

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF PUERTO RICO**

In re: :
 :
EMPRESAS OMAJEDE, INC. : **Case No. 12-10113 (ESL)**
 :
Debtor : **Chapter 11**
 :
_____ :

**DISCLOSURE STATEMENT
OF
EMPRESAS OMAJEDE, INC.**

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I. INTRODUCTION

Pursuant to Section 1125 of the United States Bankruptcy Code, 11 U.S.C. § 101, *et seq.* (the "Bankruptcy Code"), Empresas Omajede, Inc., debtor and debtor-in-possession in the above captioned case ("Debtor"), submits this Disclosure Statement (the "Disclosure Statement") to all of its known creditors. The purpose of the Disclosure Statement is to provide such information as Debtor believes may be deemed necessary for Debtor's creditors to make an informed decision in exercising their rights to vote on Debtor's Plan of Reorganization (the "Plan"), dated as of the date of the Disclosure Statement. The Plan is being filed with the United States Bankruptcy Court for the District of Puerto Rico ("Bankruptcy Court") simultaneously herewith.

Debtor recommends that you vote to accept the Plan. Each creditor must, however, review the Plan and the Disclosure Statement carefully, including all exhibits in their entirety, and determine whether or not to accept or reject the Plan based upon that creditor's independent judgment and evaluation. The description of the Plan in the Disclosure Statement is in summary form and is qualified by reference to the actual terms and conditions of the Plan, which should be reviewed carefully before making a decision to accept or reject the Plan. Capitalized terms not otherwise defined herein have the same meaning as set forth in the Plan, other terms shall have the meaning ascribed to them in the Bankruptcy Code.

The information contained in the Disclosure Statement has been provided by Debtor based upon Debtor's knowledge of its records, business and affairs. Except as otherwise expressly indicated, the information provided by Debtor in the Disclosure Statement has not been subject to an audit or independent review. Although great efforts have been made to be accurate, Debtor, its counsel and other professional advisors do not warrant the accuracy of the information contained herein.

The Disclosure Statement has not yet been approved by the Bankruptcy Court as providing information deemed adequate to permit Debtor’s creditors to make an informed judgment in exercising their right to vote for or against the Plan.

No representations concerning Debtor, including the value of its assets, or the aggregate dollar amount of claims which may be allowed are authorized other than as set forth in the Disclosure Statement. Any representations, warranties or agreements made to secure acceptance or rejection of the Plan by Debtor’s creditors that differ from those contained in the Disclosure Statement should not be relied upon in voting on the Plan.

Debtor believes that the Plan provides the quickest recovery and will maximize the return to creditors on their Claims. **ACCORDINGLY, DEBTOR URGES ALL CREDITORS TO VOTE IN FAVOR OF THE PLAN.**

II. SUMMARY OF THE PLAN

The Plan specifies the manner in which the Claims and Interest in the Debtor are to be treated. Allowed Administrative Expense Claims and Allowed Priority Tax Claims are not classified for purposes of voting under the Plan, but the Plan does provide for the treatment of such Claims. The table below provides a summary of the treatment of those claims and of the various Classes of Claims against Debtor, as well as of Debtor’s shareholders’ interest in Debtor. To the extent that the terms of the Disclosure Statement vary from those of the Plan, the terms of the Plan will control.

Description of Claims	Class	Estimated Amount to be Allowed	Treatment under the Plan/ Estimated Recovery under the Plan
Holders of Allowed Administrative Expense Claims	N/A	\$20,000.00	Unimpaired. Estimated Recovery: 100% Except as otherwise agreed to by Debtor and the holder of an Allowed Administrative Expense Claim, each such holder shall be paid in full in the regular course of business or as authorized by the Court, on

			or before the Effective Date. These claims are estimated in the amount of \$20,000.00.
Holders of Secured Priority Tax Claims	N/A	\$112,612.44	Unimpaired. Estimated Recovery: 100%
			The Priority Taxes owed to CRIM shall be paid in deferred equal consecutive monthly installments commencing on the thirtieth (30th) day of the month following the Effective Date and continuing on the thirtieth (30th) day of each month thereafter over a 60 month period, equal to the amount of such Allowed Priority Tax Claims, plus the statutory rate of interest prevailing during the month the Plan is confirmed, estimated at 4% per annum for a monthly payment of \$2,073.96. CRIM will retain its statutory lien on Debtor's realty until full payment of its claim.
Secured Claim of Banco de Desarrollo Económico de Puerto Rico ("EDB")	1	\$430,472.52	Impaired. Estimated Recovery: 100%
			The Secured Claim of EDB consisting of a bank loan, secured by Debtor's properties number 2 and 3 listed in Debtor's Schedule A to Debtor's Chapter 11 petition and also described herein. Debtor's obligation to EDB will be restructured into a reduced monthly payment of \$10,000.00, including interest at the current rate of 6.5%, with a balloon payment for the balance due in December of 2016.
Secured Claim of Banco Popular de Puerto Rico ("BPPR")	2A	\$2,518,192.73	Impaired. Estimated Recovery: 100%
Claim is subject to objection			BPPR has no right to collect from Debtor's deposit account without Debtor's written consent. This secured claim of BPPR consists of two bank loans, secured by Debtor's property number 1, listed in Debtor's Schedule A of Debtor's Chapter 11 petition and also described herein. Debtor's obligation to BPPR will be satisfied through a monthly payment of \$15,422.83, including interest at 4.25% per annum, with a balloon payment on the first loan for the balance due in March of 2023 and a balloon payment on the second loan for the balance due in July 2026. BPPR will retain its perfected security interest in Debtor's property number 1 until full payment of its claim.
Secured Claim of Banco Popular de Puerto Rico ("BPPR")	2B	\$312,977.78	Impaired. Estimated Recovery: 100%
Claim is subject to objection			This secured claim of BPPR consists of a bank loan secured by Debtor's properties numbered 4, 5, 6 listed in Debtor's Schedule A to Debtor's Chapter 11 petition and described herein.

			Debtor will transfer to BPPR all three parcels of real property. The deficiencies on properties 5 and 6 will be included in Class 4 as General Unsecured Claims.
Claims Arising from the Assumption of Executory Contracts	3	\$6,157.27	Impaired. Estimated recovery: 100% Claims for arrears arising from the assumption of Debtor's executory contracts with Aireko Services, Aritran Elevator Corp, Building Fast Cleaning Service, Consolidated Waste Service, CP and S Mechanical Corp. and Electric Service Corp, shall be paid in full, in three monthly consecutive payments of \$2,050.42.
Holders of Allowed General Unsecured Claims Class 5	4	\$983,380.34	Impaired. Estimated Recovery: 100% Holders of Allowed General Unsecured Claims, shall be paid one hundred percent (100%) of their claims, as may be fully determined and allowed by the Court, including the claim of the State Insurance Fund ("SIF"), without interest, in deferred equal consecutive monthly installments commencing on the 30th day of the month following the Effective Date and continuing on the thirtieth (30th) day of the following fifty nine (59) months. These claims are estimated in the amount of \$983,380.34 and will be paid \$15,918.66 monthly. PREPA will not require Debtor to post any payment bond during the plan period.
Interests in Debtor	5		Unimpaired. The shares of Debtor's shareholders will be retained and are thereby unaltered.

