

Company information : Nacar Holding N.V. (Chamber of Commerce no. 34289478)
La Perla Living Holding B.V.
(Chamber of Commerce no. 27136678)
La Perla Living Holding B.V.
(Chamber of Commerce no. 34202210)

Bankruptcy number : 12/843F, 12/841F and 12/842F

Bankruptcy pronounced : 26 November 2012 (after conversion moratorium)

moratorium as of: 26 January 2010 (Nacar Holding N.V. and La Perla Living Holding B.V.) and 9 February 2010 (La Perla Investments B.V.) until conversion on 26 November 2012.

Trustee : *mr.* A.W. de Man

Bankruptcy Court Judge : *mr.* M.J.E. Geradts

Company activities

Nacar Holding N.V.: holdings and financing activities.

La Perla Living Holding B.V.: holdings and financing activities

La Perla Investments B.V.: development and sale of real property projects.

Total hours spent to date since the moratorium

Nacar Holding N.V. 10/495	-	575
La Perla Living Holding B.V. 13/138	-	147
La Perla Investments B.V. 79/1403	-	2155

1. Inventory

1.1 Management and Organization

Mr Geerlings is director under the articles of association of Nacar Holding N.V.. Nacar Holding N.V. is director under the articles of association of La Perla Living Holding B.V. and La Perla Investments B.V..

Mr G. Duizendstraal is the *de facto* policymaker.

1.2 Profit and Loss

See previous reports.

1.3 Cause and History of Bankruptcy

As far as the history of the La Perla group and the causes of the moratorium and the later bankruptcy are concerned, we refer to the first report in the moratorium. The main provisional conclusion is that the following circumstances (*inter alia*) have been an important cause of the moratorium and the bankruptcy that followed it:

- too high funding costs. Millions have been borrowed from mostly informal lenders, who received sky-high interests in return. This funding construction would only be tenable if available land positions would have been developed and sold at high speed;
- insufficient development of available land positions. Nothing has been developed in Panama and hardly anything in Vietnam and Antigua;
- the funding costs were no longer proportionate to the real value of the assets. As far as this last aspect is concerned, the trustee found that value increases were realized, especially of the assets in Antigua, within a short time through transactions with affiliated companies;
- upon the restructuring in 2007 all debts were transferred to the new structure, but not all assets;
- high costs of the sales system;
- non-transparent accounting, in which the capitals of Mr Duizendstraal, his companies, the various affiliated trusts and the capital of the bankrupt La

Perla companies melted into each other. As a result, a conflict of interests arose;

- it looks as if they were playing on too many chessboards at once, and lost control over the assets in the process;
- the credit crisis is also a cause, since it made the marketability of the positions go down.

The following is still observed about the investigation into the causes of the moratorium and the bankruptcy.

Investigation Krüger & Partners

See also the first public bankruptcy report. Krüger & Partners in Rotterdam performed an investigation into the cash flows within the La Perla group and from and to Mr Duizendstraal or entities wholly or partially controlled by him. On 19 July 2013 Krüger & Partners delivered an interim report. This report has already been distributed amongst the creditors of the various La Perla and Nacar entities. It has appeared that a much bigger investigation is necessary to follow the cash flows completely. Following the review of the report and the oral explanation to the report to the trustee, the creditors' committee and the bankruptcy judge, it was decided to perform only further investigations in sub-areas for the time being. These investigations have started, but without much progress. At present it cannot be estimated yet whether anything will be gained by these investigations.

Besides, the role of PWC is being investigated, which drafted and approved the annual accounts of the La Perla group of 2007. A correspondence is carried on with PWC with the cooperation of Krüger & Partners.

1.4 Situation of Mr Duizendstraal in Private

See also the first public bankruptcy report. On 28 November 2012 Mr Duizendstraal was declared bankrupt as a private person in England. On 22 May 2013 Mr Chris Laughton of the firm Mercer & Hole was appointed trustee by the Court in the United Kingdom. The English trustee has already written to all known creditors of Mr Duizendstraal, including to the trustee. In this

correspondence he indicated, *inter alia*, that he would start examining the recourse options. Meanwhile the English trustee has been in the Netherlands and in early August 2013 there has been a meeting to which all known creditors were invited. Furthermore, a creditors' committee has been established in the bankruptcy of Mr Duizendstraal.

