
IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In Re: KTP Builders, Inc.
A Texas corporation,
Debtor

Case No. 15-34109
Chapter 11 Proceeding

**KTP BUILDERS, INC.'S PROPOSED DISCLOSURE STATEMENT,
DATED MAY 30, 2016**

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I. INTRODUCTION

This is the proposed disclosure statement (the "Disclosure Statement") in the small business Chapter 11 case of KTP Builders, Inc. (the "Debtor"). This Proposed Disclosure Statement contains information about the Debtor and describes the Chapter 11 Plan of KTP Builders, Inc. (the "Plan") filed by the Debtor on May 31, 2016. A full copy of the Plan is attached to this Disclosure Statement as Exhibit A. **Your rights may be affected. You should read the Plan and this Disclosure Statement carefully and discuss them with your attorney. If you do not have an attorney, you may wish to consult one.**

The proposed distributions under the Plan are discussed at pages 7 - 10 of this Proposed Disclosure Statement. General unsecured creditors are classified in Class 4, and will receive a distribution of 26.67% of their allowed claims, to be distributed from the settlement amounts described in Section II-E. Additional payments to general unsecured payments may be made from additional settlement amounts up to \$442,326.00.

A. Purpose of This Document

This Proposed Disclosure Statement describes:

- The Debtor and significant events during the bankruptcy case,
- How the Plan proposes to treat claims or equity interests of the type you hold (*i.e.*, what you will receive on your claim or equity interest if the plan is confirmed),
- Who can vote on or object to the Plan,
- What factors the Bankruptcy Court (the "Court") will consider when deciding whether to confirm the Plan,
- Why the Proponent believes the Plan is feasible, and how the treatment of your claim or equity interest under the Plan compares to what you would receive on your claim or equity interest in liquidation, and
- The effect of confirmation of the Plan.

Be sure to read the Plan as well as the Disclosure Statement. This Proposed Disclosure Statement describes the Plan, but it is the Plan itself that will, if confirmed, establish your rights.

B. Deadlines for Voting and Objecting; Date of Plan Confirmation Hearing

The Court has not yet confirmed the Plan described in this Proposed Disclosure Statement. This section describes the procedures pursuant to which the Plan will or will not be confirmed.

1. *Time and Place of the Hearing to Finally Approve This Disclosure Statement and Confirm the Plan*

The hearing at which the Court will determine whether to finally approve this Proposed Disclosure Statement and confirm the Plan will take place on _____, 2016, at _____, in Courtroom 401, at the United States Courthouse, 515 Rusk, Houston, Texas 77002.

2. *Deadline For Voting to Accept or Reject the Plan*

If you are entitled to vote to accept or reject the plan, vote on the enclosed ballot and return the ballot in the enclosed envelope to C. Michael Black, One Sugar Creek Center Blvd., Suite 1080, Sugar Land, TX 77478. See Section IV-A. below for a discussion of voting eligibility requirements.

Your ballot must be received by _____ or it will not be counted.

3. *Deadline For Objecting to the Confirmation of the Plan*

Objections to this Disclosure Statement or to the confirmation of the Plan must be filed with the Court and served upon C. Michael Black, One Sugar Creek Center Blvd., Suite 1080, Sugar Land, TX 77478 by _____.

4. *Identity of Person to Contact for More Information*

If you want additional information about the Plan, you should contact C. Michael Black, One Sugar Creek Center Blvd., Suite 1080, Sugar Land, TX 77478.

C. **Disclaimer**

The Court has conditionally approved this Disclosure Statement as containing adequate information to enable parties affected by the Plan to make an informed judgment about its terms. The Court has not yet determined whether the Plan meets the legal requirements for confirmation, and the fact that the Court has approved this Proposed Disclosure Statement does not constitute an endorsement of the Plan by the Court, or a recommendation that it be accepted. The Court's approval of this Proposed Disclosure Statement is subject to final approval at the hearing on confirmation of the Plan. Objections to the adequacy of this Disclosure Statement may be filed until ____.

II. **BACKGROUND**

A. **Description and History of the Debtor's Business**

The Debtor is a Texas corporation. Since February of 2008, the Debtor has been in the business of providing construction services as a subcontractor in the building of commercial and large residential projects.

B. Insiders of the Debtor

The following is a list of the names of Debtor's insiders as defined in §101(31) of the United States Bankruptcy Code (the "Code"), their relationship to the Debtor, list all compensation paid by the Debtor or its affiliates to that person or entity during the two years prior to the commencement of the Debtor's bankruptcy case, as well as compensation paid during the pendency of this Chapter 11 case:

Robert Douds, Jr.	President / Manager	\$ 34,000
Ken Lee Douds	Vice President / Manager	\$ 99,000
Robert Douds, Sr.	Manager	\$ 0

C. Management of the Debtor Before and During the Bankruptcy

During the two years prior to the date on which the bankruptcy petition was filed, the officers, directors, managers or other persons in control of the Debtor (collectively the "Managers") were:

Robert Douds, Jr.	President / Manager
Ken Lee Douds	Vice President / Manager
Robert Douds, Sr.	Manager

The Managers of the Debtor during the Debtor's chapter 11 case have been:

Robert Douds, Jr.	President / Manager
Ken Lee Douds	Vice President / Manager
Robert Douds, Sr.	Manager

After the effective date of the order confirming the Plan, the directors, officers, and voting trustees of the Debtor, any affiliate of the Debtor participating in a joint Plan with the Debtor, or successor of the Debtor under the Plan (collectively the "Post Confirmation Managers"), will be:

Robert Douds, Jr.	President / Manager
Ken Lee Douds	Vice President / Manager
Robert Douds, Sr.	Manager

The responsibilities and compensation of these Post Confirmation Managers are described in Section III D-2 of this Disclosure Statement.

D. Events Leading to Chapter 11 Filing

Prior to the Date of Filing of the voluntary Chapter 11 petition, there were several construction projects for which the Debtor had not been paid. The failure and/or refusal by the Debtor's contractors to pay the sums which the Debtor claimed were due were large enough to have a significant negative impact on the Debtor's cash flow. The Debtor filed its voluntary

Chapter 11 petition as a result of these several disputes and controversies involving failure or refusal of payment by its contractors. The total amount of these disputes is in excess of \$3,000,000.00.

E. Significant Events During the Bankruptcy Case

Since the Date of Filing, the Debtor has focused on marketing the services that it has available to contractors in the construction business and has focused significant attention on collecting the sums which it is owed from several contractors with which it had been doing business.

- There have been no asset sales outside the ordinary course of business, debtor in possession financing, or cash collateral orders, since the Date of Filing.
- On September 1, 2015, the Court approved the request to employ C. Michael Black as counsel for the Debtor. On October 23, 2015, the Court approved the request to hire Deborah L. Crain as Special Litigation Counsel for the Debtor.
- Since the Date of Filing, multiple contested claim disallowance proceedings have been filed on behalf of Debtor by Ms. Crain, as Special Litigation Counsel for the Debtor. Overall, those proceedings have been resolved to the benefit of the Debtor. Claims totaling \$3,053,195.76 which had been **made against** the Debtor have been settled and resolved resulting in payments which have been, or will be, **paid to** the Debtor of \$211,240.

<u>Creditor</u>	<u>Claim Amount</u>	<u>Amt Paid to Debtor</u>
RealTex Construction, LLC	\$1,401,342.83	\$120,000
MBA General Contracting, LLC	\$ 962,819.63	\$ 8,740
Galaxy Builders, Inc.	\$ 514,033.30	\$ 86,561
Roche Constructors, Inc.	\$ 175,000.00	\$ 47,500

F. Projected Recovery of Avoidable Transfers

The Debtor does not intend to pursue preference, fraudulent conveyance, or other avoidance actions.

G. Claims Objections

Except to the extent that a claim is already allowed pursuant to a final non-appealable order, the Debtor reserves the right to object to claims. Therefore, even if your claim is allowed for voting purposes, you may not be entitled to a distribution if an objection to your claim is later upheld. The procedures for resolving disputed claims are set forth in Article V of the Plan.

H. Current and Historical Financial Conditions

The identity and fair market value of the estate's assets are listed in Exhibit B. The identity and value estimates on Exhibit B were provided by Kenlee Douds, Vice-President of the Debtor.

The Debtor's most recent financial statements [if any] issued before bankruptcy, each of which was filed with the Court, are set forth in Exhibit C.

