EVERGREEN CONSULTING

WORKING PAPER — NOT FOR CIRCULATION

DRAFT — INCOMPLETE — CONSULTANT WORKING FILE

RISK AUDIT

Engagement: Simons-Horlach / Lindberg Merger

Working draft — consultant file copy

Consultant: D. Miles

Engagement Lead: H. Burgh

Client Relationship Partner: J. Recker

Engagement opened: 8 January 1986

Draft last saved: 2 March 1986

Status:

IN PROGRESS

see Outstanding Items, Section VI

I. Scope and Risk Hypothesis

Standard pre-merger Discovery in support of the proposed Simons-Horlach acquisition of Lindberg Continental. Initial hypothesis, agreed with H.B. at scoping: principal risk is financial — Lindberg's declining core business dressed up favourably for the negotiating table, standard for a family firm managing a long, slow decline. Revised as below.

DM marginal note: Scoping memo undersold this one. Should have flagged R.L.'s personal file as a priority from week one — didn't have cause to yet. H.B. and I need to talk about how we missed that at kickoff.

II. Stakeholder Map

Name	Role	Interview Status	Notes
Lars Simons	Chairman, Simons-Horlach	Complete — 14 Jan	Cooperative. See log.
Ralf Lindberg	Chairman/CEO, Lindberg	Complete — 22 Jan	See flag below — unresolved.
Johann Schpelt	President/COO, Lindberg	Complete — 22 Jan	Defensive re: financing structure.
Karin Lindberg	Family shareholder (estranged)	Complete — 5 Feb	HIGH PRIORITY — see flag below.
Reider Horst	Exec. Director, Simons-Horlach	Not conducted	Low priority at scoping — revisit, see below.
Continental staff (x4)	Operations, various	Complete — Jan/Feb	Nothing material.

III. Interview Log (Selected Entries)

---

14 Jan 1986 — L. Simons (Chairman, Simons-Horlach) Cooperative, forthcoming, unusually candid for a chairman about the firm's own history. Volunteered detail about his own wartime service (resistance courier, Netherlands) without being asked — unusual, but nothing that reads as a red flag. Mentioned, almost in passing, that he'd personally had Horst's original capital "looked into" decades ago and "never got a satisfactory answer either way." Did not elaborate. Follow-up needed with Simons directly — see Section VI.

22 Jan 1986 — R. Lindberg (Chairman/CEO, Lindberg) Charming, controlled, exactly as advertised. Answered every scoped question fully and quickly — almost too quickly on some. Asked (per protocol) about the company's founding years, post-war Rotterdam. Answer was fluent and well-rehearsed — almost word for word what's in the public company history. Followed up with an unscripted question about his own arrival in Rotterdam specifically. Noticeable pause before answering — longer than any other pause in the interview, including the financial questions. Recovered smoothly, gave a date and account that matches the public biography. Nothing wrong with the answer on its face. The pause is the finding, not the content.

Unresolved. Documentary review (Section IV) surfaces something that may explain the pause. Priority: HIGH.

22 Jan 1986 — J. Schpelt (President/COO, Lindberg) Guarded throughout, particularly on financing structure for the Continental holding companies — gave answers that were technically responsive but incomplete, referred several questions to "Ralf's people" rather than answering directly for a man in his position. Consistent with a COO uncomfortable with a merger he didn't choose (per H.B.'s read of the situation), but flagging in case it's something more.

5 Feb 1986 — K. Lindberg (family shareholder, estranged) Interviewed per stakeholder mapping protocol — a name the client did not put forward themselves, which is exactly why she was on the list. Opened by stating plainly she wants nothing to do with the company and has not been involved in years. Consistent throughout — until asked a scoped, fairly routine question about her reaction to Continental being sold as part of the wider transaction. Visible, unmistakable reaction — not indifference. Something that read closer to relief, or distress, or both, gone as quickly as it appeared. She recovered and gave a neutral answer. Did not push further in the room per protocol (documents what's said unprompted before following up) — this needs a second interview, not a second question in the same room.

HIGH PRIORITY. Second interview with K. Lindberg not yet scheduled as of this draft — see Section VI. Do not close this file without it.

IV. Documentary and Records Review

Standing request list per firm methodology submitted 9 January; return has been slow and partial, consistent with a family firm not used to this level of scrutiny — not, on its own, a red flag.

- Corporate registry filings: complete, consistent with public record.

- Personnel files, officers and directors: complete for J. Schpelt and other current officers. R. Lindberg's personal file, as held by the company itself, begins in 1946 — nothing prior. Company's own explanation: "records lost in the post-war reorganisation," offered without prompting by company counsel, which is itself worth noting.

Per firm taxonomy (see Discovery Playbook, Part IV): a documented gap the subject has not been asked to explain directly is not yet a finding. A gap the subject actively resists explaining is. We are not there yet — but we are one interview away from it.

- Request submitted to Rotterdam municipal archives for independent residency/immigration documentation, R. Lindberg, pre-1946. Submitted 24 Jan. No response as of this draft.

- R. Horst's original capital-vetting file, referenced by L. Simons (see interview log, 14 Jan) — requested from Simons-Horlach's own archive, not yet located. Company describes it as "likely destroyed in a 1961 records consolidation." Unconfirmed.

V. Risk Categorisation Matrix

Category	Status	Notes
Financial	Qualified — minor	Related-party lease arrangements, immaterial. See W/P 4.
Operational	Clean	No material findings.
Legal / Regulatory	Clean, pending	Awaiting confirmation of one dockside lease filing.

Category	Status	Notes
Reputational	OPEN	Karin Lindberg interview inconsistency — unresolved.
Undisclosed-Historical	OPEN — HIGH PRIORITY	R. Lindberg pre-1946 documentation gap. Not yet explained. See below.

VI. Outstanding Items — Next Steps

- Schedule second interview, K. Lindberg, re: Continental reaction. Target: week of 10 March. NOT YET BOOKED.
- Follow up directly with L. Simons on the Horst capital-vetting comment — informal, outside the recorded interview, before deciding whether Horst needs a formal interview slot after all.
- Chase Rotterdam municipal archives request — three weeks with no response is longer than usual; escalate if nothing by mid-March.
- Locate or formally confirm destruction of Horst's 1950s vetting file.
- Re-approach R. Lindberg's 1946 gap directly if archives request comes back inconclusive — will need to be handled carefully, and probably not by me alone.

DM marginal note: Talk to Harry properly about this one before I go further — not comfortable sitting on the K.L. reaction and the R.L. pause together without a second set of eyes. Something in this file doesn't add up yet and I don't think it's nothing.

[Draft ends here. No further working papers or interview notes for this engagement were recovered.]