidiaries the de facto management was conducted by managing directors who were not appointed under the articles of associations: operations managers.

The moratoriums of payments of the Holdings were quickly converted into bankruptcies. After which the bankruptcies of the other Trading Companies were effectuated in a phased and controlled manner.

1C INVENTORY - FIRST MEASURES

Immediately after the first applications for a moratorium of payments were granted, talks were held with the management, advisers and the bank syndicate. As there was a lot of confusion, the Receivers first had to devote the necessary time to fathoming the corporate structure, the business operations and the financial constructions of the Trading Companies.

First of all, it appeared to be absolutely necessary to obtain clarity on the interests of the many parties involved and their role in the organisation of the Kroymans Group (both internally and externally). Thus, for example, it was unclear whether some of the members of the management, external advisers and interim managers were representing the Trading Companies, the Leasing Companies or the bank syndicate. The management of the Kroymans Group was in the employ of ARM-Stokvis; a company which had left in the first exit and was no longer part of the group. The question as to who had hired the recently appointed interim manager could not be answered. Clarity on these issues would first have to be obtained in order to be able to set the right priorities for the measures to be taken.

In the first months a staff member of the receiver's team had an office at the head office at Marathonweg in Hilversum so that a contact person was always available for management and personnel. Regular and satisfactory consultations were held with various members of the management.

The Receivers kept the Delegated Judge who had been appointed in the bankruptcies, Ms H. Patijn, informed by means of meetings and correspondence.

Consultations were quickly initiated with the banks which ultimately resulted during a series of months in weekly consultations between the banks and the Receivers at which relevant information on bottlenecks was exchanged and discussions were held on the right method of selling assets. It was already clear during the first consultation rounds that the banks were not prepared to provide a preferential loan to the bankrupt estate in order to keep the various enterprises operational for a short period. It was thus impossible to continue the ongoing negotiations on the sale of parts of the concern (within the framework of the disinvestments intended by the management).

On account of the complete lack of financial resources, the salaries could not be paid and suppliers of automation products discontinued their services (which could not be paid either). This posed an acute threat to the continued operation of all retail and import operations. A limited preferential loan to the bankrupt estate was agreed with the bank syndicate and this loan was used to pay the compulsory creditors with the aim of safeguarding as much as possible the existence of the Trading Companies for a short transitional period.

Consultations were held with employee representative organisations and Works Council, partly in order to set the wage guarantee scheme in motion, but also within the framework of the Notification of Collective Dismissal Act [*Wet Melding Collectief Ontslag*]. Contact was also quickly made with the UWV, the implementing body for employee insurance schemes in the Netherlands.

The Receivers consulted experts in order to arrive at an estimate of the position and future prospects of the various Trading Companies. Negotiations were started with parties who were interested in taking over (parts of) enterprises.

Talks were also held with the Tax & Customs Administration.

Where possible, and partly in view of the employees' interest in a smooth entry into operation of the Wage Guarantee Scheme for the employees, the bankruptcies of the import and retail companies were carried out at a high speed. For that purpose, the Receivers put together six call-out teams which could visit each day twelve to fifteen bankruptcies/establishments and

take the first customary measures (including preparation of an inventory in a general sense, informing employees, putting the Wage Guarantee Schemes into operation, securing physical accounting records, securing cash on hand and arranging access to buildings).

Three large waves of approximately thirty bankruptcies (with \pm 40 establishments) were organised in this manner.

At the same time, actions were taken to safeguard the accounting records, both in digital and written form, of the import and retail companies in addition to those of the holding and sub-holdings. Accounting records for the concern were compiled in digital form and became operational for the Receivers in the course of June 2009. These records enable the Receivers to have access to invoice and sales information; these accounting records can be used in the longer term for the legality investigations. The Receivers enlisted the services of the accountancy firm, Nederpel De Block, for the purpose of safeguarding the accounting records and compiling the accounting records for the concern in digital form.

In addition to the consultations with the banks, intense contact was also maintained with the Dutch Valuation and Consultancy Agency [*Nederlands Taxatie en Advies Bureau*], hereinafter called "NTAB", which had already been called in by the banks before the commencement of the moratorium of payments in order to prepare an inventory on and value the stocks and assets of the import and retail companies. The NTAB carried out floor checks at all enterprises and the lists of cars and stocks drawn up during these checks were compared to the stock records.

These valuations and inventories were provided to the Receivers and it was agreed that the NTAB would provide the Receivers and the banks with the same information.

At the beginning of April a digital data room was set up, partly on the basis of the available inventories, in which relevant and available information of a number of Trading Companies appropriate for that purpose was made available on line to interested parties according to a fixed classification per enterprise. If a potential restarter was interested in a particular enterprise, this restarter received the in-log data of this enterprise; this led to the commencement of many bidding processes and the realisation of many restarts.

In the case of a number of other enterprises the information was not provided in digital form but in written and verbal form.

The Receivers arrived at a division (per brand) of the import Trading Companies and made their best effort to sell them. They were faced with the constantly recurring problem that the prior approval of the factory was required for each candidate; on account of the bankruptcy of the import company a new factory agreement had to be concluded. Just before and after the first applications for a moratorium of payments were granted, many factories were approached by an interim manager but also by Leasing Companies with proposals for takeover of the import companies. The Receivers are of the opinion that these proposals led to complications and delays.

The NTAB also acted as a clearing house for the salvage expenses, which had to be incurred in the course of the weeks in order to safeguard the stocks of new cars, used cars and parts. As soon as it became clear that certain costs had to be incurred in order to maintain and preserve specific goods, the amount of these costs was established during the consultations with the banks and the NTAB attended to their payment; these costs were registered as salvage expenses and can be included in the final settlement of the sales/auction proceeds realised.

At the same time, many efforts were made to realise as many restarts as possible and to prepare the on-line auctions of the stocks and machinery and equipment of the enterprises concerned. The auctions in question were started in June 2009.

The collection of accounts receivable was contracted out to a specialised agency called Mirus International BV.

Consultations were held with the management of the Leasing Companies and its advisers in order to arrive at an inventory of the rights invoked by the Leasing Companies.

In order to safeguard progress in the sale of large stocks of cars as well as possible, procedural agreements were made with the Leasing Companies, the Leasing Banks and the Trading Banks. This was necessary because of the conflicting claims of the various parties (see § 5). At certain times these consultations were extremely laborious. In short, these agreements come down to the following, namely that the sales will be made by an expert team and the proceeds will be held in escrow until the status of the various invoked property and security rights has been clarified.

Insurance policies

As from the middle of 2007 all insurance policies for the Kroymans Concern were arranged through the intermediary of Kroymans Assuradeuren B.V., which acted as general agent and insurance agent. Sole shareholder and managing director of Kroymans Assuradeuren B.V. is Kroymans Financial Services B.V., and therefore Kroymans Assuradeuren B.V. is part of the group of Leasing Companies which exited on 20 February 2009.

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

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

The insurer of the so-called “garage policies” cancelled these insurance policies as soon as the bankruptcy of a dealer company was pronounced, although the annual premiums had already been paid in full. The garage policies provide cover for a number of risks involved in the conduct of a garage business.

After consultations the insurer declared its willingness to continue the cover for the equipment and stock of cars until further notice of sale. The Receivers had to file a claim under these insurance policies in connection with a burglary.

Where opportune, insurance policies were cancelled midterm.

2 EMPLOYEES

When the Kroymans Holding Companies were granted a moratorium of payments, there were approximately 1,000 employed by Dutch Trading Companies. Another 1,000 persons were employed at the foreign Kroymans establishments, of which the majority 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.