For a more detailed description of the treatment of the foregoing Classes of Claims and Interests, see "Treatment of Claims and Interests under the Plan."

The Disclosure Statement has been prepared by Debtor to provide creditors with adequate information so that they can make an informed judgment about the Plan. Each creditor should read the Disclosure Statement and the Plan in their entirety before voting on the Plan. No solicitation of votes on the Plan may be made except pursuant to the Disclosure Statement and no person has been authorized to utilize any information concerning Debtor's assets other than the information contained herein for purposes of solicitation.

III. INFORMATION ABOUT THE REORGANIZATION PROCESS

3.1 Purpose of a Disclosure Statement

This Disclosure Statement includes background information about Debtor and identifies the classes into which creditors have been placed in the Plan. It describes the proposed treatment of each of those classes if the Plan is confirmed and contains information concerning the prospects in the event of confirmation or, in the alternative, the prospects if confirmation is denied or the proposed Plan does not become effective.

Upon its approval by the Bankruptcy Court, the Disclosure Statement and the Exhibits thereto will have been found to contain, in accordance with the provisions of the Bankruptcy Code, adequate information of a kind and in sufficient detail to enable a reasonable, hypothetical investor, typical of a holder of an impaired claim to make an informed judgment about the Plan. Approval of the Disclosure Statement, however, does not constitute a recommendation by the Bankruptcy Court either for or against the Plan.

3.2 Voting Procedure

All creditors entitled to vote on the Plan may cast their votes for or against the Plan by completing, dating, signing and casting the Ballot Forms accompanying this Disclosure Statement as **Exhibit B**, to be returned to the following address:

**Empresas Omajede, Inc.
c/o G.A. Carlo-Altieri & Associates
254 San Jose Street – Third Floor
San Juan, PR 00901**

The Ballots must be received **on or before 4:00 P.M. (Atlantic Standard Time) on _____, 2014**, to be counted in the voting. Ballots received after this time will not be counted in the voting unless the Bankruptcy Court so orders.

Debtor recommends a vote for "ACCEPTANCE" of the Plan.

3.3 Ballots

Pursuant to the provisions of the Bankruptcy Code, only classes of claims or interests which are “impaired” under the terms and provisions of a plan are entitled to vote to accept or reject such plan. A Class is deemed not to have accepted a plan if such plan provides that the claims or interests of such Class do not entitle the holders of such claims or interests to receive or retain any property under the plan on account of such claims or interests.

Class 5 is unimpaired under the Plan and is deemed to have accepted the Plan and these shareholders are not entitled to vote. Members of Classes 1, 2, 3 and 4 are impaired under the Plan and entitled to vote for acceptance or rejection of the Plan. A party who holds claims in more than one impaired Class should complete a Ballot for each Class with respect to the applicable portion of the claim included in each Class.

3.4 The Confirmation Hearing

Pursuant to Section 1128 of the Bankruptcy Code, the Bankruptcy Court has scheduled a hearing on confirmation of the Plan to commence on _____ **2014** at ____ **.M.**, or as soon thereafter as the parties can be heard. The Confirmation Hearing will be held before the Honorable Enrique S. Lamoutte, United States Bankruptcy Judge, 300 Recinto Sur Street, San Juan, Puerto Rico 00901, or before such other Bankruptcy Judge and at such other place as may be indicated in the future. At the Confirmation Hearing, the Bankruptcy Court will consider whether the Plan satisfies the various requirements of the Bankruptcy Code, including whether it is feasible and in the best interests of holders of claims and interests. The Bankruptcy Court will also receive and consider a Report of Plan Voting (1129 Statement) prepared by Debtor, summarizing the votes for acceptance or rejection of the Plan by parties entitled to vote.

The Confirmation Hearing may be adjourned from time to time without further notice except for the announcement of the adjourned date made at the Confirmation Hearing or at any subsequent adjourned Confirmation Hearing.

At the Confirmation Hearing with respect to the Plan, the Bankruptcy Court will (i) determine whether the requisite votes have been obtained for each Class, (ii) hear and determine objections, if any, to the Plan and to the confirmation of the Plan, that have not been previously disposed of, (iii) determine whether the Plan meets the confirmation requirements of the Bankruptcy Code, and (iv) determine whether to confirm the Plan.

Any objection to confirmation of the Plan must be in writing, filed and served as required by the Bankruptcy Court pursuant to the order approving the Disclosure Statement, a copy of which is attached as **Exhibit C** hereto.

3.5 Acceptances Necessary to Confirm the Plan

The vote of each holder of an impaired claim entitled to vote is important since at the Confirmation Hearing and as a condition to the confirmation of the Plan on a consensual basis, the Bankruptcy Court must determine, among other things, whether each impaired Class of creditors and interest holders entitled to vote has accepted the plan. Under Section 1126 of the Bankruptcy Code, an impaired Class of creditors is deemed to have accepted a plan if at least 2/3 in amount and more than 1/2 in number of the Allowed Claims of the Class members who actually cast ballots to accept or reject the Plan, accept the Plan. Further, unless there is acceptance of the Plan by all members of an impaired Class, the Bankruptcy Court must also determine that under the Plan, Class members will receive property of a value, as of the Effective Date, that is not less than the amount that such Class members would receive or retain if the

Debtor were to be liquidated under Chapter 7 of the Bankruptcy Code on the Effective Date of the Plan.

