

- Company information** : Nacar Holding N.V. (Chamber of Commerce no. 34289478)
La Perla Living Holding B.V.
(Chamber of Commerce no. 27136678)
La Perla Investments B.V.
(Chamber of Commerce no. 34202210)
- Bankruptcy number** : 12/843F, 12/841F and 12/842F
- Bankruptcy pronounced** : 26 November 2012 (after conversion of 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 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	-	589	[10] ¹
La Perla Living Holding B.V. 13/138	-	148	[0]
La Perla Investments B.V. 79/1403	-	2,624	[74]

¹ Hours spent since last report dated 9 June 2016.

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, 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 afterwards:

- 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 land holdings would have been developed and sold at high speed;
- insufficient development of land holdings. 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 holdings go down.

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

Investigation Krüger & Partners

See also the previous reports. 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. 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. Since there has been hardly any progress in this respect, it was decided to await the results of the FIOD's investigation first (see below under Chapter 7. Lawfulness).

Besides, the role of PWC has been investigated, which drafted and approved the annual accounts of the La Perla group of 2007. This investigation has not produced sufficient leads to hold PWC liable.

1.4 Situation of Mr Duizendstraal in private

See also the first and second public bankruptcy report. On 28 November 2012 Mr Duizendstraal was declared bankrupt as a private person in England.

The limitations of the insolvency proceedings have meanwhile been lifted. Besides, it has appeared from the public report of the English trustee² in the bankruptcy of Mr Duizendstraal, dated 18 July 2014, that the English trustee has been able to trace hardly any assets of Mr Duizendstraal.

On 17 May 2017 the English trustee prepared a final report. In this final report, the English trustee says, in summary, that no relevant assets have been found and that he has not been able to look for such assets, because he lacked the financial resources to do so. The trustee also wished to await the proceedings of the Dutch Public Prosecution Office, since these might still reveal something from which the estate could benefit. However, the English trustee maintains that these proceedings have not produced any results yet.

With reference to the final report I have contacted the English trustee. He indicated that if any new assets would turn up, or if the creditors would raise the funds necessary to perform a new debt recovery investigation ('asset-tracing'), he would reopen the procedure. All assets that will still be realized will come to be benefit of the joint creditors of Mr Duizendstraal.

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 holdings

² The joint trustees are Mr C. Laughton and Mr P.J. Godfrey-Evans, both working at Mercer & Hole.

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

2. Staff

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

The staff for La Perla was employed by Nacar Management B.V. (bankrupt since 26 January 2010).

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.

Zanders' findings were set out in a report dated 1 July 2011, which was later adapted on 17 August 2011 (the "Zanders Report").³

3.1 Spain

See also the previous reports.

As indicated in earlier reports, arrangements have been made for the distribution of net sales proceeds of the assets concerned (Monte Mayor and Istán) with Global Living Services Ltd. ("GLS"), in which the estate roughly receives half of the amount GLS is entitled to if the assets are sold. According to these arrangements, GLS is entitled to a small part of the sales proceeds as a fee for the sales efforts GLS has made for Oosterhoff Beheer B.V. (Oosterhoff), the mortgagee.

Under these arrangements, the part to which GLS is entitled is:

- 10% as long as the sales proceeds realized are lower than the sum of money Oosterhoff has lent to the Spanish entities as new credit; and

³ The report of 17 August 2011 can be inspected via the website www.kvdl.nl.

- 15% afterwards, as long the sales proceeds realized are lower than Oosterhoff's total investment.

Sales are proceeding with extreme difficulty: the amount of the newly granted credit has not been earned back, and the Spanish companies are also unable to pay all interests due.

On 17 May 2016, Oosterhoff Beheer B.V. terminated the agreement with GLS on grounds of – in brief – breach of contract. This termination, which has been examined by the trustee, seems to be untouchable. One transaction in particular is currently still under investigation. This has been the subject of correspondence with Oosterhoff Beheer B.V. and with Mr Duizendstraat.

The last sale on which Oosterhoff has paid a fee took place in December 2015, for an amount of EUR 10,608. To date, the Spanish assets have yielded a total sum of EUR 58,011.

3.2 Antigua

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

Sales of Assets Antigua

See also the previous reports. On 25 September 2014, the assets attached to Antigua were sold to APAC for USD 4,500,000.

The purchase price has been paid up to an amount of USD 1,200,000 through set-off of the short-term preferential loan that was made available by APAC of USD 1,000,000 plus interest agreed.