None. The Debtor has not issued a financial statement.

The most recent post-petition operating report filed since the commencement of the Debtor's bankruptcy case are set forth in Exhibit D. A summary of the Debtor's periodic operating reports filed since the commencement of the Debtor's bankruptcy case is set forth in Exhibit D.

To improve the profitability of the Debtor, Messrs. Doud (the three principals of the Debtor) suspended the receipt of their respective salaries for most of the period following the Date of Filing and have agreed to waive compensation until November 1, 2016.

III. SUMMARY OF THE PLAN OF REORGANIZATION AND TREATMENT OF CLAIMS AND EQUITY INTERESTS

A. What is the Purpose of the Plan of Reorganization?

As required by the Code, the Plan places claims and equity interests in various classes and describes the treatment each class will receive. The Plan also states whether each class of claims or equity interests is impaired or unimpaired. If the Plan is confirmed, your recovery will be limited to the amount provided by the Plan.

B. Unclassified Claims

Certain types of claims are automatically entitled to specific treatment under the Code. They are not considered impaired, and holders of such claims do not vote on the Plan. They may, however, object if, in their view, their treatment under the Plan does not comply with that required by the Code. As such, the Plan Proponent has not placed the following claims in any class:

1. *Administrative Expenses*

Administrative expenses are costs or expenses of administering the Debtor's Chapter 11 case which are allowed under §507(a)(2) of the Code. Administrative expenses also include the value of any goods sold to the Debtor in the ordinary course of business and received within 20 days before the date of the bankruptcy petition. The Code requires that all administrative expenses be paid on the effective date of the Plan, unless a particular claimant agrees to a different treatment.

The following chart lists the Debtor's estimated administrative expenses, and their proposed treatment under the Plan:

Type	Estimated Amount Owed	Proposed Treatment
Expenses Arising in the Ordinary Course of Business After the Petition Date	\$0	Does Not Apply
The Value of Goods Received in the Ordinary Course of Business Within 20 Days Before the Petition Date	\$0	Does Not Apply
Professional Fees, as approved by the Court.	\$60,000	Paid in full on the effective date of the Plan, or according to separate written agreement, or according to court order if such fees have not been approved by the Court on the effective date of the Plan
Clerk's Office Fees	\$0	Does Not Apply
Other administrative expenses	Unknown	Paid in full on the effective date of the Plan or according to separate written agreement
Office of the U.S. Trustee Fees	Unknown	Paid in full on the effective date of the Plan
TOTAL	\$60,000	

2. Priority Tax Claims

Priority tax claims are unsecured income, employment, and other taxes described by § 507(a)(8) of the Code. Unless the holder of such a § 507(a)(8) priority tax claim agrees otherwise, it must receive the present value of such claim, in regular installments paid over a period not exceeding 5 years from the order of relief.

The following chart lists the Debtor's estimated § 507(a)(8) priority tax claims and their proposed treatment under the Plan:

Description (name and type of tax)	Estimated Amount Owed	Date of Assessment	Treatment
United States Treasury, Internal Revenue Service	\$10,000	Various	Paid in full on the effective date of the Plan, or according to separate written agreement

Fort Bend County	\$368.51	2015 - 2016	Paid in full on the effective date of the Plan, or according to separate written agreement
Fort Bend County ISD	\$671.96	2015 - 2016	Paid in full on the effective date of the Plan, or according to separate written agreement
Texas Workforce Commission	\$0	Various	This claim is disputed and will be litigated.

C. Classes of Claims and Equity Interests

The following are the classes set forth in the Plan, and the proposed treatment that they will receive under the Plan:

1. *Classes of Secured Claims*

Allowed Secured Claims are claims secured by property of the Debtor's bankruptcy estate (or that are subject to setoff) to the extent allowed as secured claims under § 506 of the Code. If the value of the collateral or setoffs securing the creditor's claim is less than the amount of the creditor's allowed claim, the deficiency will [be classified as a general unsecured claim].

The following chart lists all classes containing Debtor's secured prepetition claims and their proposed treatment under the Plan:

Class #	Description	Insider? (Yes or No)	Impairment	Treatment
1	None	No	Does Not Apply	Does Not Apply

2. *Classes of Priority Unsecured Claims*

Certain priority claims that are referred to in §§ 507(a)(1), (4), (5), (6), and (7) of the Code are required to be placed in classes. The Code requires that each holder of such a claim receive cash on the effective date of the Plan equal to the allowed amount of such claim. However, a class of holders of such claims may vote to accept different treatment.

The following chart lists all classes containing claims under §§ 507(a)(1), (4), (5), (6), and (a)(7) of the Code and their proposed treatment under the Plan:

Class #	Description	Impairment	Treatment
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2	Priority unsecured claim pursuant to Section 507(a) 4 Robert Douds, Sr. Total amt of claims = \$12,475.00	unimpaired	Paid in full on the effective date of the Plan, or according to separate written agreement
2	Priority unsecured claim pursuant to Section 507(a) 4 Robert Douds, Jr. Total amt of claims = \$12,475.00	unimpaired	Paid in full on the effective date of the Plan, or according to separate written agreement
2	Priority unsecured claim pursuant to Section 507(a) 4 Kenlee Douds Total amt of claims = \$12,475.00	unimpaired	Paid in full on the effective date of the Plan, or according to separate written agreement

3. *Class of General Unsecured Claims*

General unsecured claims are not secured by property of the estate and are not entitled to priority under § 507(a) of the Code.

The following chart identifies the Plan's proposed treatment of Classes 3 through 4, which contain general unsecured claims against the Debtor:

Class #	Description	Impairment	Treatment
3	[11122(b) Convenience Class] None		Does Not Apply
4	General Unsecured Class	impaired	26.67%
4	Ahern Rental	impaired	26.67%
4	Lori Feldman, Attorney	impaired	26.67%
4	Marlin Business Bank	impaired	26.67%
4	American Contractors Indem	impaired	26.67%
4	United Rentals	impaired	26.67%
4	Southern Fastening Systems	impaired	26.67%
4	H & E Eqpt Services	impaired	26.67%
4	Carleton Construction	impaired	0%
4	National Construction Rentals	impaired	26.67%
4	K. L. Douds	impaired	26.67%
4	Douds, R. F. Sr.	impaired	26.67%
4	Douds, R. F. Jr.	impaired	26.67%
4	Alta Construction Mgmt	impaired	0%

4. *Class of Equity Interest Holders*

Equity interest holders are parties who hold an ownership interest (*i.e.*, equity interest) in the Debtor. In a corporation, entities holding preferred or common stock are equity interest holders. In a partnership, equity interest holders include both general and limited partners. In a limited liability company ("LLC"), the equity interest holders are the members. Finally, with respect to an individual who is a debtor, the Debtor is the equity interest holder.

The following chart sets forth the Plan's proposed treatment of the class of equity interest holders:

Class #	Description	Impairment	Treatment
5	Robert Douds, Sr.	impaired	Unchanged
5	Robert Douds, Jr.	impaired	Unchanged
5	Kenlee Douds	impaired	Unchanged

D. **Means of Implementing the Plan**

1. *Source of Payments*

Payments and distributions under the Plan will be funded by the following:

<u>Creditor</u>	<u>Amt Paid to Debtor</u>	
RealTex Construction, LLC	\$120,000	
MBA General Contracting, LLC	\$ 8,740	
Galaxy Builders, Inc.	\$ 86,561	
Roche Constructors, Inc	<u>\$ 47,500</u>	
		\$211,240
Galaxy	\$ 86,561	
Alta Construction	\$ 86,505	
Austin project	\$ 97,838	
Waters at Willow Run	<u>\$ 171,422</u>	
		<u>\$442,326</u>
		\$653,566

The first amount listed which totals \$211,240 have been agreed to for payment to the Debtor. The second sum of \$442,326 has not been agreed and is subject to resolution by litigation.

2. *Post-confirmation Management*

The Post-Confirmation Managers of the Debtor, and their compensation, shall be as follows:

Name	Affiliations	Insider (yes or no)?	Position	Compensation
Robert Douds, Sr.	Equity Holder	Yes	Manager	See below
Robert Douds, Jr.	Equity Holder	Yes	President	See below
Kenlee Douds	Equity Holder	Yes	Vice-President	See below

To improve the profitability of the Debtor, the Messrs. Doud (the three insiders of the Debtor) suspended the receipt of their respective salaries for most of the period following the Date of Filing.