3.6 Confirmation of the Plan without the Necessary Acceptances

If a Class or Classes of impaired Claims do not accept the Plan, Debtor will request confirmation of the Plan under the “cram down” provisions of Section 1129(b) of the Bankruptcy Code, which permits confirmation, notwithstanding non-acceptance by one or more impaired Classes, if the Bankruptcy Court finds that the Plan does not discriminate unfairly against and is fair and equitable as to each non-accepting Class entitled to vote on the Plan, as long as at least one class of impaired creditors votes to accept the Plan. Section 1129(b) of the Bankruptcy Code requires among other things, that claimants must either receive the full value of their Claims and if they receive less, that no Class with junior liquidation priority may receive anything. **THESE CALCULATIONS ARE BASED ONLY ON THE CLAIM AMOUNTS AND NUMBER OF CREDITORS WHO ACTUALLY VOTE. ANY BALLOT THAT IS VALIDLY EXECUTED THAT DOES NOT CLEARLY INDICATE REJECTION OF THE PLAN SHALL BE DEEMED TO CONSTITUTE A VOTE FOR ACCEPTANCE OF THE PLAN. THE VOTE OF EACH CREDITOR IS IMPORTANT.**

IV. GENERAL INFORMATION

4.1 Debtor’s Description and Historical View.

Debtor is a domestic corporation established on April 6, 1978 under the laws of Puerto Rico, with its main offices at 1608 Bori Street (Marginal of State Road #1), km. 14.7, San Juan, Puerto Rico 00927, and engaged in the rental of commercial office and warehouse space in its building at such address, known as La Electrónica Building.

Debtor has three (3) shareholders, Antonio Betancourt Capó holding forty percent (40%), Delfina Betancourt Capó holding forty percent (40%), and Olga Capó Román holding twenty percent (20%) of Debtor's common shares.

On March 21, 2003, Debtor entered into a loan agreement with Westernbank for \$1,800,000.00 and obtained a line of credit with Westernbank of \$ 1,500,000.00. On June 8, 2006, the line of credit was converted into a term loan of \$1,800,00.00. The estimated outstanding balance of principal owed on the first loan is \$1,145,119.53 as of October 31, 2013, and that of the June 8, 2006, loan \$1,373,073.20, after adjustments for credits claimed in relation to excess interest charged on the loans and payments made, as further explained *infra*.

On June 29, 2005, Debtor entered into another Loan Agreement with Westernbank for \$455,000.00. The outstanding balance on this loan is \$425,775.09 as of October 31, 2013, of which \$312,977.78 is secured and \$112,797.31 is unsecured deficiency. The 2003 and 2006 loans are guaranteed by Debtor's main asset, La Electronica Building. The June 29, 2005, loan is guaranteed by Debtor's three (3) parcels of land totaling 18.309 cuerdas at Carraizo Ward, Trujillo Alto, Puerto Rico.

On April 30, 2010, Westernbank was closed by the Office of the Commissioner of Financial Institutions of the Commonwealth of Puerto Rico, who appointed the Federal Deposit Insurance Corporation ("FDIC") as receiver. Furthermore, on that date, the FDIC entered into a purchase and assumption agreement with Banco Popular de Puerto Rico ("BPPR") for BPPR to assume all of Westernbank's deposits. In addition to assuming all of the deposits, BPPR also agreed to purchase approximately \$9.39 billion of Westernbank's assets, including Debtor's loans with Westernbank.

After the acquisition of the three (3) loan agreements with Westernbank, BPPR began charging, in January of 2011, an additional 2% interest on the loan balances over the 4.25% and the 4.99% interest rates specified in the loan agreements, as penalty fees, instead of the regular interest rate for payments made during the 30 day period from the due date of the payments. The effect of this change, as of June 30, 2013, is estimated at \$68,778.82 and \$41,564.23 of excess interest charges on the respective loans. Debtor sustains that the regular interest rate should be retroactively applied as a reduction of the principal balances claimed by BPPR.

On April 14, 2011, Debtor entered into a Loan Agreement with Banco de Desarrollo Económico de Puerto Rico (“EDB”) for \$742,500.00. The total outstanding balance of principal owed on this loan, is \$430,472.00, as of October 31, 2013. The EDB loan is guaranteed by Debtor’s two (2) parcels (part of La Electrónica Building’s parking) totaling 7,514.81 square meters.

4.2 Events Preceding Debtor’s Chapter 11 Filing.

During 2006, the local government having overspent its budget and being short of funds, closed down for several weeks creating fear and uncertainty in the commercial and private community. As a result, the commercial real estate market, which represents 100% of Debtor’s customer base, weakened noticeably with 2,200,000 to 2,800,000 square feet of vacant commercial space (in 2013) in the metropolitan San Juan area, with Class-A building vacancies estimated at around 15%, compared with about 30% for Class-B properties, like Debtor’s La Electronica Building. This situation coupled with the sub-prime banking crisis, a lack of infrastructure expansion, and the collapse of the construction industry and housing market created a negative impact on the commercial real estate market in Puerto Rico, and increased Debtor’s vacancy rate. The global impact of oil price increases to record levels also directly

impacted Debtor's energy costs, which increased by 109% from 2006 to 2012.

Since 2006, Puerto Rico has been immersed in a deep economic recession that has affected all businesses on the Island, including the manufacturing, construction and real estate development sectors of Puerto Rico's economy. The deterioration of Puerto Rico's economy during this period has affected Debtor's revenues, cash flow and its overall financial condition. Debtor's La Electrónica Building, a 40 years old Class-B office and warehouse building, began to confront competition for tenants from Class-A buildings and newer buildings with better facilities and emergency power plants (which La Electrónica Building lacks).

On September 15, 2009, at the end of a fifteen (15) year lease agreement between Debtor and Empresas Berríos, Inc. ("Berríos"), under which Berríos leased the entire first floor, consisting of 32,000 square feet, and the entire basement of the La Electrónica Building, consisting of another 32,000 square feet, Berríos returned possession of both premises to Debtor. While, Debtor continued with Berríos' sublease of the basement to the Department of Corrections of Puerto Rico ("Corrections"), the first floor remained empty for almost two (2) years, until August 1, 2011, when it was occupied by the Public Service Commission of Puerto Rico ("CSP"). The vacancy rate and ensuing yearly loss of annual rental income from the second and third floors of La Electrónica Building, each measuring 32,000 square feet, which together with the first floor of the building comprise the three (3) floors that the building has for use as office space, increased during calendar years 2008 (\$57,515.25), 2009 (\$78,737.52), 2010 (\$39,620.00) and 2011 (\$13,513.80). The two (2) year vacancy of the first floor, the increase in the vacancy rates of the second and third floors, and the increase in energy costs, caused a loss to Debtor of \$372,025.00 during the fiscal year ending on July 31, 2010, and a loss of \$521,534.00 for the fiscal year ending on July 31, 2011. For that same period, energy costs increased from

\$434,667.00 during fiscal year 2009 to \$712,646.00 during fiscal year 2012.

On September 9, 2011, Debtor entered into a payment plan with the Puerto Rico Electric Power Authority (“PREPA”) for Debtor’s debt to PREPA of \$246,153.32, to be paid through fifty-four (54) monthly payments of \$5,443.05 of principal and interest at 8% per annum. Before the entry into the payment plan between PREPA and Debtor, PREPA cut power to La Electrónica Building on June 20, 2010, and on June 20, 2011, for approximately fifteen to twenty minutes in both cases.