On 26 March 2009 the first meeting was held with the UWV to discuss the possibilities of safeguarding the wage payments via the Wage Guarantee Scheme embodied in the Unemployment Act [*Werkloosheidswet*]. During this meeting the Receivers explained that salaries could no longer be paid although the employing Trading Companies had not yet been declared bankrupt. In view of the large amount of employees that would have to be dismissed on account of the inability to make payments, the Receivers requested the UWV to deviate from its usual procedure; the usual procedure whereby each employee completed, together with a staff member of the UWV, a form for taking over salary payments was not considered feasible. Moreover, the processing of all these forms would take too long and therefore the salaries could only be paid months later.

After consultations with the trade unions and the Works Council and with the assistance of the H.R. department of the group, the Receivers and the UWV were able to arrive at a procedure whereby the applications were centrally processed in line with the salary accounts of the Kroymans companies. Each employee was presented with a printout of the salary account which he or she checked and then signed. The thus agreed data was then digitally read into the system of the UWV.

Then the problem arose that the UWV needed six to eight weeks in order to be able to make the first advance payments. Moreover, the UWV only wished to assume the payment obligations of the companies which had been granted a moratorium of payments in accordance with established policy.

However in this case that policy would lead to a period of three months in which the employees in question would not have any income. The fact that this would lead to unacceptable financial problems for many employees and their families is self-evident, but this was also made apparent to the Receivers in letters describing harrowing cases of social distress.

At the invitation of the Receivers, talks were held with the trade unions concerned on 31 March 2009 and also later with the representatives of the Central Works Council. It was explained to them that the Receivers considered preservation of employment of the utmost importance and that this was receiving appropriate priority in the takeover negotiations conducted. If the subsidiaries were immediately pronounced bankrupt, as desired by the UWV, the wage takeover scheme would indeed enter into operation more quickly, but the possibility of a restart with preservation of employment would be drastically reduced.

These problems were discussed with the National Trade Union Federation (FNV) and the National Federation of Christian Trade Unions in the Netherlands (CNV), which made a positive contribution and attempted to get the UWV to change its mind.

Moreover, the Receivers were of the opinion that the UWV policy should yield to the primacy of the law as is laid down in Section 61 of the Unemployment Act. This section provides for the right of wage takeover not only in the case of bankruptcies and moratorium of payments, but also in the event that the employer:

“is otherwise in the situation where he has ceased to make payments”.

This latter situation applied.

Ultimately these problems were harmoniously resolved without the trade unions having to take the actions which they had announced or the Receivers having to institute the administrative law interim injunction proceedings [*Kort Geding*], which they had been considering. This issue, for that matter, was also under discussion at a high political level, i.e. in the Lower House of the Dutch Parliament, and the Standing Committee for Social Affairs and Employment presented questions on this issue to the Minister.

On 1 April 2009 renewed consultations were held with the UWV, the H.R. department of the group and the trade unions. The UWV was prepared to also take over the salary claims of the employees whose employer was not yet bankrupt on condition that the Receivers would issue a statement to the effect that there could be said to be a permanent inability to make payments with regard to the entire group. Agreements were then made on accelerating the procedure.

The UWV made use of the salary accounts of the Kroymans Group and would ensure that salary in arrears for March 2009 would be paid in April 2009 and then the salary for April 2009 in May 2009. After that a definite final settlement would be prepared.

As it was not known when the companies would be granted a moratorium of payments or be pronounced bankrupt, the fictional bankruptcy date of all companies was set at 3 April 2009. This date would be converted into the actual date in the case of those companies which were already declared insolvent on the day of the first payment by the UWV. The date of 3 April 2009 would continue to apply for the other companies. Subsequently 3 May 2009 would apply as fictional dismissal date for the employees who would not yet have been dismissed in that case. Ultimately this did not prove to be necessary in any single case and the actual dates were applied for all companies.

3 ASSETS

Sale of cars

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

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

An attempt was made to map out the situation concerning these cars. This did not prove easy. A large number of cars are at the premises of foreign dealers, in particular with dealers which are not part of the Kroymans Group (the aforementioned category 2). A complete inventory could not always be made at the premises of these dealers and moreover, the accounting records of the importer (in the case of foreign dealers this mainly involves Kroymans Import Europe) do not provide a clear and full overview of the number of cars and their location.

In addition to this, there is the problem that the Leasing Companies are claiming the property rights to cars held on consignment (see § 5b) and have also invoked these claims against dealers which are not part of the Kroymans Group. The Receivers have not yet managed to obtain a clear picture of this category.

The NTAB carried out the floor checks and established which actual stock was on hand at each company. As there are various third parties who are claiming the property rights to cars, the Receivers had to determine per registration number whether a car could be sold.

In the first months after pronouncement of the bankruptcies, cars were sold only if it was established with certainty that these cars were not encumbered with the rights of third parties. These cars were sold via public auctions, which were organised by BVA Auctions. The proceeds of the auctions are stated in the abridged report per company.

In July and August 2009 agreements were made on the sale of cars which are being claimed by the Trading Companies and the Leasing Companies (as well as the Trading Banks and the Leasing Banks).

The practical outcome of the agreements is that BVA Auctions will centrally sell all vehicles that fall under the scope of the concluded agreement. The proceeds of the sales will be paid into an escrow account opened for that purpose. It will be subsequently determined for each car which party is entitled to the sales proceeds in question.

Appendix 7 is an overview of the sales made as at 22 September 2009; 3,653 vehicles were sold in total, of which the proceeds amount in total to EUR 48,329,000 (excluding VAT). Expenses and fees still have to be deducted from this amount.

All goods to be sold by BVA Auctions bear a unique lot number and it is also ensured that the cars can be traced on the basis of the chassis number.

The stocks of cars found were sold in different ways. The manner of sale was determined by the so-called valuation committee on the basis of valuations which had been determined in advance. The valuation committee acts in accordance with the procedures laid down in the concluded agreements.

Sales take place as follows:

1. Via the Receivers - in the case of a number of restarts, stocks of cars were transferred to the purchasing party (see hereinafter the report with regard to the companies concerned).

2. Via the so-called Forza team. This team was initially set up in connection with the sale of approximately 1,300 new Alfa Romeos. In the meantime the team has also assumed responsibility for the organisation of the sale of approximately 170 cars of the brand Saab, 400 cars of the brands Cadillac, Corvette and Hummer and 18 cars of the brand Jaguar; 80% of these cars have already been sold.
3. Via public auctions of BVA Auctions.

All kinds of problems arose. Thus, for example, the Italian manufacturer, Fiat S.p.A., initially refused to give a factory guarantee for the sale of the large lot of cars of the Alfa Romeo brand. Dealers were informed that no guarantee would be given on cars that were purchased by consumers of the Forza team. Agreements have since been made and a modus operandi has been agreed upon.

Various parties have invoked a (an alleged) right of retention. The Receivers have made agreements with the bank syndicate on their settlement. Where opportune, the rights of retention will be examined in more detail in the report per company (§ 10).

The sales by the Forza team, both in and outside the Netherlands, were made after intensive contact with the brand dealers in question, but also by approaching larger, partially internationally operating parties. A match was made at registration number level between the demand of the dealers and the stock of cars on hand. Specific packages were offered to third parties. Furthermore, auctions were used in order to thus get an extra grip on the desired price level. Finally, specific offers were made to interested parties, who had applied to the Receivers or otherwise.

On-line auctions were set up per establishment, to the extent that a restart had not taken place, for the sale of cars, stocks and inventories. A broad public was approached by means of targeted campaigns and advertisements. The offers were spread over a period of time in order to avoid any disruption of the market and to keep control of the proceeds.