E. **Risk Factors**

The proposed Plan has the following risks:

CERTAIN RISK FACTORS TO BE CONSIDERED

THE PLAN AND ITS IMPLEMENTATION ARE SUBJECT TO CERTAIN RISKS, INCLUDING, BUT NOT LIMITED TO, THE RISK FACTORS SET FORTH BELOW. BEFORE VOTING TO ACCEPT OR REJECT THE PLAN, CREDITORS SHOULD READ AND CONSIDER CAREFULLY THE RISK FACTORS BELOW, AS WELL AS OTHER RISKS AND UNCERTAINTIES IDENTIFIED IN THIS DISCLOSURE STATEMENT, IN THEIR ENTIRETY. SUCH RISKS SHOULD NOT, HOWEVER, BE REGARDED AS CONSTITUTING THE ONLY RISKS INVOLVED IN CONNECTION WITH THE PLAN AND ITS IMPLEMENTATION.

The Plan sets forth the means for satisfying the holders of Claims against the Debtor. Certain Claims may receive partial distributions pursuant to the Plan, and in some instances, no distributions at all. Please see Section IV and Article 4 of the Plan.

Although the relevant parties have agreed to the payment to the Debtor of \$211,240.00 which is the basis for funding this plan, there is no agreement for the additional payments to the Debtor of \$442,326 described in ¶ III-D above. Although management of the Debtor has been correct in its predictions that the previous disputed litigation with the Debtor's contractors would yield funds demanded from third parties (\$211,240.00), there is no assurance or prediction of the result of the additional litigation required to yield any receipt of funds from the additional contractors.

F. **Executory Contracts and Unexpired Leases**

The Plan, in Exhibit 5.1, lists all executory contracts and unexpired leases that the Debtor

will assume under the Plan. Assumption means that the Debtor has elected to continue to perform the obligations under such contracts and unexpired leases, and to cure defaults of the type that must be cured under the Code, if any. Exhibit 5.1 also lists how the Debtor will cure and compensate the other party to such contract or lease for any such defaults.

If you object to the assumption of your unexpired lease or executory contract, the proposed cure of any defaults, or the adequacy of assurance of performance, you must file and serve your objection to the Plan within the deadline for objecting to the confirmation of the Plan, unless the Court has set an earlier time.

All executory contracts and unexpired leases that are not listed in Exhibit 5.1 will be rejected under the Plan. Consult your adviser or attorney for more specific information about particular contracts or leases.

If you object to the rejection of your contract or lease, you must file and serve your objection to the Plan within the deadline for objecting to the confirmation of the Plan.

G. Tax Consequences of Plan

Creditors and Equity Interest Holders Concerned with How the Plan May Affect Their Tax Liability Should Consult with Their Own Accountants, Attorneys, And/Or Advisors.

The following are the anticipated tax consequences of the Plan: (1) Tax consequences to the Debtor of the Plan; (2) General tax consequences on creditors of any discharge, and the general tax consequences of receipt of plan consideration after confirmation.

IV. CONFIRMATION REQUIREMENTS AND PROCEDURES

To be confirmable, the Plan must meet the requirements listed in §§ 1129(a) or (b) of the Code. These include the requirements that: the Plan must be proposed in good faith; at least one impaired class of claims must accept the plan, without counting votes of insiders; the Plan must distribute to each creditor and equity interest holder at least as much as the creditor or equity interest holder would receive in a chapter 7 liquidation case, unless the creditor or equity interest holder votes to accept the Plan; and the Plan must be feasible. These requirements are not the only requirements listed in § 1129, and they are not the only requirements for confirmation.

A. Who May Vote or Object

Any party in interest may object to the confirmation of the Plan if the party believes that the requirements for confirmation are not met.

Many parties in interest, however, are not entitled to vote to accept or reject the Plan. A creditor or equity interest holder has a right to vote for or against the Plan only if that creditor or equity interest holder has a claim or equity interest that is both (1) allowed or allowed for voting purposes and (2) impaired.

In this case, the Plan Proponent believes that classes are impaired and that holders of claims in each of these classes are therefore entitled to vote to accept or reject the Plan. The Plan Proponent believes that classes are unimpaired and that holders of claims in each of these classes, therefore, do not have the right to vote to accept or reject the Plan.

1. *What Is an Allowed Claim or an Allowed Equity Interest?*

Only a creditor or equity interest holder with an allowed claim or an allowed equity interest has the right to vote on the Plan. Generally, a claim or equity interest is allowed if either (1) the Debtor has scheduled the claim on the Debtor's schedules, unless the claim has been scheduled as disputed, contingent, or unliquidated, or (2) the creditor has filed a proof of claim or equity interest, unless an objection has been filed to such proof of claim or equity interest. When a claim or equity interest is not allowed, the creditor or equity interest holder holding the claim or equity interest cannot vote unless the Court, after notice and hearing, either overrules the objection or allows the claim or equity interest for voting purposes pursuant to Rule 3018(a) of the Federal Rules of Bankruptcy Procedure.

The deadline for filing a proof of claim in this case was December 2, 2015.

2. *What Is an Impaired Claim or Impaired Equity Interest?*

As noted above, the holder of an allowed claim or equity interest has the right to vote only if it is in a class that is impaired under the Plan. As provided in § 1124 of the Code, a class is considered impaired if the Plan alters the legal, equitable, or contractual rights of the members of that class.

3. *Who is Not Entitled to Vote*

The holders of the following five types of claims and equity interests are not entitled to vote:

- holders of claims and equity interests that have been disallowed by an order of the Court;
- holders of other claims or equity interests that are not "allowed claims" or "allowed equity interests" (as discussed above), unless they have been "allowed" for voting purposes.
- holders of claims or equity interests in unimpaired classes;
- holders of claims entitled to priority pursuant to §§507(a)(2), (a)(3), and(a)(8) of the Code; and
- holders of claims or equity interests in classes that do not receive or retain any value under the Plan;
- administrative expenses.

Even If You Are Not Entitled to Vote on the Plan, You Have a Right to Object to the Confirmation of the Plan and to the Adequacy of the Disclosure Statement.

4. *Who Can Vote in More Than One Class*

A creditor whose claim has been allowed in part as a secured claim and in part as an unsecured claim, or who otherwise hold claims in multiple classes, is entitled to accept or reject a Plan in each capacity, and should cast one ballot for each claim.

B. Votes Necessary to Confirm the Plan

If impaired classes exist, the Court cannot confirm the Plan unless (1) at least one impaired class of creditors has accepted the Plan without counting the votes of any insiders within that class, and (2) all impaired classes have voted to accept the Plan, unless the Plan is eligible to be confirmed by "cram down" on non-accepting classes, as discussed later in Section [B.2.].

1. *Votes Necessary for a Class to Accept the Plan*

A class of claims accepts the Plan if both of the following occur: (1) the holders of more than one-half (1/2) of the allowed claims in the class, who vote, cast their votes to accept the Plan, and (2) the holders of at least two-thirds (2/3) in dollar amount of the allowed claims in the class, who vote, cast their votes to accept the Plan.

A class of equity interests accepts the Plan if the holders of at least two-thirds (2/3) in amount of the allowed equity interests in the class, who vote, cast their votes to accept the Plan.

2. *Treatment of Non-accepting Classes*

Even if one or more impaired classes reject the Plan, the Court may nonetheless confirm the Plan if the non-accepting classes are treated in the manner prescribed by § 1129(b) of the Code. A plan that binds non-accepting classes is commonly referred to as a "cram down" plan. The Code allows the Plan to bind non-accepting classes of claims or equity interests if it meets all the requirements for consensual confirmation except the voting requirements of §1129(a)(8) of the Code, does not "discriminate unfairly," and is "fair and equitable" toward each impaired class that has not voted to accept the Plan.

You should consult your own attorney if a "cramdown" confirmation will affect your claim or equity interest, as the variations on this general rule are numerous and complex.

C. Liquidation Analysis

To confirm the Plan, the Court must find that all creditors and equity interest holders who do not accept the Plan will receive at least as much under the Plan as such claim and equity interest holders would receive in a chapter 7 liquidation. A liquidation analysis is attached to this Disclosure Statement as Exhibit E.