Increased costs and vacancy levels resulting from the decrease in economic activities in Puerto Rico, caused losses to Debtor, mainly arising because the higher costs could not be passed on, i.e. under-absorption or under recovery of overhead. The significant amount paid in interest to its lenders, due to their high leverage, also negatively impacted the results of Debtor’s operations. Because of the economic situation in Puerto Rico, many tenants have become morose in their rental payments. Corrections, in particular, has accumulated up to \$160,000.00 in overdue payments of rent and energy costs. This cash flow problem could certainly become more acute, in the event of the degradation of Puerto Rico’s municipal bonds to junk status, and the ensuing default, which could provoke the partial closing of the government of Puerto Rico. Revenues from Corrections and CSP comprise 56% of Debtor’s \$2,003,242.00 income during fiscal year 2012.

Finally on November 29 and 30, 2012, PREPA again cut power to La Electrónica Building for almost forty eight (48) hours, shutting down the entire building to all tenants, including Correction’s warehouse and CSP’s central offices.

The above factors caused Debtor to file a voluntary petition for relief under Chapter 11 of the Bankruptcy Code on December 21, 2012, with the goal of restructuring its obligations and

reorganizing itself.

4.3 Debtor's Post-Petition Endeavors.

As a result of the filing by Debtor of its Chapter 11 petition, Debtor has received the benefits of 11 U.S.C. § 362(a), which stays all collection actions and judicial proceedings against Debtor, providing Debtor the opportunity to file the Plan and Disclosure Statement, as envisioned by the Bankruptcy Code, without the pressures that drove Debtor into Chapter 11.

The United States Trustee held and closed the first meeting of creditors pursuant to Section 341 of the Bankruptcy Code in Debtor's case on March 11, 2013.

Debtor's operations continue with Debtor as a debtor-in-possession pursuant to 11 U.S.C. §§ 1107 and 1108.

Debtor has undertaken the following efforts for the benefit of its Estate and its creditors:

Debtor sought and obtained the Bankruptcy Court's approval to retain Charles A. Cuprill, PSC Law Offices as its bankruptcy counsel, which was recently substituted by G.A. Carlo-Altieri & Associates.

Debtor also sought and obtained the Bankruptcy Court's approval to retain Nelson A. Galarza, CPA ("Galarza") as its financial consultant on all matters pertaining to Debtor's reorganization.

On February 19, 2013, PREPA filed a motion under 11 U.S.C. § 366 for adequate assurance of payment, which the Bankruptcy Court granted on February 21, 2013.

On February 25, 2013, Debtor filed a motion to alter or amend the order granting PREPA's motion (Docket No. 27), which led to a hearing held on April 2, 2013.

On April 26, 2013, Debtor filed a motion in compliance with the Bankruptcy Court's order and requested the entry of an order for the approval of Debtor's adequate assurance of

payment offer to PREPA under the provisions of 11 U.S.C. § 366, consisting of the advance payment by the fifteenth (15th) day of each month to PREPA of Debtor's monthly average electric power consumption (\$60,000.00), to be adjusted up or down, upon the receipt of PREPA's corresponding statements and with any payments in excess to be credited to the following month and any deficiency to be immediately paid in lieu of the \$182,000.00 cash bond demanded by PREPA.

On May 21, 2013, the Bankruptcy Court entered an order approving Debtor's adequate assurance of payment offer to PREPA.

V. CLAIMS AGAINST DEBTOR AND ITS ASSETS

5.1 Claims Against Debtor

Claims against Debtor that are Allowed Claims, as defined in the Plan, will be entitled to distribution pursuant thereto, as indicated at pages 6 and 7 hereof.

The Plan provides that only the holders of Allowed Claims, that is, holders of Claims not in dispute, not contingent, liquidated in amount and not subject to objection or estimation are entitled to receive distribution thereunder. Until a claim becomes an Allowed Claim, distribution will not be made to the holder of such claim.

5.2 Objections to Claim

The amounts set forth as due to holders of unclassified and classified claims are estimates only, based upon Debtor's Schedules or Debtor's belief as to amounts due thereto. Debtor is including as **Exhibit A** hereto a Summary of Claims and Plan Payments, including reconciliation of claims against Debtor, indicating those objected or to be objected to and those pending.

Any objections to Claims must be filed and served on the holders thereof by the Claims Objection Bar Date, which as set forth in the Plan is the later of (1) the date that such claims

become due and payable in accordance with their terms, or thirty (30) days before the first date fixed by the Bankruptcy Court for the hearing on the confirmation of the Plan. If an objection has not been filed to a Claim by the Claims Objection Bar Date, the Claim will be treated as an Allowed Claim.

Objections to Claims filed in Debtor’s Chapter 11 case are to be prosecuted by Debtor, including any application to estimate or disallow Claims for voting purposes.

Debtor will object to the following Claims:

POC No.	Claimant	Total Amount Claimed	Classification of Claim	Amount Expected to be Allowed	Reason for Objection	Action
5	BPPR	\$3,155,331.80	Secured	\$2,500,000.00	Excess interest charges as explained on page 13.	Pending to object
6	State Insurance Fund	\$28,260.71	Priority	\$0	In litigation. See page 31.	Pending to object

VI. DESCRIPTION OF THE PLAN

The following is a summary of the significant provisions of the Plan and is qualified in its entirety by said provisions. A copy of the Plan is being filed simultaneously herewith. In the event and to the extent that the description of the Plan contained in the Disclosure Statement is inconsistent with any provisions of the Plan, the provisions of the Plan shall control and take precedence. All creditors are urged to carefully read the Plan.

6.1 Unclassified Claims

In accordance with Section 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims and Priority Tax Claims are not classified in the Plan. A description of the unclassified claims and the Claims and Interests in each class, as well as the estimated principal amount thereof as of the Effective Date and their treatment, are set forth in the Plan and summarized on

pages 6 and 7 hereof. Administrative Expense Claims are generally the ordinary and necessary costs of administering and operating during a Chapter 11 case.

6.2 Administrative Expense Claims

Except as otherwise agreed to by Debtor and the holder of an Allowed Administrative Expense Claim, each such holder shall be paid in full in cash in the regular course of business or as authorized by the Court on or before the Effective Date.

If Debtor disputes any portion of an Administrative Expense Claim, Debtor shall pay such Claim within thirty (30) days after the entry of a Final Order with respect to the allowance of such disputed Administrative Expense Claim. Debtor will reserve the necessary funds to meet these payments.