In mid-October 2013 consultations took place between the English trustee, Mr Laughton, and the trustee. Information has been exchanged and arrangements have been made about the sharing of further information. Then, the trustee wrote to all banks in the Netherlands on behalf of the Dutch trustee, but without effect.

The limitations of the insolvency proceedings have meanwhile been lifted. Besides, it has appeared from the public report of the English trustee in the bankruptcy of Duizendstraal of 18 July 2014 that the English trustee could hardly find any assets of Duizendstraal. As yet the proceedings seem to generate no proceeds for the creditors of Duizendstraal, including the estate in the respective bankruptcies of La Perla.

1.5 Way of Settlement

Arrangement

It has not proved possible to offer the joint creditors an arrangement within the term of the moratorium granted. It is excluded that an arrangement will still be offered to the creditors.

Foreclosure of the positions

In chapter 3 the state of affairs with regard to the various positions will be discussed.

2. Staff

2.1 Number at the time of the bankruptcy: N.A.

3. Assets

General

Together with Bureau Zanders from Bussum ("Zanders"), an inventory has been made of all assets, of their net value (being the sales value less the debts on a local level, which can be recovered from the relevant assets), and an estimate has been made of the marketability of these assets.

For this purpose the assets in Spain, Antigua and Panama have been valued by external valuers.

Zanders' findings were recorded in a report dated 1 July 2011, which was still amended on 17 August 2011 ("Zanders Report").¹

3.1 Spain

See also the previous reports.

For an extensive description of the Spanish projects we also refer to the report of 18 May 2012 and the Zanders Report.

As indicated in earlier reports, the arrangements about the distribution of net sales proceeds of the assets concerned (Monte Mayor and Istán) are as follows, referring to the sales proceeds:

- | | |
|--|-------------------------------|
| 1. up to amount of credits drawn | : 10%(5% estate/5% GLS) |
| 2. after 1. up to amount of investment | : 15%(8.33% estate/6.67% GLS) |
| 3. after 2. | : 50%(25% estate/25% GLS) |

Since the last report, no sales have been made for a long time. The team engaging in sales in Spain is moderately optimistic about the coming period. At the end of May 2013, a law was adopted under which non-EU citizens can obtain

¹ The report of 17 August 2011 can be inspected through the website www.kvdl.nl.

a so-called resident status if they invest EUR 500,000 or more in real property in Spain. To date the effect of this measure has been very limited, at any rate for the sales of the former La Perla.

A positive development is that the golf course in Monte Mayor was sold in October 2014. Rumour has it that a plan is being developed to restore the golf course or to develop that area. This should increase the marketability of the Spanish lots.

At the beginning of November 2014 a sale took place that realized proceeds of EUR 9,953 for the estate.

To date, the Spanish assets have yielded EUR 26,133.

3.2 Antigua

For a description of the positions of Caribbean Developments (Antigua) Ltd. (CDAL) and the Pearn Point project we also refer to the Zanders Report.

Sales of Assets Antigua

On 25 September 2014 the trustee concluded an agreement with APAC under which the CDAL shares will be sold by Jolly Harbour AG (Liechtenstein), among other things, as well as all profit entitlements to which the estate is entitled under previous agreements concluded by the trustee. The purchase price for the joint assets in Antigua is USD 4,500,000.

The purchase price has been paid up to an amount of USD 1,200,000 through set-off of the credit secured by assets granted by APAC of USD 1,000,000 plus interest.

The remainder of USD 3,300,000 will be paid in 5 instalments in accordance with the agreement. Meanwhile, the first two instalments of USD 300,000 each have

been paid into the estate account. At present, three times USD 900,000 plus interest still remains due. The last instalment will be paid ultimately in March 2017.

For the benefit of the estate, security rights will also be vested in land position on Pearn's Point as an additional security for performance of the payment obligations. In that connection, the trustee has established a Foundation that will be keeping the security rights for the estate.

To date, the assets in Antigua have yielded USD 600,000.

3.3 Panama

See also the previous reports. For an extensive description of the project we also refer to the Zanders Report.