D. Feasibility

The Court must find that confirmation of the Plan is not likely to be followed by the

liquidation, or the need for further financial reorganization, of the Debtor or any successor to the Debtor, unless such liquidation or reorganization is proposed in the Plan.

1. *Ability to Initially Fund Plan*

The Plan Proponent believes that the Debtor will have enough cash on hand on the effective date of the Plan to pay all the claims and expenses that are entitled to be paid on that date. Tables showing the amount of cash on hand on the effective date of the Plan, and the sources of that cash are attached to this disclosure statement as Exhibit F.

2. *Ability to Make Future Plan Payments And Operate Without Further Reorganization*

The Plan Proponent must also show that it will have enough cash over the life of the Plan to make the required Plan payments.

The Plan Proponent has provided projected financial information. Those projections are listed in Exhibit G.

The Plan Proponent's financial projections show that the Debtor will have an aggregate annual average cash flow, after paying operating expenses and post-confirmation taxes, of approx. \$600,000.00. The final Plan payment is expected to be paid on the effective date of the Plan, or according to separate written agreement.

You Should Consult with Your Accountant or other Financial Advisor If You Have Any Questions Pertaining to These Projections.

V. **EFFECT OF CONFIRMATION OF PLAN**

A. **DISCHARGE OF DEBTOR** On the effective date of the Plan, the Debtor shall be discharged from any debt that arose before confirmation of the Plan, subject to the occurrence of the effective date, to the extent specified in § 1141(d)(1)(A) of the Code, except that the Debtor shall not be discharged of any debt (i) imposed by the Plan, (ii) of a kind specified in § 1141(d)(6)(A) if a timely complaint was filed in accordance with Rule 4007(c) of the Federal Rules of Bankruptcy Procedure, or (iii) of a kind specified in § 1141(d)(6)(B). After the effective date of the Plan your claims against the Debtor will be limited to the debts described in clauses (i) through (iii) of the preceding sentence.

B. **Modification of Plan**

The Plan Proponent may modify the Plan at any time before confirmation of the Plan. However, the Court may require a new disclosure statement and/or revoting on the Plan. The Plan Proponent may also seek to modify the Plan at any time after confirmation only if (1) the Plan has not been substantially consummated and (2) the Court authorizes the proposed modifications after notice and a hearing.

C. Final Decree

Once the estate has been fully administered, as provided in Rule 3022 of the Federal Rules of Bankruptcy Procedure, the Plan Proponent, or such other party as the Court shall designate in the Plan Confirmation Order, shall file a motion with the Court to obtain a final decree to close the case. Alternatively, the Court may enter such a final decree on its own motion.

VI. OTHER PLAN PROVISIONS

AS TO CONTESTED MATTERS, ADVERSARY PROCEEDINGS AND OTHER ACTIONS OR THREATENED ACTIONS, THIS DISCLOSURE STATEMENT SHALL NOT CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY, STIPULATION OR WAIVER, BUT RATHER AS A STATEMENT MADE IN SETTLEMENT NEGOTIATIONS, AND IS PROTECTED TO THE FULLEST EXTENT PERMITTED BY LAW BY RULE 408 OF THE FEDERAL RULES OF EVIDENCE AND ANY OTHER SIMILAR LAW, RULE OR REGULATION OF ANY APPLICABLE JURISDICTION. THIS DISCLOSURE STATEMENT WILL NOT BE ADMISSIBLE IN ANY PROCEEDING OTHER THAN THE CHAPTER 11 CASES (AS DEFINED BELOW), NOR WILL IT BE CONSTRUED TO BE CONCLUSIVE ADVICE ON THE TAX, SECURITIES, ACCOUNTING OR OTHER LEGAL EFFECTS OF THE PLAN AS TO CREDITORS, INTEREST HOLDERS AND OTHER PARTIES IN INTEREST.

THIS DISCLOSURE STATEMENT CONTAINS FORWARD LOOKING STATEMENTS THAT ARE BASED ON THE DEBTORS' CURRENT EXPECTATIONS, ESTIMATES AND FORECASTS ABOUT THE OPERATING ENVIRONMENT, ECONOMICS AND MARKETS IN WHICH THEY OPERATE. THESE STATEMENTS ARE SUBJECT TO IMPORTANT ASSUMPTIONS, RISKS AND UNCERTAINTIES THAT ARE DIFFICULT TO PREDICT, AND THE ACTUAL OUTCOME MAY BE MATERIALLY DIFFERENT THAN IMPLIED BY SUCH FORWARD LOOKING STATEMENTS. THE DEBTORS CAUTION THAT NO REPRESENTATION CAN BE MADE AS TO THE ACCURACY OF SUCH FORWARD LOOKING STATEMENTS. SOME ASSUMPTIONS INEVITABLY WILL NOT MATERIALIZE. FURTHER, EVENTS AND CIRCUMSTANCES OCCURRING SUBSEQUENT TO THE DATE ON WHICH THIS DISCLOSURE STATEMENT WAS PREPARED MAY BE DIFFERENT FROM THOSE ASSUMED OR, ALTERNATIVELY, MAY HAVE BEEN UNANTICIPATED, AND THUS THE OCCURRENCE OF THESE EVENTS MAY AFFECT FINANCIAL RESULTS IN A MATERIALLY ADVERSE OR MATERIALLY BENEFICIAL MANNER. THIS DISCLOSURE STATEMENT, THEREFORE, MAY NOT BE RELIED UPON AS A GUARANTY OR OTHER ASSURANCE OF ANY FUTURE EVENT DISCUSSED HEREIN.

PLEASE ALSO SEE SECTION VI (CERTAIN RISK FACTORS TO BE CONSIDERED) FOR A DISCUSSION OF CERTAIN RISK FACTORS, WHICH SHOULD BE CONSIDERED IN CONNECTION WITH A DECISION BY A SOLICITED CREDITOR TO ACCEPT OR REJECT THE PLAN.

KTP Builders, Inc., a Texas corporation

/s/ Kenlee Douds

By: Kenlee Douds, President

/s/ C. Michael Black

C. Michael Black, Proposed Attorney for
KTP Builders, Inc., a Texas corporation

One Sugar Creek Blvd., Suite 1080
Sugar Land, Texas 77478
713.522.5999 - Voice
713.522.2925 - Telecopier
SBT # 02369000
email: cmb@cblack-lawyer.com

EXHIBITS

Exhibit A - Copy of Proposed Plan of Reorganization

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In Re: KTP Builders, Inc.
A Texas corporation,
Debtor

Case No. 15-34109
Chapter 11 Proceeding

**KTP BUILDERS, INC.'S PLAN OF REORGANIZATION,
DATED MAY 30, 2016**

ARTICLE I
SUMMARY

This Plan of Reorganization (the "Plan") under Chapter 11 of the Bankruptcy Code (the "Code") proposes to pay creditors of KTP Builders, Inc. (the "Debtor") from funds received from parties in adversary actions against third parties and future income.

This Plan provides for one (1) class of secured claims; one (1) class of unsecured claims; and one (1) class of equity security holders. Unsecured creditors holding allowed claims will receive distributions, which the proponent of this Plan has valued at no less than approximately 26 cents on the dollar. The Plan envisions an additional dividend which may be payable to unsecured creditors of no more than approximately 35 cents on the dollar. This Plan provides for the payment of administrative and priority claims if payment is in full on the effective date of this Plan.

All creditors and equity security holders should refer to Articles III through VI of this Plan for information regarding the precise treatment of their claim. A disclosure statement that provides more detailed information regarding this Plan and the rights of creditors and equity security holders has been circulated with this Plan. **Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one. (If you do not have an attorney you may wish to consult one.)**

ARTICLE II
CLASSIFICATION OF CLAIMS AND INTERESTS

2.01	<u>Class 1.</u>	All allowed claims entitled to priority under § 507 of the Code (except administrative expense claims under § 507(a)(2), and priority tax claims under §507(a)(8)).
------	-----------------	---

- 2.02 Class 2. All secured claims are disallowed. However, Section 1129(a)(9)(D) of the Code provides that a secured tax claim which would otherwise meet the description of a priority tax claim under § 507(a)(8) of the Code is to be paid in the same manner and over the same period as prescribed in § 507(a)(8), and such claims will be paid.
- 2.03 Class 3. All unsecured claims allowed under § 502 of the Code.
- 2.04 Class 4. Equity interests of the Debtor.