6.3 Professional Fee Claims

The professionals retained by Debtor in Debtor's Chapter 11 case have and will incur fees and expenses from the date of their retention through the Effective Date of the Plan. It is impossible to predict the amount of professional administrative expense fees that will be incurred through the confirmation of the Plan. As of the filing of this Disclosure Statement, Debtor has paid \$71,006.36 to Debtor's professionals for fees and reimbursement of expenses. Debtor estimates that Allowed Professional Fee Claims, to all professionals retained by Debtor will add approximately \$20,000.00 more for unpaid services rendered and expenses incurred up to the Confirmation of the Plan. All amounts paid to professionals through the Confirmation Date, including interim fees and expenses already paid, are subject to final Bankruptcy Court approval. Debtor reserves the right to contest the allowance of any professional fees.

6.4 Priority Tax Claims

Priority Tax Claims are Claims entitled to priority pursuant to Section 507(a)(8) of the

Bankruptcy Code. Such Priority Tax Claims consist of real property taxes accrued prior to the Petition Date and owed to the Center for Recollection of Municipal Income (“CRIM”). These Priority Tax Claims amount to \$112,612.44.

The Priority Taxes owed to CRIM shall be paid by Debtor in deferred equal consecutive monthly installments commencing on the thirtieth (30th) day of the month following the Effective Date and continuing on the thirtieth (30th) day of each month thereafter over a 60 month period, equal to the amount of such Allowed Priority Tax Claims, plus the statutory rate of interest prevailing during the month the Plan is confirmed, estimated at 4% per annum.

6.5 Classes of Claims and Equity Interests

As of the Petition Date, Debtor had secured debts with EDB and BPPR, priority tax claims and other non-priority unsecured debt, as more particularly described below. The Plan classifies the various claims against Debtor. A description of all classes of Claims and the Equity Interests, the estimated principal amount of each Class as of the Effective Date and its treatment are set forth below. The Classes of Claims and the Interests in Debtor set forth in the Plan are as follows:

Class 1 - Secured Claim of EDB - The Secured Claim of EDB in the amount of \$430,472.52, secured by Debtor’s property number 2, listed in Debtor’s Schedule A to Debtor’s Chapter 11 petition, as well as *infra* at Section VII., 7.2, B), i).

Class 2 - The Secured Claims of BPPR - The Secured Claims of BPPR, designated as Classes 2A and 2B, in the amounts of \$2,518,192.73 for Class 2A and \$312,977.78 for Class 2B. Class 2A is secured by Debtor’s real properties number 1 and Class 2B is secured by Debtor’s real properties numbered 4, 5 and

6, as listed in Debtor's Schedule A to Debtor's Chapter 11 petition, as well as *infra* at Section VII., 7.2, B), i).

Class 3 - The Claim Arising from the Assumption of Executory Contracts -

Claims for arrears arising from the assumption of Debtor's executory contracts with Aireko Services, Aritran Elevator Corp, Building Fast Cleaning Service, Consolidated Waste Service, CP and S Mechanical Corp. and Electric Service Corp. for a total of \$6,151.27.

Class 4 - Holder of Allowed General Unsecured Claims - Holders of Allowed General Unsecured Claims, including those of insiders, for a total of \$983,380.34.

Class 5 - Interests in Debtor - The shares of Debtor's shareholders.

6.6 Treatment of Claims.

Class 1 - Secured Claim of EDB

(a) Impairment and Voting - Class 1 is impaired under the Plan. EDB will be entitled to vote to accept or reject the Plan.

(b) Distribution – The Secured Claim of EDB in the amount of \$430,472.52 is secured by Debtor's properties numbered 2 and 3. Debtor's obligation to EDB will be restructured and satisfied through a monthly payment of \$10,000.00, including interest at 6.5% per annum, with a balloon payment for the balance due in December of 2016. Until full payment, EDB will retain its perfected security interest over Debtor's real property.

Class 2 - Secured Claims of BPPR

(a) Impairment and Voting - Class 2 is impaired under the Plan and BPPR is entitled to vote to accept or reject the Plan.

(b) Distribution - The Secured Claims of BPPR in Class 2A consist of two bank loans, with balances of \$1,373,073.20 and \$1,145,119.53, for a total of \$2,518,192.73, as of October 31, 2013. The Debtor will pay BPPR \$15,442.83 monthly, including interest at 4.25% per annum, with balloon payments for the balances due in March of 2023 and July of 2026. These loans are secured by Debtor's property number 1. Class 2B consists of three bank loans, with a total secured balance of \$312,977.78, as of October 31, 2013. These loans are secured by Debtor's real properties numbered 4, 5 and 6. Debtor will transfer all three parcels to BPPR and treat the deficiencies of \$106,558.00 on property number 5 and \$6,239.31 on property number 6, with the general unsecured claims in Class 4. Until paid in full, BPPR will retain its security interest in property 1.

Class 3 - Claims Arising from the Assumption of Executory Contracts

(a) Impairment and Voting - Class 3 is impaired under the Plan. These creditors will be entitled to vote to accept or reject the Plan.

(b) Distribution - Claims for arrears arising from the assumption of Debtor's executory contracts with Aireko Services, Aritran Elevator Corp., Building Fast Cleaning Service, Consolidated Waste Service, CP and S Mechanical Corp. and Electric Service Corp., shall be paid in full in three monthly installments of \$2,050.42.

Class 4 - Holders of Allowed General Unsecured Claims

(a) Impairment and Voting - Class 4 is impaired under the Plan. These creditors, other than the insiders, will be entitled to vote to accept or reject the Plan.

(b) Distribution - Class 4 shall be paid 100% of their claims, as fully determined and allowed by the Court, without interest, in deferred equal consecutive monthly installments commencing on the thirtieth (30th) day of the month following the Effective Date and continuing

on the thirtieth (30th) day of the following fifty-nine (59) months. The proposed monthly payments are \$15,918.66.

Class 5 - Interests in Debtor

(a) Impairment and Voting - Class 5 is unimpaired under the Plan and is deemed to have accepted the Plan and shall not be entitled to vote to accept or reject the Plan.

(b) Treatment - The shares of Debtor's shareholders will be retained and thereby remain unaltered.

6.7 Means for Implementation of the Plan

Except as otherwise provided in the Plan, Debtor will effect payment of all Allowed Administrative Expense Claims, Priority Tax Claims, secured claims, claims arising from the assumption of executory contracts and General Unsecured Claims with available funds originating from Debtor's operations and the collection of its accounts receivable.

6.8 Debtor's Post Confirmation Management

After confirmation of the Plan, Debtor will continue with its current Management, with the following compensation:

-Antonio Betancourt Capó, Chairman of the Board, President and Chief Executive Officer - \$192,000.00 per year.