Kroymans Financial Services B.V. (KFS, a Leasing Company) is claiming the property rights to a large number of cars which were at the premises of dealers and importers from the Kroymans network on account of the financing agreements concluded with KFS (see § 5b).

The Receivers are aware that KFS picked up a number of cars shortly before the bankruptcies. It has not become clear to the Receivers whether these vehicles have already been sold or have been stored at the premises of KFS. KFS has not yet replied to questions concerning this matter and it is being further investigated by the Receivers.

Several hundreds of cars are still in storage at BVA Auctions; vehicles whose sale has been temporarily blocked by the Receivers because of claims of third parties or missing documents. A considerable part of these cars are vehicles to which GMAC claims the property rights (see below Kroymans Import Europe). The Receivers anticipate that ultimately a large part of the stored cars will still be able to be sold.

Missing cars

During the floor checks carried out at the end of March 2009, more than 500 cars recorded in the trading stock records were not found.

In a limited number of cases a conclusive explanation was received for these missing cars. Thus for example there were cases in which only the chassis number of a car was stated in the accounting records, whereas in other cases precisely the registration number was recorded. After investigation at the premises of sub-dealers and third parties the accounting audit could be reconciled with the floor check in these cases. In most cases no explanation could be found.

It is curious that during the floor check a comparable number of cars were found which were precisely not recorded in the trading stock accounting records.

The Receivers are not assuming that the one counterbalances the other but rather that this is a double reason for further investigation.

In the coming weeks, intensive investigation will be carried out into the missing and surplus vehicles by means of the updated accounting stock data and on the basis of the chassis numbers.

This can be seen as a jigsaw puzzle whereby a correct view can be formed only if several sources have been consulted and compared. To that end, the following will have to be examined:

- Department of Road Transport (RDW) data;
- Data of cars collected by KFS;
- Cars picked up by suppliers shortly before bankruptcy;
- Data of holders of rights of retention and suppliers.

Machinery and equipment.

Machinery and equipment, also partially consisting of garage machinery and equipment, was found at all Kroymans enterprises. The machinery and equipment in question were sold via restarts or on-line auctions.

It is not easy to establish property and security rights. Sometimes there could be said to be property rights, whether or not encumbered with a silent pledge of the Trading Banks. Sometimes machinery and equipment were leased from ARM Stokvis Equipment Leasing (ASEL); this lease was often badly or inadequately documented. In a number of cases off-balance sheet financing had taken place around 2000. It is also unclear whether and to what extent the Tax and Customs Administration has a preferential right of attachment.

Compromises were concluded with ASEL, where possible and opportune. In many cases a later evaluation will have to be made in order to determine which party is entitled to the proceeds realised from the auction.

Goodwill.

The Receivers managed, via the various restarts, to obtain payments for goodwill, please refer to the report on these companies.

Participating interests.

In one single case there was a participating interest in enterprises of third parties. These participating interests have been or will be sold, see § 10, abbreviated report on companies. The proceeds of these proprietary rights fall to the bankrupt estate.

Immovable property.

A number of retail companies were housed in premises which were held in ownership and encumbered with an equitable mortgage of the Trading Banks. In addition to this, three petrol stations were owned, of which two were mortgaged.

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

Further investigation will be carried out with regard to this sale because the Receivers have questions about the way in which the Municipality of Roermond dealt with the right of

leasehold shortly before the date of bankruptcy.

Kroymans Corporation is legal owner of 13 membership rights which give entitlement to the use of (whether or not divided) apartment rights. According to a notarial deed dated 3 October 1995, Mr Kroymans became beneficial owner of these membership rights of Kroymans Corporation. On the same date Mr Kroymans acquired the right to have the legal title transferred at a later date. The bankruptcy impedes this transfer of the legal title and therefore the capital value of the membership rights and apartment rights falls to the bankrupt estate.

Kroymans Corporation B.V. is also legal owner of one apartment right without any beneficial property rights.

A number of the aforementioned membership rights were reportedly pledged to F. van Lanschot Bankiers on 10 March 2005. As opposed to its initial position, Van Lanschot informed the Receivers that it does not have a claim against Kroymans Corporation B.V. It does assert that it has a claim against Mr Kroymans. As it is of the opinion that there is a third-party pledge, which the Receivers dispute, Van Lanschot Bankiers is claiming the proceeds of the sale of the membership rights and the attached apartment rights.

Van Lanschot has not yet clarified the nature and amount of its claim against Mr Kroymans.

With regard to one apartment right, which Mr Kroymans sold but had not yet transferred before the date of bankruptcy, the proceeds of EUR 419,530.12 have been paid, by agreement of the parties concerned, into a deposit account of the civil-law notary.

The Receivers will further investigate all these issues.

Art.

Art was found at the head office in Hilversum. ARM Stokvis B.V. claims to be the party entitled to this art but has not yet substantiated these rights. This matter will also be further investigated.

Participating interests.

Companies in 11 European countries, subsidiaries of Kroymans Corporation or Kroymans Nederland, were part of the group. The Receivers have subdivided these foreign participating interests 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

Kroymans Nederland holds via the holding, Kroymans Deutschland GmbH, the shares in a number of German companies. These German companies have been declared bankrupt under German law. The companies are joint and severally liable for the bank credit.

The bankruptcies do not fall within the scope of the EU Insolvency Regulation and will be wound up in accordance with German law.

The German receivers initially stated that all establishments were going to restart. However, on 30 September 2009 it became clear that all establishments would be permanently closed down. There is only a slim chance of a restart for a few establishments in the south of Germany.

The Receivers of the Dutch Trading Companies are consulting with the bank syndicate in order to consider which German securities can be sold by the bank syndicate; this mainly

involves cars that do not fall under the German financing arrangements and are part of the securities package of the bank syndicate.

The initial request is to sell the cars in question in Germany, if there are no prospects of sale, the cars will be brought to the Netherlands.

The German immovable property has been placed in a special immovable property company. It is possible that this company can pay out dividend.

In respect of 2. Belgian sales organisations

Kroymans Nederland holds via a holding, Kroymans Belgium NV, the shares in a number of Belgian companies. The Continuity of Enterprises Act [*Wet Continuïteit Ondernemingen*], which came into operation in Belgium in April 2009, applies to these companies. This new act provides new tools for the purpose of safeguarding the profitable operations of (insolvent) enterprises. Thus enterprise mediators and the appointment of a Delegated Judge have been introduced. Each execution is suspended. The companies are jointly and severally liable for the bank credit and the suspension also has effect against the bank syndicate.

An extension of the initial period of six months was requested. A party, who wishes to take over a number of companies, has since been found. The bid made will have to be assessed, partly on the basis of the liquidation value which still has to be determined. The position of the so-called most urgent creditors requires special attention. Within the framework of the transfer the takeover candidate would like to take over shares of the holding of the Dutch Receivers. Talks are being held for that purpose.

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. These companies are called RSOs (Regional Sales Offices) elsewhere in this report.

The bankruptcy of these companies was inevitable. On account of aspects of the bankruptcy pertaining to international law, the Receivers have studied the applicability and implications of the EU Insolvency Regulation. This regulation aims to establish an impartial mechanism for international bankruptcies. The Receivers came to the conclusion that the foreign companies should be liquidated in accordance with insolvency proceedings under local law, where possible by filing their own bankruptcy petition. The Receivers were of the opinion that the centre of main interest (COMI) of these companies was not located in the Dutch legal sphere and moreover, in the case of Kroymans Corporation there was no direct interest in the bankrupt estate.