ARTICLE III
TREATMENT OF ADMINISTRATIVE EXPENSE CLAIMS,
U.S. TRUSTEES FEES, AND PRIORITY TAX CLAIMS

- 3.01 Unclassified Claims. Under section §1123(a)(1), administrative expense claims and priority tax claims are not in classes.
- 3.02 Administrative Expense Claims. Each holder of an administrative expense claim allowed under § 503 of the Code will be paid in full on the effective date of this Plan (as defined in Article VII), in cash, or upon such other terms as may be agreed upon by the holder of the claim and the Debtor.
- 3.03 Priority Tax Claims. Each holder of a priority tax claim will be paid in full on the effective date of the Plan, or according to separate written agreement.
- 3.04 United States Trustee Fees. All fees required to be paid by 28 U.S.C. §1930(a)(6) (U.S. Trustee Fees) will accrue and be timely paid until the case is closed, dismissed, or converted to another chapter of the Code. Any U.S. Trustee Fees owed on or before the effective date of this Plan will be paid on the effective date.

ARTICLE IV
TREATMENT OF CLAIMS AND
INTERESTS UNDER THE PLAN

- 4.01 Claims and interests shall be treated as follows under this Plan:

<u>Class</u>	<u>Impairment</u>	<u>Treatment</u>
Class 1 - Priority	unimpaired	Class 1 is unimpaired by this Plan, and each holder of a Class 1 Priority Claim will be paid in full, in cash, upon the later of the effective date of this Plan as defined in Article VII, or the date on which such claim is allowed by a final non-appealable order.
Class 2 - Secured Claims	Impaired	All secured claims are disallowed.
Class 3 - General Unsecured Creditors	Impaired	See ¶ 7.03, below. There is no administrative convenience class.
Class 4 - Equity Security Holders of the Debtor	Impaired	Ownership remains the same.

ARTICLE V
ALLOWANCE AND DISALLOWANCE OF CLAIMS

5.01 Disputed Claim. A disputed claim is a claim that has not been allowed or disallowed by a final non-appealable order, and as to which either: (i) a proof of claim has been filed or deemed filed, and the Debtor or another party in interest has filed an objection; or (ii) no proof of claim has been filed, and the Debtor has scheduled such claim as disputed, contingent, or unliquidated.

There have been several claims filed against the Debtor's estate that have been disputed. Objections to the following claims have been or will be filed:

POC #10	GS Housing Construction
POC #11	RealTex Construction, LLC
POC #12	MBA General Contracting, LLC
POC #14	Carleton Construction, LTD
POC #16	Galaxy Builders, Inc.
POC #21	Texas Workforce Commission
POC #23	Alta Construction Management, LLC

And, the Debtor is also disputing the claim of Internal Revenue Service; an objection will be filed regarding that claim. The Plan contemplates no payments being made to these creditors.

The following additional information is provided indicating that claims totaling \$3,053,195.76 which had been **made against** the Debtor have been resolved in litigation by Special Litigation Counsel resulting in payments which have been, or will be, **paid to** the Debtor of \$211,240.

<u>Creditor</u>	<u>Claim Amount</u>	<u>Amount Paid to Debtor</u>
RealTex Construction, LLC	\$1,401,342.83	\$120,000
MBA General Contracting, LLC	\$ 962,819.63	\$ 8,740
Galaxy Builders, Inc.	\$ 514,033.30	\$ 86,561
Roche Constructors, Inc.	\$ 175,000.00	\$ 47,500

5.02 Delay of Distribution on a Disputed Claim. No distribution will be made on account of a disputed claim unless such claim is allowed by a final non-appealable order.

5.03 Settlement of Disputed Claims. The Debtor will have the power and authority to settle and compromise a disputed claim with court approval and compliance with Rule 9019 of the Federal Rules of Bankruptcy Procedure.

ARTICLE VI

PROVISIONS FOR EXECUTORY CONTRACTS AND UNEXPIRED LEASES

6.01 Assumed Executory Contracts and Unexpired Leases.

(a) The Debtor assumes the following executory contracts and/or unexpired leases effective upon the effective date of this Plan as provided in Article VII.

NONE

(b) The Debtor will be conclusively deemed to have rejected all executory contracts and/or unexpired leases not expressly assumed under Section 6.01(a) above, or before the date of the order confirming this Plan, upon the effective date of this Plan. A proof of a claim arising from the rejection of an executory contract or unexpired lease under this section must be filed no later than twenty (20) days after the date of the order confirming this Plan.

ARTICLE VII

MEANS FOR IMPLEMENTATION OF THE PLAN

7.01 During the administration of the Plan, the Debtor will continue to be managed by its managers and officers, who are:

Robert Douds, Jr.	President / Manager
Ken Lee Douds	Vice President / Manager
Robert Douds, Sr.	Manager

7.02 Effective April 1, 2016, the three principals will no longer be expecting salary and have agreed to work for free (for 4 months) to help bring the Debtor out of bankruptcy. Effective August 1, 2016, the three principals would resume receiving salaries of \$5,000 per month each.

7.03 The implementation of the Plan will rely on the receipt of funds from future revenue and the settlement of claims made against third parties. Following the Date of Filing of the voluntary Chapter 11 petition, the rights of the Debtor to funds due for services performed has been vigorously litigated by Special Litigation Counsel and the officers of the Debtor, resulting in funds paid, and to be paid, of no less than \$211,240. In addition, the officers of the Debtor believe that as much as an additional \$442,326 may be paid to the Debtor representing funds due for pre-petition services performed. Those additional sums, if any, will be added to the dividends paid to the unsecured creditors.

ARTICLE VIII

GENERAL PROVISIONS

8.01 Definitions and Rules of Construction. The definitions and rules of construction set forth in §§ 101 and 102 of the Code shall apply when terms defined or construed in the Code are used in this Plan, and they are supplemented by the following definitions: Date of Filing - August 3, 2015

8.02 Effective Date of Plan. The effective date of this Plan is the first business

day following the date that is fourteen days after the entry of the order of confirmation. If, however, a stay of the confirmation order is in effect on that date, the effective date will be the first business day after the date on which the stay of the confirmation order expires or is otherwise terminated.

8.03 Severability. If any provision in this Plan is determined to be unenforceable, the determination will in no way limit or affect the enforceability and operative effect of any other provision of this Plan.

8.04 Binding Effect. The rights and obligations of any entity named or referred to in this Plan will be binding upon, and will inure to the benefit of the successors or assigns of such entry.

8.05 Captions. The headings contained in this Plan are for convenience of reference only and do not affect the meaning or interpretation of this Plan.

8.06 Controlling Effect. Unless a rule of law or procedure is supplied by federal law (including the Code or the Federal Rules of Bankruptcy Procedure), the laws of the State of Texas govern this Plan and any agreements, documents, and instruments executed in connection with this Plan, except as otherwise provided in this Plan.

8.07 Corporate Governance. Pursuant to § 1123(a)(b) of the Code, the By-Laws of the Debtor will be amended to include a provision prohibiting the issuance of nonvoting equity securities.

ARTICLE IX **DISCHARGE**

Discharge. On the effective date of the Plan, the Debtor shall be discharged from any debt that arose before confirmation of the Plan, subject to the occurrence of the effective date, to the extent specified in § 1141(d)(1)(A) of the Code, except that the Debtor shall not be discharged of any debt (i) imposed by the Plan, (ii) of a kind specified in § 1141(d)(6)(A) if a timely complaint was filed in accordance with Rule 4007(c) of the Federal Rules of Bankruptcy Procedure, or (iii) of a kind specified in § 1141(d)(6)(B). After the effective date of the Plan your claims against the Debtor will be limited to the debts described in clauses (i) through (iii) of the preceding sentence.