6.9 Executory Contracts and Unexpired Leases

All executory contracts and unexpired leases which have not expired by their own terms or have not been assumed or rejected on or prior to the Confirmation Date, excluding those in Class 3, as set forth above, and Debtor's leases with its tenants, shall be deemed rejected on the Effective Date, and the entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of such rejections pursuant to Sections 365(a) and 1123(b)(2) of the Bankruptcy Code.

The executory contracts listed in Class 3 and Debtor's leases with its tenants will be assumed by Debtor and the entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of such assumption pursuant to Sections 365(a) and 1123 (b)(2) of the Bankruptcy Code.

6.10 Exculpation

Debtor, its respective present and former officers, directors, representatives, shareholders, employees, advisors, attorneys and agents acting in such capacity shall have no liability to any Holder of any Claim or Shareholder Interest or any other Person for any act taken or omission made after the Petition Date in connection with, or arising out of, the Case, the Plan, the Disclosure Statement, the solicitation of votes for confirmation of the Plan, the administration of the Plan or property of the Debtor's estate distributed under the Plan, or any transaction contemplated by the Plan or the Disclosure Statement in furtherance thereof, except for willful misconduct or gross negligence as determined by a Final Order and, in all respects, shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan. Nothing in the Plan shall release, discharge or exculpate any non-Debtor party from any Claim owed to the United States Government or its agencies, including any liability arising under the Internal Revenue Code or criminal laws of the United States.

VII. LIQUIDATION AND FINANCIAL ANALYSIS

7.1 Best Interest of Creditors and Comparison with Chapter 7 Liquidation

In the event Debtor's Chapter 11 case is converted to Chapter 7 of the Bankruptcy Code, Debtor would be required to cease all activities, its five (5) employees would be dismissed and a Chapter 7 trustee appointed for Debtor's Estate to liquidate the Estate's assets pursuant to the provisions of the Bankruptcy Code, after attending to the immediate issues of securing Debtor's

assets, and the resolution of any issues involving Debtor's employees and tenants. The Chapter 7 Trustee would liquidate the Debtor's real property and receivables at a substantial discount. While, theoretically, all creditors would be paid in full, the Debtor has previously attempted to market La Electronica Building and received no offers in the two years that it was for sale. Given present real estate market conditions and the economic recession in which Puerto Rico is still deeply mired, selling the real property for anything close to its value would be extremely challenging and could take various years.

Debtor's revised financial statements as of July 31, 2013 and Debtor's unaudited pro-forma balance sheet as of November 30, 2013, are respectively attached as **Exhibits D and E** hereto. Debtor is including herewith, its monthly operating report for October of 2013, as **Exhibit F** hereto. A Liquidation Analysis with respect to Debtor's assets as of October 31, 2013, is attached as **Exhibit G** hereto (the "Liquidation Analysis").

The Liquidation Analysis reveals that in the event of a liquidation of Debtor's assets, there would be a substantial loss to Debtor's Estate, taking into account BPPR's, EDB's and CRIM's Secured Claims, Chapter 7 costs of administration and the expected value of the Estate's assets in a liquidation scenario. All creditors could be paid in full, but difficult market conditions underscore the benefits of the confirmation of the Plan.

Confirmation of the Plan will assure that holders of Administrative Expense Claims, CRIM, BPPR, EDB, claims arising from the assumption of executory contracts and General Unsecured Claims will receive relatively prompt dividends on their claims.

The Liquidation Analysis contains estimates and assumptions that, although developed and considered reasonable by Debtor, are inherently subject to significant economic uncertainties and contingencies beyond Debtor's control.

7.2 Feasibility of the Plan

A) Financial Projections

Debtor, with the assistance of its Court appointed financial consultant, Galarza, has prepared financial projections (the "Projections") based on the confirmation and implementation of the Plan. The Projections are based upon estimates and assumptions that, although developed and considered reasonable by Debtor are inherently subject to significant economic uncertainties and contingencies beyond Debtor's control, as well as to certain assumptions with regard to the value of assets that are subject to change. Accordingly, there can be no assurance that the projected performance reflected in the Projections will be realized.

The projections attached as **Exhibit H** to this Disclosure Statement contemplate a five year period ending in early 2019, with the CSP and Corrections remaining as tenants during the five-year period.

As **Exhibit I** hereto, Debtor is including a summary of its monthly operating reports for the period from the filing date to October 2013.

B) Funds and Assets Sufficient for Payments Required under the Plan

As of the Petition Date, Debtor owned assets and had liabilities, as more particularly described in its Schedules and Statement of Financial Affairs, which Debtor filed with the Bankruptcy Court on March 11 and 12, 2013. As aforesaid, Debtor has prepared and filed with the Bankruptcy Court monthly operating reports summarizing its post-petition financial performance. These monthly operating reports and Debtor's Schedules, Statement of Financial Affairs and Schedules of Executory Contracts are available for public inspection at the office of the Clerk of the Bankruptcy Court during regular business hours.

i) Real Property

Debtor is the owner in fee simple of the real property described as follows:

PROPERTY # 1- LA ELECTRONICA BUILDING

RUSTICA: TERRENO EN EL BARRIO MONACILLOS DE RIO PIEDRAS, SAN JUAN, PUERTO RICO, COMPUESTO DE 3.287 CUERDAS, EQUIVALENTES A 1 HECTAREA, 29 AREAS Y 19 CENTIAREAS, COLINDANDO POR EL; NORTE: CON RAFAEL NEVAREZ, SUR: CON ANTONIO COSME; ESTE: CARRETERA ESTATAL #1 DE CONCRETO QUE VA DE RIO PIEDRAS A CAGUAS; OESTE: CON UNA QUEBRADA QUE LA SEPARA DE TERRENOS DE ANTONIO EMANUELLI, HOY EL PUEBLO DE PUERTO RICO.

ENCLAVA: UNA EDIFICACION DE CONCRETO PARA FINES COMERCIALES Y DE OFICINA.

FINCA: #11660, INSCRITA AL FOLIO 204 DEL TOMO 301 DE MONACILLOS, INSCRIPCION Ira.

(SECCION III DE SAN JUAN)

CADASTER NO. 086-079-027-01-000

PROPERTY # 2 - PARKING LA ELECTRONICA REMANENTE.

SOLAR RADICADO EN EL BARRIO MONACILLOS DE RIO PIEDRAS, CON UNA CABIDA SUPERFICIAL DE 2,962.955 METROS CUADRADOS, EN LINDES POR EL: NORTE: CON ANTONIO COSME; SUR: CON RAFAEL VILLAMIL; ESTE: CON EL DESVIO RIO PIEDRAS, LA MUDA Y ANTONIO COSME; OESTE: CON ANTONIO EMANUELLY.

ENCLAVA: EDIFICIO DESTINADO A VIVIENDA DE CONCRETO Y BLOQUES.