The managing directors of these foreign companies were provided with information from the bankrupt estate in order to enable them, taking into account local law, to file their own bankruptcy petition; the international network of Van Benthem & Keulen provided assistance.

Bankrupt estate

The account of the bankrupt estate has a balance of EUR 8,786,509.81, 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 very possible that certain claims to property and security rights will be rejected.

The assets realised have been earmarked and will be allocated to the separate companies at a later stage.

4 ACCOUNTS RECEIVABLE

The collection of accounts receivable has been contracted out, in consultation with the Trading Banks, to Mirus International B.V. with which periodic consultations are held. The receipts will be paid to the Trading Banks; the party entitled to the realised proceeds will be determined later.

A distinction has to be made between the retail companies and Kroymans Import Europe (hereinafter called: "KIE"). The retail companies involved 6,700 accounts receivable spread over 47 different administrative entities and 25 companies.

At present 1,300 accounts receivable for a total outstanding nominal amount of EUR 3.0 m are still being processed.

The provisional results are as follows:

Receipts retail companies:	EUR 3.6 m
Receipts KIE:	EUR 2.3 m

Legal proceedings have to be instituted with regard to several large amounts because, for example, no substantive defence is presented or the right to setoff against another group company is being wrongfully invoked.

The collection of accounts receivable is made more difficult by the bankruptcy of GM and by the extremely inadequate insight provided by the accounting records of KIE into the relationships with its dealers. Moreover, there is the problem that Klintberg (a Swedish company) only takes over guarantee claims on specific conditions.

Legal proceedings have been instituted with the assistance of a local lawyer in Slovenia.

The question as to whether legal proceedings are justified is always assessed case by case, but expectations are that the services of a lawyer will have to be enlisted in several other countries.

KIE has a claim against Klintberg of more than EUR 900,000. Klintberg has enlisted the services of a lawyer in the Netherlands.

Further information will be provided in a following report.

5 BANK/SECURITIES

5A POSITION OF THE TRADING BANKS

The bank syndicate, with which a facility agreement (credit agreement) was concluded, comprises ING, Rabo, ABN-AMRO and Fortis. After losses had been incurred in 2006 at KIE (on Cadillac and Hummer) the credit was restructured and this restructuring was laid down in writing at the beginning of 2007. The financing provided by the Trading Banks can be characterised as conservative, namely 50% on stocks, 60% on immovable property, 70 % on accounts receivable and 40% on fixtures and fittings and machinery and equipment.

The procedure was that each month a statement of all positions was provided from the Netherlands, Belgium and Germany and this statement served as a basis for the determination of a borrowing base. The total available credit limit was EUR 244 m. The borrowing base can be regarded as an advance financing mechanism.

Ratios are included in the credit agreements which are of importance to the rates to be paid to the Trading Banks. This concerned, in particular, 3 ratios:

- interest coverage,
- solvency,
- leverage.

The new facility agreement concluded in 2007 had special rates. As the results in 2007 had been good, more favourable rates applied in 2008 than in 2007. The recovery in 2007 seems to have been mainly realised through a better sales support payment from GM.

It is important to note that the group was able to obtain more favourable financing with other financiers. Thus KIE obtained financing of 100% from GM via GMAC (a captive of GM). The various dealers could also be financed up to 100% through the Leasing Companies. The Receivers are investigating whether these financing possibilities were always used in the proper manner.

In September 2008 the so-called Plans A were presented to the banks and it was also announced that at the end of September the Kroymans Group would not meet the agreed ratios: notice of default.

As from September the banks closely followed the results and were actively involved in the exits. During the first exit the credit ratios were altered.

An evaluation of the dual position of the Trading Banks is essential In order to fully understand the implications of the exits: the four previously mentioned large Dutch banks are in the syndicate in the case of the Trading Companies. The claim amounts to more than EUR 60 m, a right of pledge is claimed on practically all assets and after the first exit Citadel became a guarantor.

In the case of the Leasing Companies the same four banks are part of the syndicate which finances the Leasing Companies and namely for 66%, which means that they are entitled to 66% of the securities sold by the Leasing Companies.

The Receivers will carefully review the method of sale and have declared to the banks and given them notice that in this sale they should exercise their right of first pledge on all assets of which the ownership has been transferred to the Leasing Companies; this possibly involves, moreover, very substantial amounts. The banks have rejected this notice.

The Receivers are investigating the security rights invoked by the banks.

The periodic consultations with the banks were, in the opinion of the Receivers, positive and constructive.

5B POSITION OF THE LEASING COMPANIES (KLH cs.)

This paragraph provides, in particular, a brief and provisional analysis of the property rights to approximately 5,000 cars which has been invoked by the Leasing Companies.

It is important to note that transactions between the Trading Companies (hereinafter also called: “the trading arm”) and the Leasing Companies (hereinafter also called: “the leasing arm”) were formerly intra-group transactions. All companies had a joint management and it was always stated in the agreements concluded with all managing directors that in the pursuance of the policy of the company of which they were managing director they should always give weighty consideration to the overall interests of the concern.

The Leasing Companies had financing with a different bank syndicate than the Trading Companies. Kroymans Lease Holding B.V. (KLH) heads the leasing arm. Up to the end of February 2009 both arms were linked at concern level but had separate financing, with the TB (Trading Banks) and the LB (Leasing Banks) respectively.

The second exit was effectuated by the transfer of the shares which Kroymans Nederland B.V. held in KLH to the Stichting Administratiekantoor Kroymans Lease Holding and depositary receipts were issued for the shares.

The Receivers were informed that the second exit took place for tax reasons, namely severance of the VAT and corporation tax groups. The management stated to the Receivers that the LB would not continue the financing if it did not cooperate with this exit. The Receivers are investigating to what extent the exit took place in order to facilitate the LB in a controlled settlement of their financial obligations and sale of securities, without the interference of the Receivers in the shareholder’s control.

The LB claims security rights or property rights to (practically) all assets of the leasing arm. After the exit changes were made to the securities position by, for example, establishing rights of pledge on the shares of the various Leasing Companies.

Financing was provided from the leasing arm to the trading arm, to dealer companies and import companies in particular. Armac B.V. occupies a prominent position at the Leasing Companies. There were reportedly the following forms of financing:

1. Lease;
2. Consignment;
3. Factoring;
4. Demo;
5. Demo lease;
6. Used cars;
7. Parts;
8. Equipment/inventory.

After the second exit, just before a moratorium of payments was granted to the Holding Companies, amended agreements were signed with the aim of reinforcing the property rights claims of Armac.

At the leasing arm a new management has been appointed which has been operational since March 2009.

Extensive but laborious consultations were held on the claims of the leasing arm.

The various forms of financing are closely examined in general terms below.

1. Lease

This involves approximately 450 cars of which a claim is being made to the property rights. On account of the need for liquidity the Trading Companies sold cars to the Leasing Companies but the use of the car was then continued via a leasing agreement: sale and leaseback; 100% financing was obtained. This course of action was also frequently taken at the beginning of 2009 and thus the trading arm was in fact making use of the financing possibilities of the leasing arm. This seems to have resulted in the Trading Companies being partly financed by the Leasing Banks.

The property rights claims have been substantiated with various document files. These claims have been assessed in the light of legal criteria as would apply for regular commercial transactions at arms length. After studying the documents and consulting with the parties concerned, the Receivers concluded an agreement with the Leasing Companies in which the criteria, which have to be fulfilled before the property rights will be acknowledged, have been laid down. Agreements have also been made on a contribution per car to be paid to the bankrupt estate.