ARTICLE X **OTHER PROVISIONS**

None

Respectfully Submitted,

KTP Builders, Inc., a Texas corporation

/s/ Kenlee Douds

By: Kenlee Douds, President

/s/ C. Michael Black

C. Michael Black, Attorney for
KTP Builders, Inc., a Texas corporation

One Sugar Creek Blvd., Suite 1080
Sugar Land, Texas 77478
713.522.5999 - Voice
713.522.2925 - Telecopier
SBT # 02369000
email: cmb@cblack-lawyer.com

Exhibit B - Identity and Value of Material Assets of Debtor

See Exhibit E

Exhibit C - Prepetition Financial Statements
(to be taken from those filed with the court)

None

Exhibit D
 Most Recently Filed Postpetition Operating Report
 (See attached)

SUMMARY OF MONTHLY OPERATING REPORTS

Month	Net Cash Profit	Unpaid Bills	Money Owed to Debtor
Aug 2015	(\$21,901)	\$417,819	\$633,649
Sept 2015	(\$70,673)	\$320,026	\$419,877
Oct 2015	\$ 62,556	\$128,402	\$175,591
Nov 2015	(\$53,281)	\$123,381	\$149,018
Dec 2015	(\$ 8,736)	\$ 72,000	\$103,996
Jan 2016	\$41,941	\$191,459	\$195,217
Feb 2016	(\$43,742)	\$183,923	\$195,217
Mar 2016	(\$ 169)	\$280,218	\$295,003
Apr 2016	\$ 3,462	\$298,218	\$297,120

B 25C (Official Form 25C) (12/08)

UNITED STATES BANKRUPTCY COURT

Southern District of Texas

In re KTP Builders, Inc.
Debtor

Case No. 15-34109

Small Business Case under Chapter 11

SMALL BUSINESS MONTHLY OPERATING REPORT

Month: April, 2016

Date filed: _____

Line of Business: _____

NAISC Code: _____

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING SMALL BUSINESS MONTHLY OPERATING REPORT AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE.

RESPONSIBLE PARTY:



Original Signature of Responsible Party

Kevin Douglas

Printed Name of Responsible Party

Questionnaire: (All questions to be answered on behalf of the debtor.)

	Yes	No
1. IS THE BUSINESS STILL OPERATING?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. HAVE YOU PAID ALL YOUR BILLS ON TIME THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. DID YOU PAY YOUR EMPLOYEES ON TIME?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4. HAVE YOU DEPOSITED ALL THE RECEIPTS FOR YOUR BUSINESS INTO THE DIP ACCOUNT THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. HAVE YOU FILED ALL OF YOUR TAX RETURNS AND PAID ALL OF YOUR TAXES THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. HAVE YOU TIMELY FILED ALL OTHER REQUIRED GOVERNMENT FILINGS?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. HAVE YOU PAID ALL OF YOUR INSURANCE PREMIUMS THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. DO YOU PLAN TO CONTINUE TO OPERATE THE BUSINESS NEXT MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. ARE YOU CURRENT ON YOUR QUARTERLY FEE PAYMENT TO THE U.S. TRUSTEE?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
10. HAVE YOU PAID ANYTHING TO YOUR ATTORNEY OR OTHER PROFESSIONALS THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
11. DID YOU HAVE ANY UNUSUAL OR SIGNIFICANT UNANTICIPATED EXPENSES THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
12. HAS THE BUSINESS SOLD ANY GOODS OR PROVIDED SERVICES OR TRANSFERRED ANY ASSETS TO ANY BUSINESS RELATED TO THE DIP IN ANY WAY?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
13. DO YOU HAVE ANY BANK ACCOUNTS OPEN OTHER THAN THE DIP ACCOUNT?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

B 25C (Official Form 25C) (12/08)

- 14. HAVE YOU SOLD ANY ASSETS OTHER THAN INVENTORY THIS MONTH?
- 15. DID ANY INSURANCE COMPANY CANCEL YOUR POLICY THIS MONTH?
- 16. HAVE YOU BORROWED MONEY FROM ANYONE THIS MONTH?
- 17. HAS ANYONE MADE AN INVESTMENT IN YOUR BUSINESS THIS MONTH?
- 18. HAVE YOU PAID ANY BILLS YOU OWED BEFORE YOU FILED BANKRUPTCY?

TAXES

DO YOU HAVE ANY PAST DUE TAX RETURNS OR PAST DUE POST-PETITION TAX OBLIGATIONS?

IF YES, PLEASE PROVIDE A WRITTEN EXPLANATION INCLUDING WHEN SUCH RETURNS WILL BE FILED, OR WHEN SUCH PAYMENTS WILL BE MADE AND THE SOURCE OF THE FUNDS FOR THE PAYMENT.

(Exhibit A)

INCOME

PLEASE SEPARATELY LIST ALL OF THE INCOME YOU RECEIVED FOR THE MONTH. THE LIST SHOULD INCLUDE ALL INCOME FROM CASH AND CREDIT TRANSACTIONS. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

	TOTAL INCOME	\$ <u>13,500.00</u>
SUMMARY OF CASH ON HAND		
Cash on Hand at Start of Month		\$ <u>671.48</u>
Cash on Hand at End of Month		\$ <u>4,133.71</u>
PLEASE PROVIDE THE TOTAL AMOUNT OF CASH CURRENTLY AVAILABLE TO YOU	TOTAL	\$ <u>4,133.71</u>

(Exhibit B)

EXPENSES

PLEASE SEPARATELY LIST ALL EXPENSES PAID BY CASH OR BY CHECK FROM YOUR BANK ACCOUNTS THIS MONTH. INCLUDE THE DATE PAID, WHO WAS PAID THE MONEY, THE PURPOSE AND THE AMOUNT. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

	TOTAL EXPENSES	\$ <u>10,037.77</u>
--	-----------------------	---------------------

(Exhibit C)

CASH PROFIT

INCOME FOR THE MONTH (TOTAL FROM EXHIBIT B)	\$ <u>13,500.00</u>
EXPENSES FOR THE MONTH (TOTAL FROM EXHIBIT C)	\$ <u>10,037.77</u>
(Subtract Line C from Line B)	CASH PROFIT FOR THE MONTH
	\$ <u>3,462.23</u>

B 25C (Official Form 25C) (12/08)

UNPAID BILLS

PLEASE ATTACH A LIST OF ALL DEBTS (INCLUDING TAXES) WHICH YOU HAVE INCURRED SINCE THE DATE YOU FILED BANKRUPTCY BUT HAVE NOT PAID. THE LIST MUST INCLUDE THE DATE THE DEBT WAS INCURRED, WHO IS OWED THE MONEY, THE PURPOSE OF THE DEBT AND WHEN THE DEBT IS DUE. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL PAYABLES \$ 298,217.75

(Exhibit D)

MONEY OWED TO YOU

PLEASE ATTACH A LIST OF ALL AMOUNTS OWED TO YOU BY YOUR CUSTOMERS FOR WORK YOU HAVE DONE OR THE MERCHANDISE YOU HAVE SOLD. YOU SHOULD INCLUDE WHO OWES YOU MONEY, HOW MUCH IS OWED AND WHEN IS PAYMENT DUE. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL RECEIVABLES \$ 297,120.87

(Exhibit E)

BANKING INFORMATION

PLEASE ATTACH A COPY OF YOUR LATEST BANK STATEMENT FOR EVERY ACCOUNT YOU HAVE AS OF THE DATE OF THIS FINANCIAL REPORT OR HAD DURING THE PERIOD COVERED BY THIS REPORT.

(Exhibit F)

EMPLOYEES

NUMBER OF EMPLOYEES WHEN THE CASE WAS FILED? 6

NUMBER OF EMPLOYEES AS OF THE DATE OF THIS MONTHLY REPORT? 3

PROFESSIONAL FEES

BANKRUPTCY RELATED:

PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD? \$ 0.90

TOTAL PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE? \$ 17,530.34

NON-BANKRUPTCY RELATED:

PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD? \$ 0.90

TOTAL PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE? \$ 36,219.21

B 25C (Official Form 25C) (12/08)

PROJECTIONS

COMPARE YOUR ACTUAL INCOME AND EXPENSES TO THE PROJECTIONS FOR THE FIRST 180 DAYS OF YOUR CASE PROVIDED AT THE INITIAL DEBTOR INTERVIEW.

	Projected	Actual	Difference
INCOME	\$ 50,000.00	\$ 13,500.00	\$ < 36,500.00 >
EXPENSES	\$ 50,000.00	\$ 10,037.77	\$ < 39,962.23 >
CASH PROFIT	\$ 0.00	\$ 3,462.23	\$ 3,462.23

TOTAL PROJECTED INCOME FOR THE NEXT MONTH:	\$ 50,000.00
TOTAL PROJECTED EXPENSES FOR THE NEXT MONTH:	\$ 50,000.00
TOTAL PROJECTED CASH PROFIT FOR THE NEXT MONTH:	\$ 0.00

ADDITIONAL INFORMATION

PLEASE ATTACH ALL FINANCIAL REPORTS INCLUDING AN INCOME STATEMENT AND BALANCE SHEET WHICH YOU PREPARE INTERNALLY.