In light of the position of the bank with regard to Natural Synergy B.V. (see paragraph 5.1 below), the trustee has been talking with the bank in the past months about the way of settling the position in Panama. There is an urgent need to pay several taxes to the Panamese tax authorities, as well as several other payments. Moreover, legal measures are necessary (such as the filing of notices of objection) in order to reduce the claim of the Panamese tax authorities. These measures also require additional financial resources.

The bank is prepared to provide a credit secured by assets for this purpose on certain conditions. To date, the trustee and the bank have not reached agreement about these conditions, and they are negotiating on them.

The situation is pressing, since the Panamese tax authorities have announced that they will put the lots up for auction if the full tax arrears are not paid before the end of this year. In consultation with the Panamese advisors and the bank a solution is being looked for.

Apart from the Panamese attorney, a Panamese advisor is used who advises the estate in the foreclosure of the Panamese assets (or the preparation thereof).

Group Informals Panama

See the previous report. The position of this group is considered in the talks with the bank.

France

See previous reports.

Vietnam

See previous reports.

Other Assets

4.1 Debtors

See the first moratorium report.

4.2 Tax Refund

See also the previous reports.

- The Dutch tax authorities have been asked for a VAT refund in connection with invoices paid by the estate. In total, this amounts to EUR 43,401. This amount has already been paid into the estate account of Nacar Holding N.V.

5. Bank

5.1 Claim of bank(s)

ABN AMRO Bank has filed a claim of EUR 5,619,639, to be increased by the interest due on that amount.

All companies that this report relates to are jointly and severally liable for this claim. The bank has not received any collateral.

Another important aspect here is that ABN AMRO Bank concluded the credit agreement with multiple jointly and severally liable companies from the La Perla group, including Natural Synergy B.V.. Natural Synergy B.V. is the Dutch holding company of the Panamese companies in which the Panamese assets are held. The shares in Natural Synergy B.V. are held fully by La Perla Investments B.V.. The foregoing is also important in connection with the distribution of a surplus from the sale of the Panamese assets after payment of the debts of the Panamese companies. Under the credit agreement, the bank could directly take recover the costs from the proceeds that are being paid to Natural Synergy B.V. in the form of dividend.

Meanwhile, the trustee has performed an investigation into the bank's claim, and found that this claim is legally valid and that there are not sufficiently strong grounds to affect it. Incidentally, the bank's claim is interest-bearing in respect of Natural Synergy B.V., so that the total claim of the bank now exceeds an amount of EUR 8 million.

5.2 Estate Loans

- APAC : USD 1,000,000 (+ 7% interest as of May 2011) (paid)
- Informal Lenders Panama : EUR 365,000 (+ 7% interest as of October 2011) (paid)
- Slot Consultancy B.V. : EUR 35,934 and 55,000 EUR 142,875². This is a total amount of EUR 233,809³
- Jewel Holdings Service Ltd. : USD 200,000⁴ (paid)

- Balance credits secured by assets : Out of the various credits secured by assets, payments have been made for, *inter*

² For various advanced costs (such as rents, eviction costs, travel costs), advance to salary of administrator (EUR 100,000 plus VAT), advanced taxes Panama.

³ The claim of Slot Consultancy B.V. has been assigned to Global Living Services Ltd., which has assigned the greater part of the claim to third parties.

⁴ For advanced taxes Panama.

alia, foreign taxes, advisors in the Netherlands, Antigua, Panama and Spain, and salary of the trustee. The remainder of EUR 10,628 has meanwhile been paid into the estate account of La Perla Investments B.V.

6. Current Liabilities

There are no current liabilities at present.

7. Lawfulness

In the run-up to the moratoria, several transactions took place that could be voidable on grounds of fraudulence.

Examples are pledges of shares that were made, but also the second restructuring operation mentioned earlier. The transfer of the shares in Jolly Harbour AG to La Perla World S.A. (Luxembourg) has already been undone, so that these shares are part of the capital of La Perla Investments B.V. again. These shares are in the possession of the trustee. If necessary, which means if this is possible and in the interest of the estate, other transactions will also be undone.

The trustee has held Mr Duizendstraal liable for improper management pursuant to Section 2:248 of the Civil Code or Section 2:9 of the Civil Code). The claim amounting to the deficit in the estate was filed in the bankruptcy of Mr Duizendstraal as a private person and was placed by the trustee on the list of provisionally acknowledged claims.