The claims with regard to most of the cars have since been acknowledged. In addition to this, claims have been contested in a number of cases because the submitted documentation is insufficient.

The Receivers have taken the position that in cases where cars are the property of KLH, these cars are encumbered with a right of pledge of the Trading Banks.

2. Consignment and 3. Factoring

Although the word consignment is used, this is actually postponed payment; as opposed to common practice in the case of consignment, the dealer did not have the right to send cars back to the importer. The sales risk did not lie with the importer either.

The following - intended - procedure is derived from the claims of Armac;

- the dealer received a pro forma invoice (excluding PTPCM and VAT). The interest to be paid to Armac was calculated on the basis of this invoice.
- the importer sent a sales invoice to Armac which would constitute the act of transfer by means of which the title to the car was transferred to Armac.
- Once the car was given the status of client sale or after the consignment period had expired, Armac transferred the car back to the importer. The act of transfer was a credit invoice. The importer then became owner of the car again.
- The importer invoices to the dealer including PTPCM and VAT. It is stated on the invoice that payment may only be made to Armac. A reservation of ownership is stipulated.
- The reservation of ownership is transferred to Armac.
- Armac immediately pays the importer: there can be said to be advance financing.

The Receivers have rejected the property rights claims of Armac on account of defects pertaining to property law.

The Receivers have taken the position that in cases where cars are the property of KLH, these cars are encumbered with a right of pledge of the Trading Banks.

4. Demo

In the case of demonstration cars the procedure was different. The dealer often registered these cars right away.

In this case too, according to the statement of the financier, transfer of property rights was intended:

- The importer invoices to the dealer, Armac finances.
- The car is transferred to Armac.

The Receivers also rejected the property rights claims of Armac in this case on account of defects pertaining to property law.

5. Demo lease

This is a derived product that is practically identical to Demo. In this case there is no purchase obligation but a right to purchase.

The Receivers have rejected the property rights claims of Armac on account of defects pertaining to property law.

6. Used cars financing

The Receivers have gained the impression that financing was randomly requested and also provided. Invoices were sometimes sent via a batch file, whether or not per Trading Company, or in consolidated form from the Trading Companies to Armac.

The Receivers have rejected the property rights claims of Armac on account of defects pertaining to property law.

7. Parts.

Parts were financed via factoring and namely in the same manner as the factoring in the case of cars: Armac finances the invoice in advance, and the dealer pays Armac.

In the case of many brands, Saab, Alfa, KIA, the procedure was that the factory immediately delivered parts to the dealer, but sent an invoice to the importer. Then the importer sent an invoice with a surcharge to the dealer. This was financed in advance by Armac.

The question of reservations of title and rights of pledge is also at issue here. It is difficult to trace the actual location of parts because there are no registration numbers or VIN codes.

Provisional conclusion

A considerable financial interest is involved because in approximately 4,500 cases the claims of the Leasing Companies have been rejected. For the purpose of clarifying these issues, further consultations will be held with the Leasing Companies, whereby the Receivers will distinguish between:

- the form of financing;

- the car brand;
- Trading Companies (Kroymans dealers) and Non-Trading Companies.

A starting date will also have to be set and it is important to note that from March 2009 the Leasing Companies did not allow themselves to be guided, as in the past, by the group interest.

6 RESTARTS

The Receivers have made their best effort to achieve as many restarts as possible. In the case of the import companies large interests were at stake, also on account of the position of the factories and of brand dealers which were not part of the group and on account of claims to guarantee and maintenance work.

There were 15 restarts achieved, 5 in respect of an importership and the remainder at retail companies. Thus in terms of employment 50 to 60% of the original number of jobs at these companies was preserved.

The bankrupt estate proceeds of the restarts can be shown as follows:

Goodwill	€ 5,020,000.00
IE products	€ 100,000.00
Inventory	€ 756,000.00
Cars and parts contributions to the bankrupt estate	€ 570,040.00
Pledge contributions to the bankrupt estate	€ 51,200.00

Total	€ 6,497,240.00

The largest goodwill capitalisation was realised with the restart of KIA Nederland, namely € 3,500,000.00.

In a number of restarts cars were sold. It is not yet possible to say whether and to what extent the invoked security rights will be acknowledged.

7 LEGALITIES

7A First Exit

On 23 January 2009 a number of companies exited Kroymans Corporation B.V. to a sister organisation Citadel. This exit took place in three parts; Kroymans Nederland B.V. transferred the Kroymans Parts Group B.V., Kroymans Industrieel Divisie B.V. and A.R.M.-Stokvis B.V. shares to Citadel Enterprises B.V. for a joint purchase price of € 1.

KPMG assisted the exit. The 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, for which part the remaining companies in the Kroymans Corporation B.V. were released from the joint and several liability by the banks. 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* because on account of the exit, the size of the assets, which provide the possibility of recovery for the creditors, was reduced at the date of a moratorium of payments/bankruptcy and as a result of this one or more creditors was/were prejudiced, and moreover, the order of recovery has been disrupted.

There can be said to have been a transfer for a symbolic price whereby the purchaser assumes a part of the debt of the remaining companies. The amount thus 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* against Citadel on 27 May 2009. At that time Citadel intended to resell a part of the acquired companies, namely the SATOR organisation, and to repay its bank debt with the proceeds of this sale.

Following extensive consultations with the Trading Banks the Receivers ultimately agreed to this sale, in return for which the Trading Banks guarantee to the Receivers up to a specific amount the payment obligations of Citadel to the Receivers if the court should rule that the challenged legal act is prejudicial to the creditors and subject to reversal and Citadel is unable to fulfil its resultant payment obligations to the Receivers.

One of these months, in any case before 1 January 2010, the Receivers will submit this fraudulent transaction to the adjudication of the court.

7B Second Exit.

The Leasing Companies had separate financing. In 2004 8 credit agreements were concluded between Kroymans Lease Holding B.V. (together with all its subsidiaries including Armac B.V., ARM-Stokvis Equipment Leasing B.V. and the various leasing companies) as always the same borrower, and ABN AMRO, Banque LB Lux SA, Commerz Bank (Nederland N.V.), Rabo, Fortis, ING Lease, Lloyds TSB Bank plc, NIB Capital Bank N.V. as separate lenders. Then an inter-creditor agreement was concluded between the banks, the guarantors, the borrowers and Fortis as security agent. On 22 December 2006 BNP Paribas became a party to this agreement as lender.

After various changes this resulted in a situation in which the banks concerned had made the following credit available:

ABN AMRO	95 m
Rabo	100 m (later reduced to 92.5 m)
Fortis	100 m (later reduced to 86.7 m)
Commerz Bank	30 m
Banque LB Lux SA	50 m,
ING Lease	100 m,
NIB Capital Bank N.V.	51.5 m, (in 2008 ownership transferred to SCUTE Bali B.V.)
Lloyds TSB Bank plc	32 m
BNP Paribas	30 m

The management of the group assumed that at the beginning of September 2008 refinancing had been arranged for the Leasing Companies. Ultimately, no agreement was reached on the refinancing after all; according to the management, the banks declared at the last moment that they were not prepared to agree to the refinancing discussed.

As the parties concerned foresaw that repayment would not be made on the Final Maturity Date of 15 December 2008, a so-called standstill agreement was concluded on 15 December 2008, which was aimed at freezing the situation and in which the credit was extended to 30 January 2009. It is curious that additional securities were provided, for example by Kroymans Lease Holding among others, during the standstill.