ORIGEN: SE SEGREGA DE LA FINCA #5431, INSCRITA AL FOLIO 48 DEL TOMO 109 DE RIO PIEDRAS, PROPIEDAD NUMERO 22608.

CADASTER NO. 086-079-027-03-001

PROPERTY # 3 - MONACILLOS

RUSTICA: PARCELA DE TERRENO RADICADA EN EL BARRIO MONACILLOS DE RIO PIEDRAS,

CON UNA CABIDA SUPERFICIAL DE 4,551.88 METROS CUADRADOS, EN LINDES POR EL: NORTE: ACTUALMENTE CON EMPRESAS OMAJEDE, INC., ANTES COLEGIO HOSTOS INC.; SUR: CON SUCESSION DE FRANCISCO MARTINEZ CANDELARIO; ESTE: CON CALLE MARGINAL DE LA CARRETERA ESTATAL #1; OESTE: CON EL PUEBLO DE PUERTO RICO, SEPARADOS POR UNA QUEBRADA, ANTES ANTONIO EMANUELLI. ES EL REMANENTE DE LA FINCA LUEGO DE DEDUCIDA LA SEGREGACION.

SE SEGREGA DE LA FINCA #369, INSCRITA AL FOLIO 232 DEL TOMO 7 DE RIO PIEDRAS NORTE, PROPIEDAD 20289.

CADASTER NO. 086-079-027-02-000

PROPERTY # 4 - CARRAIZO

RUSTICA: PREDIO DE TERRENO RADICADO EN EL BARRIO CARRAIZO DE TRUJILLO ALTO, PUERTO RICO, COMPUESTO DE 6.00 CUERDAS, EQUIVALENTES A 2 HECTAREAS, 35 AREAS Y 82 CENTIAREAS, COLINDANTE POR EL NORTE, CON EL RESTO DE LA FINCA PRINCIPAL DE DONDE ESTE PREDIO SE SEGREGA, PROPIEDAD DE PETRONA BAEZ RIVERA, POR EL SUR, CON TERRENOS DE JESUS NAVARRO, SEPARADOS EN PARTE POR LA QUEBRADA HIGUERITO Y EN PARTE CON TERRENOS, HOY DE PEDRO BAEZ RIVERA; POR EL OESTE, CON SOFIA BAEZ RIVERA; Y POR EL ESTE, QUEBRADA HIGUERITO QUE LA SEPARA DE TERRENOS HOY DE PEDRO BAEZ RIVERA.

SEGREGACIONES: SEGREGADA Y EXPROPIADA UNA PARCELA DE 3.378 CUERDAS, A FAVOR DEL ESTADO LIBRE ASOCIADO DE PUERTO RICO, PASANDO A FORMAR LA FINCA NUMERO 15,694.

SE SEGREGA DE LA FINCA NUMERO 1,625, INSCRITA AL FOLIO 5 DEL TOMO 25 DE TRUJILLO ALTO.
PROPIEDAD NUMERO 2,214

CADASTER NUMBER 144-095-188-21-000

PROPERTY # 5- CARRAIZO

RUSTICA: PREDIO DE TERRENO RADICADO EN EL BARRIO CARRAIZO DE TRUJILLO ALTO, PUERTO RICO, COMPUESTO DE 15.94 CUERDAS, EQUIVALENTES A 6 HECTAREAS, 26 AREAS, 50 CENTIAREAS Y 42 DECIMILIAREAS, COLINDANTE POR EL NORTE, EN PARTE CON ESTEBAN REYES, EN PARTE CON PILAR BAEZ RIVERA; POR EL SUR, EN PARTE CON ANTONIO ESTRADA Y SUCESION DE BONIFACIO ESTRADA Y EN PARTE CON LA QUEBRADA HIGUERITO QUE LA SEPARA DE LOS TERRENOS DE JESUS NAVARRO ANTES, HOY ADOLFO DIAZ; POR EL OESTE, CON ESTEBAN REYES Y PILAR BAEZ RIVERA; Y POR EL OESTE, CON EL RESTO DE LA FINCA PRINCIPAL DE DONDE ESTE PREDIO SE SEGREGA, HOY PETRONA BAEZ RIVERA.

ENCLAVA UNA CASA DE MADERA, TERRERA Y TECHADA DE ZINC, DEDICADA A VIVIENDA.

SEGREGACIONES:

1. PARCELA DE 4.236 CUERDAS, A FAVOR DEL ESTADO LIBRE ASOCIADO DE PUERTO RICO, PASANDO A FORMAR LA FINCA NUMERO 10,968.

2. PARCELA DE 0.481 CUERDAS, A FAVOR DEL ESTADO LIBRE ASOCIADO DE PUERTO RICO, PASANDO A FORMAR LA FINCA NUMERO 10,969.

3. PARCELA DE 0.116 CUERDAS, A FAVOR DEL ESTADO LIBRE ASOCIADO DE PUERTO RICO, PASANDO A FORMAR LA FINCA NUMERO 10,970. SE SEGREGA DE LA FINCA NUMERO 1,598, INSCRITA AL FOLIO 154 DEL TOMO 24 DE TRUJILLO ALTO.

PROPIEDAD NUMERO 1,624

CADASTER NO. 144-095-188-19-000

PROPERTY # 6 - CARRAIZO

RUSTICA: PREDIO DE TERRENO RADICADO EN EL BARRIO CARRAIZO DEL MUNICIPIO DE TRUJILLO ALTO, PUERTO RICO, COMPUESTO DE 6.69 CUERDAS, EQUIVALENTES A 2 HECTAREAS, 62 AREAS, 94 CENTIAREAS Y 35 DECIMILIAREAS, CON LAS SIGUIENTES COLINDANCIAS, POR EL NORTE, EN PARTE CON EL CAMINO DE LA FINCA Y EN PARTE CON TERRENOS DE ROSARIO BAEZ RIVERA; POR EL SUR, CON TERRENOS DE SOFIA BAEZ

RIVERA ANTES, HOY DE REINALDO BETANCOURT VIERA; POR EL ESTE, CON LA QUEBRADA HIGUERITO QUE SEPARA ESTA FINCA DE TERRENOS DE PEDRO BAEZ VIERA; Y POR EL OESTE, CON TERRENOS DE SOFIA BAEZ RIVERA.

SE SEGREGA DE LA FINCA NUMERO 1,598, INSCRITA AL FOLIO 154 DEL TOMO 24 DE TRUJILLO ALTO.