8. Creditors

8.0 Creditors' Committee

At the request of the trustee dated 2 January 2013, the Court in Amsterdam appointed, in a decision of 20 February 2013, a creditor's committee for Nacar

Holding N.V. and La Perla Investments B.V. consisting of:

1. Mrs Y. Snijders - ABN AMRO Bank N.V.
2. Mr F. Marree - F. Marree Beheer B.V.
3. Mr F. van Belle - Name 'n Number B.V.

Mrs Snijders has meanwhile been succeeded by her colleague, Mr W. Keuning.

8.1 Estate Claims

All claims based on credits secured by assets granted, of which an amount of EUR 589,809 is still outstanding (partly to be increased with interest agreed). See also 5.2 (credit secured by assets).

Crowe Howrath a claim of EUR 34,212.

In addition, the claim for the trustee's salary has remained largely unpaid to date. An amount of EUR 150,000 (excl. VAT) has been paid. The unpaid salary amounts to approx. EUR 610,000. This last-mentioned amount is with reservation, since the bankruptcy judge has not yet been able to adjudicate the full amount.

8.2 Preferential Claim from the Tax Authorities

The tax authorities have a claim against:

- Nacar Holding N.V. EUR 653,172.
- La Perla Living Holding B.V. EUR 171,171.

In addition, the tax department has imposed retrospective collections. See below.

Investigation tax department

See also the previous reports. The tax department has meanwhile completed its investigation. The investigation has led to the imposing of retrospective collections, especially regarding VpB and LB, up to an amount of EUR

83,841,057.

The trustee disputes the level of the retrospective collections and is assisted in this by tax lawyers of Crowe Howrath. In the past months, several meetings have been held between the tax department, the trustee and his advisors. These talks are expected to be completed in the next reporting period, and a settlement with the tax department is expected.

8.3 Preferential Claim of the UWV

Unknown.

8.4 Other	Preferential	Creditors
Nacar Holding N.V.	:	EUR 97,028 (former employees)
La Perla Investments B.V.	:	EUR 17,000 (former employee)

These are the amounts that have been notified and been placed on the list of provisionally recognized creditors.

8.5 Number of Ordinary Creditors

Notified and provisionally recognized :

Nacar Holding N.V. 32 (out of which 27 Informal Lenders)

La Perla Living Holding B.V. 16

La Perla Investments B.V. 63 (out of which 58 Informal Lenders)

8.6 Amount of Ordinary Creditors

- <u>Nacar Holding N.V.:</u>		
ordinary creditors		EUR 13,025,898
informal lenders		EUR 14,650,359
- <u>La Perla Living Holding B.V.:</u>		
ordinary creditors		EUR 6,180,709
- <u>La Perla Investments B.V.:</u>		
ordinary creditors		EUR 5,677,572
informal lenders		EUR 33,444,316 and USD 9,894,358

The informal lenders also have the status of ordinary creditors.

These are the amounts that have been notified and been placed on the list of provisionally recognized creditors.

In these amounts the interest has been included up to the date of the moratorium.

In the amounts listed under the unsecured debts, the claim of ABN AMRO Bank of EUR 5,619,639 has always been included in connection with the alleged joint and several liability (see also 5.1).

The chance that it will be possible to make a distribution to the ordinary creditors is very small, given the state of the estate, the proceeds still to be expected, and the amount of the (preferential) claim of the tax department.

8.7 403 Declarations

Nacar Holding N.V. has issued declaration within the meaning of Section 2:403 Civil Code for the creditors of:

- La Perla Living Holding B.V.
- La Perla International Living B.V., currently Nacar Management (bankrupt as of 26 January 2010)
- La Perla Investments B.V.
- La Perla International Holding B.V.

9 Action Plan

In the coming reporting period the trustee will be busy with, *inter alia*:

- sale of assets in Panama, also depending on negotiations with the bank
- collection of proceeds from Spain
- collection of next instalment(s) from Antigua
- completing talks with tax department about retrospective collection

10 Estate Account

Today, the balance on the estate account of Nacar Holding N.V. amounts to:

22.31.14.499: EUR 37,323.

The balance on the estate account of La Perla Investments B.V amounts to:

22.31.14.480: EUR 10,628.

22.84.53.674: USD 599,965.

mr. A.W. de Man,

Trustee