In January 2009 this standstill was extended, whereby the leasing syndicate had required, according to the management, the issue of depositary receipts for the shares that Kroymans Nederland B.V. held in Kroymans Lease Holding. Moreover, the threat was made, according to the management, that the credit would be terminated if it did not comply with these wishes of the bank.

KPMG investigated the position of the leasing companies. This investigation reportedly concluded that it was important to sever the VAT group.

On 20 February 2009 an agreement was concluded between Kroymans Nederland B.V. and the foundation STAK, whereby the shares which Kroymans Nederland held in KLH were transferred to the foundation against issue of depositary receipts for the 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.

The Receivers are of the opinion that the legal act of 20 February 2009 was undertaken at a time when the inevitable bankruptcy of the Trading Companies was known or ought to have been known.

The previous history is also relevant. 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 were laid down. On 19 March 2009 Mr Lieth and Mr De Beaufort were appointed co-managing directors of the STAK.

Op 16 April 2009 an extraordinary general meeting of shareholders resolved to appoint Mr Sinke and Mr Schoolenberg as managing directors of Kroymans Lease Holding B.V. (KLH). They were proposed for appointment by the banks. Mr Sinke is an economist and is known as an expert interim manager. Mr Schoolenberg is a Registered Auditor and is specialised in restructuring.

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 shareholder's power of the STAK is greatly reduced in favour of the management of KLH.

The Receivers are investigating the issue of depositary receipts for shares and its implications.

The Receivers establish that the issue of depositary receipts for shares has created a division between the financial interest and the control interest. As a result of this division the dominance of the concern interest in the decision-making of the Leasing Companies has been set aside. The Receivers wonder whether the new shareholder sufficiently looks after the interests of Kroymans Nederland B.V. (as holder of depositary receipts) in the exercise of its supervisory task. The Receivers are also of the opinion that the severance of the concern relationship led to a loss at the Trading Companies.

After the exit cars were removed from the Trading Companies and payments to the Trading Companies under financing agreements were discontinued.

The STAK management has been informed that it is very possible that the Receivers will take the position that the second exit was prejudicial to creditors within the meaning of the *actio Pauliana* or unlawful.

A shareholder must carefully safeguard the interests of the holders of depositary receipts. The Receivers are of the opinion that the management of the companies initially and primarily consults with the bank syndicate.

The Receivers have objected to this course of affairs and have requested the STAK management to provide a further substantiation of the policy pursued, which was aimed at liquidation or sale of enterprises.

7C Directors' Liability

The Receivers are investigating unlawful acts, prejudicial acts, mismanagement and de facto management.

This investigation has generated a lot of interest in the media. The Receivers wish, partly in view of the personal interests of the persons concerned, to exercise restraint, in any case until further investigation has been carried out.

In anticipation of this investigation the Receivers can announce that the manner in which the accounting and financial records are kept, at KIE in particular, will be investigated.

An opinion will also be formed on whether the reorganisation advocated by the management and the measures taken were sufficient and whether there was sufficient compliance with the duty of care with regard to the creditors of the Trading Companies, which arises from the concern structure which was set up and later changed with all the associated inherent risks.

The Receivers have not yet taken a position on these issues.

8 CREDITORS

The Tax & Customs Administration and the UWV have not yet submitted (definite) claims.

The problems at the Tax & Customs Administration have to do with the fact that as a result of the exits, two changes have been made to the VAT group. In a VAT group the liability of the exited companies for the VAT debts of the tax group left behind is cancelled from the moment that notification is given to the Tax & Customs Administration. These notifications were given on 23 January 2009 and 20 February 2009.

As a result of this the Tax & Customs Administration has to calculate:

- the VAT debts up to 23 January 2009 (for which the exited companies are also liable);
- the VAT debts from 23 January 2009 to 20 February 2009, for which the Leasing Companies are also liable;
- the VAT debts which arose after 20 February 2009.

For that matter, the Receivers have understood that a settlement agreement for the companies which left in the first exit was concluded with the Tax & Customs Administration and under this agreement the liability of the exited companies is limited to EUR 3.3 m for VAT debts.

The Receivers are investigating these VAT problems.

Separate creditor records will be kept per company; this has been mentioned - where possible and relevant - in the abbreviated report on companies. These statements are by no means definite; the Receivers are busily working on the preparation of an inventory of the debt burden and are unable to make any pronouncements at present.

9. REPORT ON KROYMANS IMPORT EUROPE B.V. (KIE)

Bankruptcy number	:	09/223F
Date of decision	:	31 March 2009
Enterprise data	:	De Corridor 25, 3621 ZA Breukelen
Operations of the enterprise	:	import and export of cars and car parts.
Personnel	:	51
Cars found	:	4,283
Cash on hand found	:	€ 798.93

1. INVENTORY

Kroymans Import Europe B.V. was incorporated by deed of 4 November 2002 under the name laid down in the articles of association, Kroymans Acquisition V B.V. On 27 May 2003 this name under the articles of association was changed to Cadillac Europe B.V. Since the incorporation Kroymans Corporation B.V. is sole shareholder. The management of KIE is comprised of Kroymans Corporation B.V. and Mr G.C.A. Jansen, Mr J.A.H. Scholtens and Mr H. Salomons. Each managing director was solely and independently authorised to represent the company.

On 31 December 2006 a (legal) merger took place between Cadillac Europe B.V. as acquiring company and Kroymans Hummer B.V. and Kroymans Hummer Europe B.V. as disappearing companies, whereby the name under the articles of association was also changed to Kroymans Import Europe B.V. (hereinafter called: "KIE").

KIE has its business address in Breukelen at the address De Corridor 25, a visible location at the State Motorway A2 Utrecht Amsterdam. KIE shares this office space with Kroymans Breukelen B.V. and Kroymans Import Benelux B.V. among others.

According to the company description in the Trade Register, the operations of KIE consist of the import and export of and the wholesale and retail trade in cars and car parts. KIE was in fact active within Europe (as well as in Switzerland and Norway) as importer of vehicles of manufacturer General Motors ("GM"), more particularly the brands Cadillac, Corvette and Hummer.

The legal predecessor(s) of KIE have acted as importer of the aforementioned car brands since 2003. For that purpose a "Wholesaler Agreement" was concluded with General Motors Overseas Distribution Corporation ("GMODC"), a company established in Michigan, United States.

With the exception of two types of Cadillac (BLS and BLW), which are produced in the Saab factory in Sweden, all cars are produced under the Wholesaler Agreement in the United States.

Car purchases by KIE were financed by entities which in the past were affiliated to GMODC but which are, in the meantime, independently operating entities, namely GMAC Bank GmbH and GMAC UK Plc. It was agreed in that context that GMAC Bank GmbH and GMAC UK Plc would act as vendor under the aforementioned Wholesaler Agreement, to which supplementary terms of sale were declared applicable. These terms of sale have, depending on where the cars come from (US or Europe), their own property regime in respect of transfer of ownership and/or securities.

GMODC has, in the meantime, terminated the Wholesaler Agreement on account of the bankruptcy of KIE.

Structure

KIE was responsible, inter alia, for setting up and maintaining a European dealer network for the brands Cadillac, Corvette and Hummer. This dealer network was supported by so-called Regional Sales Offices (“RSOs”). RSOs are foreign companies (in Germany, the Netherlands, Switzerland, Italy, France, Sweden and Hungary) which have been especially set up for this purpose or external parties (in Spain, Greece, Denmark) appointed by KIE.

The role of these RSOs was confined to representing KIE; the RSOs did not have their own sales budget but only a costs budget. KIE determined the policy of the RSOs.

The personnel was appointed by KIE but was employed by the RSOs.