CONSTA INSCRITA AL FOLIO 170 DEL TOMO 64 DE TRUJILLO ALTO, A FAVOR DE REINALDO BETANCOURT VIERA Y SU ESPOSA OLGA CAPO DE BETANCOURT, QUIENES LO ADQUIRIERON POR COMPRAVENTA DE FRANCISCO CORDERO ROMAN Y SU ESPOSA MARIA LEONOR ROSARIO, POR PRECIO DE \$4,000.00, MEDIANTE LA ESCRITURA NUMERO 36, OTORGADA EN SAN JUAN, PUERTO RICO, EL DIA 7 DE DICIEMBRE DE 1962, ANTE EL NOTARIO FRANCISCO CRUZ MONTERO, FINCA NUMERO 1,625, INSCRIPCION 4TA Y ULTIMA.

DIGITAL CADASTER NUMBER 144-000-008-98000
CRIM'S CADASTER NUMBER 144-095-188-22000

ii) Personal Property

As of the Petition Date, Debtor's Schedules listed Debtor's personal property consisting of checking accounts, security deposits, accounts receivable, furnishings and supplies, and equipment, vehicles, prepaid insurance, computer equipment, prepaid taxes, totaling \$651,197.40.

iii) Accounts Receivable and Liquidated Debts

As of October 31, 2013, Debtor's accounts receivable totaled \$163,440.98, of which at least 95% are considered collectible, on a going concern basis, based on past years' experience, write-off history and analysis of doubtful accounts.

c) Liquidation Analysis

In order to analyze realistic liquidation scenarios in the Liquidation Analysis included as **Exhibit G** hereto, Debtor has utilized the value of its assets as of October 31, 2013.

7.3 Pending Litigation and Other Liabilities

At the time of the filing of the Chapter 11 petition, there were no pending court cases involving Debtor. Nonetheless, SIF's claim against the Debtor is the subject of dispute and relates to a worker's compensation claim which the Debtor believes is not owed in its entirety.

Debtor is reserving all claims and cause of actions it may have against any party, including BPPR, *inter alia*, for lender liability, in dealing with Debtor and its loans therewith, including any cause of action as third party beneficiary, including FDIC.

7.4 Leases and Executory Contracts

As of the Petition Date, Debtor was a party to several unexpired leases and executory contracts, as listed on **Exhibit J** hereto.

XIII. BAR DATE AND DETERMINATION OF CLAIMS

8.1 Bar Date

On December 28, 2012, in the "Notice of Chapter 11 Bankruptcy Case, Meeting of Creditors and Deadlines" issued in Debtor's case, the Bankruptcy Court fixed April 29, 2013, as the bar date for the filing of proofs of claims and interests (except for Governmental Units), and June 26, 2013, for such filings by Governmental Units.

8.2 Determination of Claims

The Plan specifies procedures for objecting to claims. Debtor and any other entity authorized under the Bankruptcy Code may object to Claims within thirty (30) days before the first date fixed by the Bankruptcy Court for the hearing on the confirmation of the Plan. No payments will be made under the Plan on account of Disputed Claims until their allowance by the Bankruptcy Court. The Plan provides that Distributions on Disputed Claims will be held in reserve until the Disputed Claims are allowed (at which time the reserves will be distributed and

the Claims will be treated according to the terms of the Plan), or disallowed (at which time the reserves will be distributed on account of Allowed Claims pursuant to the terms of the Plan).

Any Claims which (a) are not listed as Allowed Claims on Debtor's Schedules, as amended; (b) are not evidenced by a valid, timely filed Proof of Claim; or (c) are not listed in the Plan or exhibits to the Plan as Allowed Claims, shall not receive any distribution of cash or property under the Plan until the same become Allowed Claims, and shall be disallowed and discharged if they are not Allowed by Order of the Bankruptcy Court.

IX. ALTERNATIVES TO THE PLAN

If the Plan is not confirmed and consummated, the alternatives include (a) Debtor's liquidation under Chapter 7 of the Bankruptcy Code, (b) dismissal of Debtor's Chapter 11 Case, or (c) the proposal of an alternative plan.

9.1 Liquidation under Chapter 7

If a plan cannot be confirmed, the Case may be converted to Chapter 7 of the Bankruptcy Code, and a trustee would be appointed to liquidate Debtor's assets for distribution to creditors in accordance with the priorities established by the Bankruptcy Code. As set forth in the Liquidation Analysis attached as Exhibit G hereto, Debtor believes that conversion of the Case to Chapter 7 of the Bankruptcy Code would seriously delay distribution on all claims. Thus, Debtor believes that the interest of creditors and the goals of Chapter 11 are better served by the confirmation of the Plan.

9.2 Dismissal of the Case and/or Foreclosure by BPPR and/or EDB

Dismissal of the Case would likely create substantial problems for all parties involved, including a run to the courthouse, and the foreclosure by BPPR and EDB of their mortgages on Debtor's realty, which would result in an abandonment of the orderly and structured equitable

payments provided by the Plan. Therefore, dismissal of the Case should not be a viable alternative for creditors.

9.3 Alternative to Plan of Reorganization

If the Plan is not confirmed, at present, Debtor does not foresee a different plan. Debtor believes that the Plan described herein will provide the greatest and most expeditious return to creditors.

X. TAX EFFECTS

Based on Debtor's net operating loss carry forwards, and other provisions of the Internal Revenue Code of Puerto Rico, Debtor expects that the implementation of the Plan will not have any significant tax effects, if any.

XI. CONCLUSION

Debtor submits that the Plan is fair and reasonable and in the best interest of the Estate and Creditors and offers the best possible recovery for Creditors under the circumstances.

Debtor therefore urges Creditors to vote in favor of the Plan.

In San Juan, Puerto Rico this 9th day of December, 2013.

Empresas Omajede, Inc.

/s/Antonio Betancourt Capó
ANTONIO BETANCOURT CAPÓ
President

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By: **/s/Kendra Loomis**
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NOTICE

TO PARTIES IN INTEREST:

Within fourteen (14) days after service as evidenced by the Certificate of Service, and an additional three (3) days pursuant to Fed. R. Bankr. P. 9006(f) if you were served by mail, any party against whom this paper has been served, or any other party to the action who objects to the relief sought herein, shall serve and file an objection or other appropriate response to this paper with the Clerk's office of the U.S. Bankruptcy Court for the District of Puerto Rico. If no objection or other response is filed within the time allowed herein, the paper will be deemed unopposed and may be granted unless: (i) the requested relief is forbidden by law; (ii) the requested relief is against public policy; or (iii) in the opinion of the Court, the interest of justice requires otherwise.

CERTIFICATE OF SERVICE

It is hereby certified that on this same date, the foregoing was electronically filed with the Clerk of the Court using the CM/ECF system which will send notification of such filing to the Office of the United States Trustee and to all CM/ ECF participants in this case.

/s/ Kendra Loomis
Kendra Loomis