The remainder of USD 3,300,000 will be paid in instalments in accordance with the agreement. At the time of the previous report⁴, out of this remainder a principal amount of USD 2,750,000 and interest of USD 150,306 had been received. On 30 June 2016, another amount was received of USD 50,000 (rounded). The last instalment of USD 900,000 had to be paid in March 2017 at the latest. At APAC's request, the trustee has granted a postponement of this payment until 1 May 2017. The interest and the default interest are accumulating until that date. The rounded principal and interest that should have been paid on 1 May 2017

amounts to USD 1,008,450. Meanwhile, it has become known that APAC will have to request another postponement. The trustee will soon consult with APAC about the term of this postponement and the security to be provided in return.

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 ABN AMRO bank with regard to Natural Synergy B.V. (see paragraph 5.1 below), the trustee and the bank have negotiated at the end of 2014 about the way of settling the holding in Panama. There was an urgent need to pay several taxes to the Panamese tax authorities, as well as several other payments. In the absence of agreement with the bank and a credit from the bank, the Panamese tax authorities threatened to foreclose the lands held by the Panamese companies of La Perla.

On 18 December 2014 the trustee and ABN AMRO bank reached agreement about the provision of a short-term preferential loan by the bank for Panama of a maximum of USD 550,000, and also about the division of proceeds from the sale (if any) of the Panamese holdings. On 19 December 2014 the bankruptcy judge gave permission for this.

The arrangement with the bank to divide the proceeds from the sale consists mainly of – after settlement with a number of Panamese creditors (see footnote

⁴ Dated 8 June 2016.

5 below) – (i) the bank and the estate first receiving several nominal payments, (ii) a next part 50/50, and (iii) the major part of the proceeds to be divided in the proportion 22.5% for the estate and 77.5% for the bank.

Since December 2014 the following events have happened:

- Agreement was reached with creditors Kilborn, Haines and Friedman, under which they will receive a percentage of the proceeds from the sale;
- Agreement was reached with creditor Arias⁵, under which he will receive a percentage of the proceeds from the sale;
- Agreement was reached with the tax authorities in Panama about the tax debt, which resulted in one of the Panamese holdings having on balance a claim of almost USD 700,000, which is not distributable in money, but is eligible for set-off against future tax debts. In the future, taxes will remain due, but they will be lower and can be set off against the credit balance;
- The Dutch Tax Administration has filed a notice of appeal pursuant to Section 67 of the Dutch Bankruptcy Act against the approval granted on 19 December 2014 by the bankruptcy judge, arguing that the settlement was not sufficiently beneficial for the estate. On 14 January 2015 the Court of Amsterdam dismissed this appeal. The Tax Administration then appealed to the Supreme Court. The Supreme Court dismissed the appeal of the Tax Administration on 26 June 2015;
- A right of mortgage has been vested in the Panamese assets for the benefit of the Foundation Security Agent Panama, which was established for that purpose, in order to secure the claims of the estate, the bank and the Panamese creditors;
- The short-term preferential loan with the interest due on it has meanwhile been paid back to the bank in early September 2015. This amount was EUR 345,196 in total.
- Since all tax debts have been repaid, in March 2016 a so-called debt-free certificate could be obtained from the Tax Administration, and as a result the mortgage rights could be registered.

⁵ Both Kilborn, Haines and Friedman and Mr Arias are persons from whom La Perla had purchased and been delivered the lands at the time, without having (fully) paid for them.

As we already wrote in the previous report, on 8 May 2016 agreement about the selling instruction was reached with Christie's Nederland and Christie's Panama. The agreement was entered into for the period of 1 year, with the option of extension by 6 months. In the past year several marketing activities have been performed, for example through advertisements and on trade fairs. Although these activities have aroused some interest, no concrete bid has been made yet. Christie's has meanwhile agreed on behalf of the estate and other stakeholders to invoke the option of extending the agreement, subject to the permission of the bankruptcy judge. The bankruptcy judge has already given this permission. Consultations with Christie's are now in progress about the sales strategy. One of the options under consideration is an auction sale.

Group Informals Panama

See the previous report. Thanks to the proceeds from Antigua, the trustee has been able to pay back the group of informals who had made available a short-term preferential loan for the benefit of Panama at the end of 2011, beginning of 2012.

France

See previous reports.

Vietnam

See previous reports.

4. 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 refund amounts to EUR 43,254. This amount has already been paid into the estate account of Nacar Holding N.V.
- Besides, an amount of EUR 1,868 has been credited to the estate account of La Perla Investments B.V.
- In the coming reporting period, the trustee will make a new request (again) for a repayment of estate VAT.