KIE was the central company from which cars, parts and accessories were imported and distributed. Therefore, the RSOs were not contracting party for the dealers in the countries concerned. The dealer contracts were directly concluded between KIE and the dealers. The aforementioned products were also imported and sold between KIE and the dealers and not through the (contractual) intermediary of the RSOs. Therefore as a result of this, the cars to be sold never became, in principle, the property of the RSOs. The cars were legally sold and transferred directly by KIE to the dealers. The RSOs only had, in principle, ownership of PR cars.

Several holding companies were also incorporated abroad for the purpose of being able to arrange the import, homologation and registration in the countries concerned. These companies were only intended to enable the implementation and streamlining of the aforementioned operations. These companies served as “Importer of Record”, companies in which cars could be registered.

There were the following RSOs:

- Kroymans Import Benelux B.V.
- Kroymans Import Sverige AB
- Kroymans Import Schweiz GmbH
- Kroymans Import France S.a.r.l.
- Cadillac Central Europe Kft.
- Kroymans Import Italia Srl.
- Cadillac Corvette HUMMER Deutschland GmbH

The management of the RSOs comprised members of the management of Kroymans Corporation, including Mr Scholtens, Mr Manders and Mr Van der Steenhoven.

The bankruptcy of KIE signalled the end of the various RSOs. After the bankruptcy of KIE was pronounced, the Receivers consulted foreign lawyers on the possibilities for these companies to submit their own bankruptcy petition in accordance with local law. Then the members of the management of the RSOs concerned filed their own bankruptcy petition in various countries. Expectations are that the manner in which each foreign entity can be wound up (liquidation or bankruptcy) will soon be made known.

Figures

The following developments are apparent from the currently available figures

Sales:

Year	Number of cars sold
2006	6,126
2007	6,981

Forecasted 2008 2,524

Profit:

Year	Pre-tax profit
2006	EUR 25,300,000 -/-
2007	EUR 1,954,000
Forecasted 2008	EUR 42,000,000 -/-

According to the company, the cumulative losses at the end of 2008 reportedly amount to approximately EUR 90 million.

The company has identified the following causes for the considerable fall in sales:

- the high oil prices at the beginning of 2008 in combination with the reduced popularity and reputation of American car brands;
- a changed tax regime with detrimental consequences for a number of the brands sold;
- the economic and financial crisis;
- a strategic change of GM with regard to the Hummer brand;
- the problems that arose at GM and/or GMAC.

These negative developments prompted the company to start up consultations with General Motors which reportedly resulted in agreements on financial support and the transfer in phases of a number of the operations developed by KIE, including marketing, distribution of parts, after sales and possibly even the sales operations. Therefore on balance, the intention was to transfer the operations of KIE in phases to General Motors. These plans were never developed or any rate implemented on account of the bankruptcy of the Kroymans Group.

Car stocks

There are considerable car stocks, according to the stock accounts of KIE an amount of 4,283 vehicles which are spread over Europe.

There are several so-called compounds where considerable numbers of cars are in storage. An amount of 1,881 cars are parked in the Rotterdam port. A not unsubstantial part of these cars have already been in storage for a long time (varying from six months to three years). As a result of weather conditions (sea wind and acid rain) many cars have incurred damage, in particular corrosion on the external chrome parts. For that reason, a considerable reduction in the value of these cars has to be assumed.

The size of the stock in Sweden is unclear but according to the most recent information, this involves an amount of approximately 290 cars.

In addition to this, the requisite cars at the RSOs or with external parties which are part of the dealer network. These cars will be brought back to the Netherlands where possible. Finally, there are still (smaller numbers of) cars at transport and repair companies which often invoke rights of retention and for that reason refuse to hand over cars.

The property rights to the cars and/or the security claims to the cars cannot be unambiguously inferred from the accounting records of KIE and it will thus have to be determined for each individual vehicle i) who the owner is and ii) whether it is encumbered with a security claim. This will be determined by examining the historical bank records, invoices and e-mail correspondence. This is a time-consuming and complex matter and entails an enormous burden for the bankrupt estate, because sometimes several transactions have been undertaken (purchase, resale, buyback, financing) in respect of one and the same car whereas it has to be checked each time on the basis of the available documentation and payment data whether there are legally valid claims (under property law

and the law of obligations). In order to arrive at a determination as quickly as possible, the bankrupt estate and the banks involved have enlisted the assistance of a number of former employees of the company who are currently working for the pledgees and the bankrupt estate via a temporary employment agency.

GMAC Bank GmbH and GMAC UK Plc acted as financiers of the purchased cars and are asserting by virtue of this capacity to have high claims (approximately EUR 30 million) and (initially) claimed (reservation of) ownership at any rate rights of pledge on all cars in Rotterdam and Gothenburg.

In addition to this, various local GMAC entities (GMAC HB (Sweden), GMAC Italia S.p.a., GMAC Continental LLC (Belgium), GMAC Nederland N.V., GMAC Espana SA and GMAC Suisse SA) claim to ownership and/or security rights. There are various agreements between KIE and these local GMAC entities, whereby the procedure set forth below was usually followed.

KIE sold cars to enterprises which were part of the (external or internal) dealer network and a so-called interest-free period applied. This meant that the dealer only had to pay the purchase price after expiration of this interest-free period and in some cases even after sale to an end user. The purchase price of the car concerned was then paid by a local GMAC entity to KIE, as a result of which GMAC acquired the ownership of the car and KIE bore the financing costs. KIE further undertook to the local GMAC entities under these agreements to buy back cars from GMAC entities at the original invoice price if i) the dealer did not sell cars within a certain period ii) cars were demanded by GMAC entities because dealers did not comply with their payment obligations. Sometimes a claim against a dealer for a sold car was sold and transferred to a GMAC entity and the reservation of ownership to the car was transferred to the GMAC entity. It also applied in this case that KIE was obliged under certain circumstances to buy back the car. KIE has not complied in all cases with its payment obligations arising therefrom to these GMAC entities for which reasons these GMAC entities are also claiming ownership of cars or are asserting security claims thereto.

The situation with regard to the 1,881 car which are in Rotterdam has since been settled for the most part. It has been established with regard to 82 cars that these cars were purchased directly from GM and that these cars have been paid and therefore GMAC Bank GmbH and GMAC UK Plc relinquished their claims thereto at a relatively early stage. The remaining Broekman stock is subdivided as follows:

Broekman stock	1,799			
"Financed GMAC"	1,425			
		European	Non-European Custom Cleared	Non-European Non- Custom Cleared
GMAC GmbH	1.046	173	109	764
GMAC UK	379	71	17	291
#N/B'	374			
		European	Non-European Custom	Non-European Non- Custom

	Cleared	Cleared
35	258	81

GMAC Bank GmbH and GMAC UK Plc were of the opinion that with regard to 1,799 cars either they can exercise a reservation of ownership or that a right of pledge is established on these cars. GMAC did finance at some point 374 cars but these cars have since been paid for by KIE. According to GMAC, the cars nevertheless serve as security for the claims of GMAC because a so-called "credit reservation of ownership" or "credit pledge" is asserted. GMAC has contended with regard to 1,425 cars that the purchase price has not yet been paid. This involves 244 European cars and 1,181 cars from the United States. The applicable conditions provide that a reservation of ownership applies to a European car the moment i) the entire purchase price has been paid and ii) the cars leave the storage in Rotterdam.

A different regime applies for the non-European cars. Apparently, for reasons pertaining to administrative or tax law, KIE must be the owner of a vehicle the moment it is imported into the European Union. For this reason, the applicable conditions provide that the ownership of a car, immediately before this car is cleared through customs, is transferred to KIE however, with a so-called reservation of the right of pledge. Thus the aim is not to transfer full ownership but ownership on which a limited real right has been established.