P.O. Box 1315 Houston, Texas 77251 Member FDIC

STATEMENT ISSUED
 04-29-2016

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Page 1 of 3



KTP BUILDERS INC
 DEBTOR IN POSSESSION CASE NO 15 34109
 OPERATING ACCOUNT
 10707 CORPORATE DR STE 118
 STAFFORD TX 77477

0

Interested in accepting in-store, online or mobile credit and debit card payments? Frost Merchant Services can help. Contact Customer Service at (800)513-7678 to get started.

FROST BUSINESS CHECKING : ACCOUNT NO. 67 1253344

BALANCE LAST STATEMENT	DEPOSITS		WITHDRAWALS		BALANCE THIS STATEMENT
	NO.	AMOUNT	NO.	AMOUNT	
664.48	4	13,500.00	9	10,047.77	4,116.71

Activity Items Processed 13 Cash Processed \$13,500.00

DEPOSITS/CREDITS

DATE	TRANSACTION	AMOUNT	DATE	TRANSACTION	AMOUNT
04-04	TELLER DEPOSIT	5,000.00	04-13	TELLER DEPOSIT	1,000.00
04-22	TELLER DEPOSIT	2,500.00	04-26	TELLER DEPOSIT	5,000.00

CHECKS PAID

DATE	CHECK	AMOUNT	DATE	CHECK	AMOUNT	DATE	CHECK	AMOUNT
04-08	1486 #	2,573.65	04-15	1489 #	1,336.00	04-26	1492 #	620.26
04-06	1487 #	1,000.00	04-18	1490 #	184.15	04-27	1493 #	1,155.00
04-14	1488 #	1,314.71	04-22	1491 #	1,147.00			

* RECEIVED ELECTRONICALLY AS AN IMAGE OF THE ORIGINAL CHECK

OTHER WITHDRAWALS/DEBITS

DATE	AMOUNT	TRANSACTION	DESCRIPTION
04-11	.00	INTERNET STMT COPY REQ	
04-11	.00	INTERNET STMT COPY REQ	
04-11	.00	INTERNET STMT COPY REQ	
04-11	.00	INTERNET STMT COPY REQ	
04-22	700.00	INTERNET FUND TRANSFER	TO ACCOUNT XXXXX3271
04-30	7.00	SERVICE CHARGE/FEE	MONTHLY SERVICE CHARGE
04-30	10.00	SERVICE CHARGE/FEE	CASH PROCESSING CHARGE

DAILY BALANCE

DATE	BALANCE	DATE	BALANCE	DATE	BALANCE
03-31	664.48	04-13	3,090.83	04-22	908.97
04-04	5,664.48	04-14	1,776.12	04-26	5,288.71
04-06	4,664.48	04-15	440.12	04-27	4,133.71
04-08	2,090.83	04-18	255.97	04-29	4,116.71
04-11	2,090.83				



P.O. Box 1315 Houston, Texas 77251 Member FDIC

FOR INFORMATION CALL 713-388-7800 OR 1-800-513-7678

STATEMENT ISSUED 04-29-2016

Page 3 of 3

KTP BUILDERS INC



Frost ACCOUNT NUMBER * 67 1253344

Date: 4/4/16

Name: KTP BUILDERS
Address: 10707 CORPORATE DR STE. 110 STAFFORD, TX 77477

Deposit

Cash >
Check >
Check >
Check >
Total From Other Accts >
Less Cash >
CR \$ 5,000.00

*24086707P #114000093H

Frost ACCOUNT NUMBER * 67 1253344

Date: 4/13/16

Name: KTP BUILDERS
Address: 10707 CORPORATE DR STE. 110 STAFFORD, TX 77477

Deposit

Cash >
Check >
Check >
Check >
Total From Other Accts >
Less Cash >
CR \$ 1,000.00

*24086708P #114000093H

04/04/16 #0 \$5,000.00

Frost ACCOUNT NUMBER * 67 1253344

Date: 4/4/16

Name: KTP BUILDERS
Address: 10707 CORPORATE DR STE. 110 STAFFORD, TX 77477

Deposit

Cash >
Check >
Check >
Check >
Total From Other Accts >
Less Cash >
CR \$ 2,500.00

*24086709P #114000093H

04/13/16 #0 \$1,000.00

Frost ACCOUNT NUMBER * 67 1253344

Date: 4/13/16

Name: KTP BUILDERS
Address: 10707 CORPORATE DR STE. 110 STAFFORD, TX 77477

Deposit

Cash >
Check >
Check >
Check >
Total From Other Accts >
Less Cash >
CR \$ 5,000.00

*24086710P #114000093H

04/22/16 #0 \$2,500.00

Frost ACCOUNT NUMBER * 67 1253344

Date: 4/22/16

Name: KTP BUILDERS INC
Address: 10707 CORPORATE DR STE. 110 STAFFORD, TX 77477

Deposit

Cash >
Check >
Check >
Check >
Total From Other Accts >
Less Cash >
CR \$ 2,500.00

*24086711P #114000093H

04/26/16 #0 \$5,000.00

Frost ACCOUNT NUMBER * 67 1253344

Date: 4/26/16

Name: KTP BUILDERS INC
Address: 10707 CORPORATE DR STE. 110 STAFFORD, TX 77477

Deposit

Cash >
Check >
Check >
Check >
Total From Other Accts >
Less Cash >
CR \$ 5,000.00

*24086712P #114000093H

04/08/16 #1486 \$2,573.65

Frost ACCOUNT NUMBER * 67 1253344

Date: 4/8/2016

Name: KTP BUILDERS INC
Address: 10707 CORPORATE DR STE. 110 STAFFORD, TX 77477

Deposit

Cash >
Check >
Check >
Check >
Total From Other Accts >
Less Cash >
CR \$ 2,573.65

*24086713P #114000093H

04/06/16 #1487 \$1,000.00

Frost ACCOUNT NUMBER * 67 1253344

Date: 4/6/2016

Name: KTP BUILDERS INC
Address: 10707 CORPORATE DR STE. 110 STAFFORD, TX 77477

Deposit

Cash >
Check >
Check >
Check >
Total From Other Accts >
Less Cash >
CR \$ 1,000.00

*24086714P #114000093H

04/14/16 #1488 \$1,314.71

Frost ACCOUNT NUMBER * 67 1253344

Date: 4/14/2016

Name: KTP BUILDERS INC
Address: 10707 CORPORATE DR STE. 110 STAFFORD, TX 77477

Deposit

Cash >
Check >
Check >
Check >
Total From Other Accts >
Less Cash >
CR \$ 1,314.71

*24086715P #114000093H

04/15/16 #1489 \$1,336.00

Frost ACCOUNT NUMBER * 67 1253344

Date: 4/15/2016

Name: KTP BUILDERS INC
Address: 10707 CORPORATE DR STE. 110 STAFFORD, TX 77477

Deposit

Cash >
Check >
Check >
Check >
Total From Other Accts >
Less Cash >
CR \$ 1,336.00

*24086716P #114000093H

04/18/16 #1490 \$184.15

Frost ACCOUNT NUMBER * 67 1253344

Date: 4/18/2016

Name: KTP BUILDERS INC
Address: 10707 CORPORATE DR STE. 110 STAFFORD, TX 77477

Deposit

Cash >
Check >
Check >
Check >
Total From Other Accts >
Less Cash >
CR \$ 184.15

*24086717P #114000093H

04/22/16 #1491 \$1,147.00

Frost ACCOUNT NUMBER * 67 1253344

Date: 4/22/2016

Name: KTP BUILDERS INC
Address: 10707 CORPORATE DR STE. 110 STAFFORD, TX 77477

Deposit

Cash >
Check >
Check >
Check >
Total From Other Accts >
Less Cash >
CR \$ 1,147.00

*24086718P #114000093H

04/26/16 #1492 \$620.26

Frost ACCOUNT NUMBER * 67 1253344

Date: 4/26/2016

Name: KTP BUILDERS INC
Address: 10707 CORPORATE DR STE. 110 STAFFORD, TX 77477

Deposit

Cash >
Check >
Check >
Check >
Total From Other Accts >
Less Cash >
CR \$ 620.26

*24086719P #114000093H

04/27/16 #1493 \$1,155.00

Frost ACCOUNT NUMBER * 67 1253344

Date: 4/27/2016

Name: KTP BUILDERS INC
Address: 10707 CORPORATE DR STE. 110 STAFFORD, TX 77477

Deposit

Cash >
Check >
Check >
Check >
Total From Other Accts >
Less Cash >
CR \$ 1,155.00

*24086720P #114000093H



P.O. Box 1315 Houston, Texas 77251 Member FDIC

FOR INFORMATION CALL
713-388-7800 OR 1-800-513-7678

STATEMENT ISSUED
04-29-2016

Page 1 of 2

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KTP BUILDERS INC
DEBTOR IN POSSESSION CASE NO 15 34109
TAX ACCOUNT
10707 CORPORATE DR STE 118
STAFFORD TX 77477

0

Interested in accepting in-store, online or mobile credit
and debit card payments? Frost Merchant Services can help.
Contact Customer Service at (800)513-7678 to get started.