5. Bank

5.1 Claim of bank(s)

See also the previous reports and above under 3.3. (Panama).

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 has a claim against Natural Synergy B.V.. Natural Synergy B.V. is the Dutch holding company of the Panamese companies in which the Panamese assets are held. 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 9 million.

5.2 Estate Loans

APAC	: USD 1,000,000 (+ 7% interest as of May 2011) (repaid)
Informal Lenders Panama	: EUR 365,000 (+ 7% interest as of October 2011) (repaid)
Slot Consultancy B.V.	: EUR 35,934, EUR 55,000 and EUR 8,544 EUR 142,875 ⁶ . This is a total amount of EUR 242,353. ⁷ The major part of these amounts

⁶ For various advanced costs (such as rents, eviction costs, travel costs), advance to salary of administrator (EUR 100,000 plus VAT), advanced taxes Panama.

⁷ 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.

was assigned to third parties earlier and has been paid (repaid) within the past reporting period.

Jewel Holdings Service Ltd. : USD 200,000⁸ (repaid)

Balance short-term preferential

loans : Out of the various short-term preferential loans granted during the moratorium, payments have been made for, inter alia, foreign taxes, advisors in the Netherlands, Antigua, Panama and Spain, and fees of the trustee. The remainder of EUR 10,628 has meanwhile been credited to the estate account of La Perla Investments B.V., and EUR 1,074 has been credited to the estate account of Nacar Holding N.V..

6. Current Liabilities

There are no current liabilities at present.

7. Lawfulness

See also the previous reports. No other legal acts have been declared void.

On 2 June 2015 the trustee reported Mr G. Duizendstraal to the police as (de facto) director of La Perla, since he is presumably guilty of bankruptcy fraud. The Fiscal Information and Investigation Service (FIOD) is investigating this under the supervision of the Public Prosecutor's Office for Financial, Economic and Environmental Offences. Nothing can be said about the progress of this investigation at the moment.

⁸ For advanced taxes Panama.

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 the following members:

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, who has been succeeded in turn by Mr Steven Daale.

8.1 Estate Claims

See also 5.2 (Estate Loans).

Several estate claims have been paid out of the estate accounts of Nacar Holding N.V. and La Perla Investments B.V., namely: Crowe Horwath (tax lawyer), various advisors regarding Panama and Antigua, attorney in the Netherlands in the proceedings before the Supreme Court, and fees of the trustee.

During the bankruptcy, the following amounts have been transferred as fees for the trustee:

Nacar Holding N.V.	EUR 62,940
La Perla Investments B.V.	EUR 795,948

This is exclusive of the amounts that were paid as fees of the administrator during the moratorium. We refer to the previous reports.

8.2 Preferential Claim from the Tax Administration

The Tax Administration has a claim against:

- Nacar Holding N.V. EUR 653,172
- La Perla Living Holding B.V. EUR 171,171
- Nacar Holding B.V. EUR 6,000,000
- La Perla Investments B.V.
- La Perla Living Holding B.V.⁹

Investigation tax authorities

See also the previous reports. On 1 June 2016, the Tax Administration and the trustee reached agreement about a settlement. The settlement implies that the Tax Administration still has a preferential claim of EUR 6,000,000 in the bankruptcies of Nacar Holding N.V., La Perla Living Holding B.V. and La Perla Investments B.V. In the meantime, the creditors' committee has issued a positive advice and the bankruptcy judge has granted permission to the settlement, which has been recorded in a settlement agreement.

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)

⁹ Since there is fiscal unity, the three entities have joint and several liability. Note: subject to the approval of the bankruptcy judge.

8.6 Amounts 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 condition of the estate, the proceeds still to be expected, and the amount of the (preferential) claim of the tax department.

8.7 403 Declarations

See previous reports. Given the proceeds and division of debts to be expected, the 403 declarations no longer seem to be relevant.

9 Action Plan

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

- sale of assets in Panama, with the cooperation of Christie's
- collection of final instalment from Antigua
- investigation by FIOD
- reclaiming of VAT

10 Estate Account

Today, the balance on the estate account of Nacar Holding N.V. amounts to
22.31.14.499: EUR 21,360

The balance on the estate account of La Perla Investments B.V amounts to:
22.31.14.480: EUR 215,729
22.84.53.674: EUR 78,988

mr. A.W. de Man,
Trustee