There is a disagreement with GMAC about the scale of the security claims to which it is entitled. The bankrupt estate is taking the position, inter alia, that cars which have been paid in full fall unencumbered (with a claim of GMAC) to the bankrupt estate and that no legally valid right of pledge has been established with regard to a number of cars whereas GMAC contends that all cars in Rotterdam fall under the umbrella of its security claims. This disagreement is concentrated for the time being on a number of in any case 483 cars.

In addition to this, there are all kinds of practical problems. A good example of this is the expiration of so-called European type approvals. Under EU legislation a type approval is issued per type of car. This type approval has a limited term of validity. After expiration of the type approval cars can no longer be automatically sold, in principle, in EU countries. The type approval for a large amount of cars expired in June 2009 and therefore provision had to be made for this. The bankrupt estate managed to timely arrange type approvals in various European countries and as a result of this the cars that fall to the bankrupt estate can be sold in these countries, which will increase the sales proceeds.

The bankrupt estate on the one hand and GMAC UK PLC and GMAC Bank GmbH on the other hand concluded with the authorisation of the Delegated Judge a settlement agreement on 31 July 2009 whereby the parties agreed that 1,425 of the 1,799 cars are the property of GMAC UK PLC and GMAC Bank GmbH and therefore the bankrupt estate cannot assert any claims to these cars. On the other hand GMAC UK PLC and GMAC Bank GmbH have relinquished their claims to 374 cars and have paid a lump sum of € 400,000 to buy off asserted rights to another 20 cars and have moreover paid a contribution of € 320,000 to the bankrupt estate.

The claim of retainer Broekman Car Handling B.V. which according to its statement amounted, up to 30 June 2009, to € 1,531,216.63, has been assigned for an amount of € 760,000 to ABN-Amro Bank N.V. The bankrupt estate will receive from this retainer for its cooperation in buying off the claim of this retainer a contribution to the bankrupt estate of € 110,000.

The bankrupt estate has started together with the pledgees to sell the aforementioned cars released to the bankrupt estate by GMAC UK PLC and GMAC Bank GmbH. For that purpose a special sales team has been put together which also includes former expert staff members of Kroymans.

A number of cars have not been offered for sale for the time being because these cars are encumbered with the claims of third parties. GMAC local offices are currently claiming on the basis of various legal grounds a total of 35 cars. The bankrupt estate is consulting with these GMAC local offices about these cars.

In addition to this, there are approximately ten third parties, mostly dealers who are claiming on the basis of the (deposit) payments made before the bankruptcy, a total of approximately 17 cars which are part of the 374 cars which under the agreement concluded with GMAC UK PLC and GMAC Bank GmbH fall to the bankrupt estate.

One of these parties submitted a claim for surrender of two cars in interim injunction proceedings. The Provisional Relief Judge [*Voorzieningenrechter*] at the Rotterdam District Court dismissed this claim by decision of 7 May 2009. Another party submitted a claim for surrender of three cars by summons of 20 May 2009 in a procedure on the merits. This claim is also being contested with the authorisation of the Delegated Judge.

The bankrupt estate is contesting the majority of the claims because the ownership of the cars was not transferred to the purchasers prior to the bankruptcy and the transfer cannot be completed pursuant to Section 35 of the Bankruptcy Act [*Faillissementswet*]. In order to be able to reach a settlement on these issues, the bankrupt estate has informed the parties who have not instituted legal proceedings after which period the cars will be sold to third parties. After these periods have expired, the bankrupt estate will proceed to sell the cars.

Cars in countries outside the Netherlands

A currently unknown amount of cars are in countries outside the Netherlands and the property rights to these cars will be investigated as much as possible by the bankrupt estate. This is, just as in the case of the cars in Rotterdam, a very labour-intensive process. Cars that are with tens of dealers in Europe will each have to be studied individually and the return of each car to the bankrupt estate is not a matter of course. In its efforts to have cars returned to the Netherlands, the bankrupt estate is regularly confronted with asserted rights of retention. Moreover, it is important to note that a dealer contract has been concluded with each dealer and these contracts usually contain many deviating provisions concerning, inter alia, the law applicable to the legal relationship in question. In these cases the legal validity of the claims asserted by the party in question will be investigated and as the occasion arises, an attempt will be made to reach a settlement. In some cases the assistance of foreign lawyers has already been requested.

The previously mentioned former employees, who are working for the bankrupt estate and pledgees via a temporary employment agency, will also provide support to the bankrupt estate in the performance of these activities. In addition to this, the bankrupt estate is working in close conjunction with NTAB and Mirus on these issues, as these activities often overlap. This mainly involves parties who have cars of KIE at their premises and/or parties who claim cars which are at the premises of Broekman Car Handling in Rotterdam but who, according to the accounting records of KIE, also have a debtor position.

Parts stock

The stock, the stock management and the logistic handling of supplies of car parts to the dealer network has been contracted out to a third party, Caterpillar Logistics Services Inc. in Belgium. This party has also asserted a right of retention on account of a high outstanding claim. A settlement has since been made with regard to this issue and under this settlement the stock has been sold to Caterpillar.

Lease

The registered property, situated and located in Breukelen at the address Corridor, is leased by Kroymans Corporation and KIE from Fortis Vastgoed Lease B.V. The lessor rescinded the lease with immediate effect by letter of 28 April 2009. The Receivers are still investigating to what extent the contractual provision, on which this rescission of the lease is based, is legally valid. As at present the premises are still being used by the bankrupt estate and the lessor does not wish to have the premises lie vacant, the bankrupt estate and the lessor concluded an agreement on the use of the premises in July 2009 which was effective as from 28 April 2009, with the right to terminate the agreement at any time subject to one month's notice; the parties have not yet exercised this right.

Accounts receivable

At the time of the pronouncement of bankruptcy there was, according to the accounting records of KIE, EUR 24.7 million in outstanding accounts receivable, of which a large part are foreign accounts receivable. The accounts receivable will be collected by a specialised company hired for that purpose by the banks in consultation with the Receivers. To date, more than EUR 1.1 million in outstanding claims has been collected.

There are a number of relevant matters with regard to the accounts receivable:

- a number of debtors also have a creditor position which has not been processed in the overviews of the accounts receivable. As a result of this some debtors can be said to have a creditor position instead of a debtor position;
- a number of debtors were financed by GMAC, which is invoking in turn setoff against counterclaims;
- a number of cars for which, whether or not in consignment, invoices have been sent to dealers, were never delivered and as a result of this the underlying invoices are uncollectible.

The collection of accounts receivable has also resulted in KIE taking back cars for which it has not received payment.

In the meantime the legal assistance of foreign lawyers has been requested with regard to the collection of a number of outstanding accounts receivable. As the occasion arises, legal proceedings will be instituted with the authorisation of the Delegated Judge.

Personnel

KIE has 51 employees. The personnel were dismissed together with the personnel of Kroymans Corporation. At present three employees are still employed on the instructions of the receiver and the banks. They provide support in determining the rights which the various parties claim to have to the cars of KIE and in the collection of accounts receivable.

Other

The bankrupt estate is frequently confronted with claims of parties who are part of the dealer network. These claims vary from claims to surrender of cars, payment of guarantee claims, refunds etc. An inventory of these claims will be made as much as possible and settled where possible.

CREDITORS

- Bankrupt estate claim: zero
- Preferential claims € 94,654.23
- Unsecured creditors € 10,146,614.55
- Challenged unsecured € 466.88