FROST BUSINESS CHECKING : ACCOUNT NO. 67 1253271

BALANCE LAST STATEMENT	DEPOSITS		WITHDRAWALS		BALANCE THIS STATEMENT
	NO.	AMOUNT	NO.	AMOUNT	
65.09	1	700.00	2	691.16	73.93

Activity Items Processed 3

Cash Processed \$0.00

----- DEPOSITS/CREDITS -----

DATE	AMOUNT	TRANSACTION	DESCRIPTION
04-22	700.00	INTERNET FUND TRANSFER	FROM ACCOUNT XXXXX3344

----- OTHER WITHDRAWALS/DEBITS -----

DATE	AMOUNT	TRANSACTION	DESCRIPTION
04-11	.00	INTERNET STMT COPY REQ	
04-28	124.39	ELECTRONIC DEBIT	IRS USATAXPYMT 225651920189923
04-28	559.77	ELECTRONIC DEBIT	TXWORKFORCECOMM DEBIT (512)463-2325
04-30	7.00	SERVICE CHARGE/FEE	MONTHLY SERVICE CHARGE

----- DAILY BALANCE -----

DATE	BALANCE	DATE	BALANCE	DATE	BALANCE
03-31	65.09	04-22	765.09	04-29	73.93
04-11	65.09	04-28	80.93		

Please examine your bank statement upon receipt and report any differences or irregularities as specified in the Depo Agreement and Other Disclosures.

KTP Builders Inc.Balance Sheet
4/30/2016

<u>Assets</u>	<u>3/31/2016</u>	<u>4/30/2016</u>	<u>Difference</u>
Bank Balance	\$ 671.48	\$ 4,133.71	\$ 3,462.23
Long Term - Accounts Receivable (Pre Filing)	\$ 545,419.59	\$ 442,326.00	\$ (103,093.59)
Accounts Receivable - Post Filing (Current Jobs)	<u>\$ 295,003.87</u>	<u>\$ 297,120.87</u>	<u>\$ 2,117.00</u>
	<u>\$ 841,094.94</u>	<u>\$ 743,580.58</u>	<u>\$ (97,514.36)</u>
<u>Liabilities</u>	<u>3/31/2016</u>	<u>3/31/2016</u>	<u>Difference</u>
Long Term - Accounts Payable Secured	\$ 161,695.80	\$ 171,695.80	\$ 10,000.00
Long Term - Accounts Payable Unsecured Priority	\$ 37,427.00	\$ 37,427.00	\$ -
Long Term - Accounts Payable Unsecured Non - Priority	\$ 546,265.00	\$ 519,994.59	\$ (26,270.41)
Short Term - Loans (K/R Douds)	\$ 45,000.00	\$ 50,000.00	\$ 5,000.00
Accounts Payable - Post Filing (Current Jobs)	\$ 235,218.75	\$ 248,218.75	\$ 13,000.00
	<u>\$1,025,606.55</u>	<u>\$1,027,336.14</u>	<u>\$1,729.59</u>

KTP Builders Inc.

Exhibit D - Unpaid Bills KTP (New work)
4/30/2016

Payables:

Loans	\$	50,000.00
Legal Fees (44,483.88 + 13,000 Approx)	\$	57,483.88
Suppliers: Bonita Creek (4)	\$	46,120.87
Subcontractors/Employees (10,000 + 105,000)	\$	115,000.00
Expenses	\$	<u>29,614.00</u>
 Total Payables:	 \$	 <u><u>298,218.75</u></u>

KTP Builders Inc.

Exhibit E - Monies owed KTP (New work)

4/30/2016

Receivables:

Legacy/Cosmopolitan - Realtex	\$	120,000.00
Country Lane - MBA	\$	8,750.00
Bonita Creek (46,120.87 + 39,750)	\$	85,870.87
United Insurance Company	\$	47,500.00
Legends of Kingsville	\$	<u>35,000.00</u>
 Total Receivable:	 \$	 <u><u>297,120.87</u></u>

KTP Builders Inc.
Income Statement
4/30/2016

Revenue

Jobs	\$	8,500.00
Loans from Robert Douds Jr.	\$	<u>5,000.00</u>
Total Revenue	\$	<u><u>13,500.00</u></u>

Expenses

Materials and Labor	\$	<u>10,037.77</u>
Total Expense	\$	<u><u>10,037.77</u></u>

Net Profit:	\$	<u><u>3,462.23</u></u>
--------------------	----	------------------------

Exhibit E - Liquidation Analysis***Plan Proponent's Estimated Liquidation Value of Assets*****Assets**

a.	Cash on hand	\$ 1,329.86
b.	Accounts receivable	\$ 6,535.66
c.	Inventory	\$.00
d.	Office furniture & equipment - *	\$.00
e.	Machinery & equipment	\$.00
f.	Automobiles	\$.00
g.	Building & Land	\$.00
h.	Customer list	\$.00
i.	Investment property (such as stocks, bonds or other financial assets)	\$.00
j.	Lawsuits or other claims against third-parties	\$211,240.00
k.	Other intangibles (such as avoiding powers actions)	\$.00
	<i>Total Assets at Liquidation Value</i>	\$219,105.52

* - Office furniture and equipment is owned by Robert Douds, Sr.

Less:

Secured creditors' recoveries \$ 0.00

Less:

Chapter 7 trustee fees and expenses \$ 0.00

Less:

Chapter 11 administrative expenses \$ 60,000

Less:

Priority claims, excluding administrative expense claims \$ 37,425

[Less:

Debtor's claimed exemptions] \$.00

(1) Balance for unsecured claims \$113,815

(2) Total dollar amount of unsecured claims \$426,648.80

Percentage of Claims Which Unsecured Creditors would Receive Or Retain in a Chapter 7 Liquidation: \$ less than 10%

Percentage of Claims Which Unsecured Creditors Will Receive or Retain under the Plan: 26.67%

Exhibit F - Cash on hand on the effective date of the Plan

Cash on hand on effective date of the Plan:	\$219,105.22
Less -	
Amount of administrative expenses payable on effective date of the Plan	-\$60,000
Amount of statutory costs and charges	-\$0.00
Amount of cure payments for executory contracts	-\$0.00
Other Plan Payments due on effective date of the Plan	\$159,105.22
Balance after paying these amounts.....	

The sources of the cash Debtor will have on hand by the effective date of the Plan are estimated as follows:

\$1,329.86	Cash in Debtor's bank account now
+\$211,240.00	Additional cash Debtor will accumulate from adversary proceedings
+0	Borrowing
+0	Capital Contributions
+\$6,535.66	Other (Accounts Receivable)
\$219,105.22	Total [This number should match "cash on hand" figure noted above

Exhibit G - Projections of Cash Flow and Earnings for Post-Confirmation Period

	<u>Rent</u>	<u>Administrative Staff Salaries- *</u>	<u>Office Expense</u>	<u>Gross Revenue</u>
July, 2016	\$2,200	\$2,500	\$500	\$20,000
August, 2016	\$2,200	\$2,500	\$500	\$30,000
Sept, 2016	\$2,200	\$2,500	\$500	\$40,000
Oct, 2016	\$2,200	\$2,500	\$500	\$50,000
Nov, 2016 - ##	\$2,200	\$7,500	\$500	\$60,000
Dec, 2016	\$2,200	\$7,500	\$500	\$60,000

* - Office furniture and equipment is owned by Robert Douds, Sr.