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UNITED STATES BANKRUPTCY COURT
 EASTERN DISTRICT OF CALIFORNIA
 SACRAMENTO DIVISION

In Re

Victor Romero Corp.

Case No. 16-20652-B-11
 1st AMENDED

DEBTOR'S DISCLOSURE
STATEMENT

Date: August 30, 2016

Time: 2:30 PM

Place: Dept. "B", Ctrm 32
 501 I Street, 6th Flr
 Sacramento, CA

Debtor and
 Debtor in Possession,

[only Major material change is on page 13, a typographical error]

VICTOR ROMERO CORP.'S, DEBTOR'S, DISCLOSURE STATEMENT,

DATED: July 12, 2016

1. INTRODUCTION

This is the disclosure statement (the "Disclosure Statement") in the chapter 11 case of (the "Debtor") for Victor Romero Corp.. This Disclosure Statement contains information about the Debtor and describes the Chapter 11 (the "Plan") filed by the Debtor on or shortly after June 27, 2016. ~~A full copy of the Plan is served and filed with this Disclosure Statement.~~ *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 9-13 at Disclosure Statement. General unsecured creditors are classified in Class 7, and as a group will receive a distribution of \$3,000 per quarter for 3 years from the effective date of the Plan,

commencing December 31, 2016.

Capitalized terms not otherwise defined herein shall have the meaning ascribed to such terms in the Plan.

A. Purpose of This Document, the Disclosure Statement.

This 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 Debtor in Possession 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 Disclosure Statement describes the Plan, but it is the Plan itself that will, if confirmed, establish your rights.

B. Deadlines for Voting and Objecting:

The Court has not yet confirmed the Plan described in this 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 Confirm Plan

The hearing at which the Court will determine whether to confirm the Plan will take place on __ (Date to be determined by separate Notice of Hearing) _____ at 501 I Street, Sacramento, California. **If** approved, the Plan Confirmation hearing date will be set.

1 2. Deadline for Voting to Accept or Reject the Plan

2 Objections to the Plan must be received by Debtor's counsel, and objections to the
3 Plan must be filed with the Court at least fourteen (14) days before the hearing, __ (Date to be
4 determined by separate Notice of Hearing) ____

5 Your ballot must be received by (Date to be determined by separate Notice) or it
6 will not be counted,

7
8 3. Deadline for Objecting to the Plan (Date to be determined by separate Notice) ____

9 Objections to the Plan must be received by Debtor's counsel, and objections to the
10 Plan must be filed with the Court at least fourteen (14) days before the hearing, or
11 __ (Date to be determined by separate Notice of Hearing) ____

12
13 4. The hearing at which the Court will determine whether to finally approve this
14 Disclosure Statement and confirm the Plan will take place on August 30, 2016 at 2:30 PM in
15 Department B of the United States Bankruptcy court located in Courtroom 32, of the 6th floor of
16 501 I Street, Sacramento CA 95814. Objections to this Disclosure Statement must be filed
17 with the Court and served upon the Debtor, the Debtor's attorney, and the United States
18 Trustee's office by August 16th, 2016.

19
20 5. If you want additional information about the Plan, you should contact the attorney for
21 the Debtor in Possession, Richard Jare 6440 Carolinda Drive Granite Bay, CA 95746,
22 phone (916) 409-6600.

23
24 **C. Disclaimer**

25 The Court will be approving this Disclosure Statement as containing
26 adequate information to enable parties affected by the Plan to make an informed judgment
27 about its terms. The Court has not yet determined whether the Plan meets the legal
28 requirements for confirmation, and the fact that the Court has approved this Disclosure

Statement does not constitute an endorsement of the Plan by the Court, or a recommendation that it be accepted. The Court approval of this 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 August 16th, 2016.

II. BACKGROUND

A. Description and History of the Debtor's Affairs.

Victor Romero Corp., Debtor in Possession is an Corporation. Debtor in Possession is licensed California General Building contractor which was incorporated in California On April 18th, 2002 and issued a Corporate Entity Number of C2395860. The debtor's California General Building Contractor's license was issued on May 1st, 2003 as Number 819430 under Class B. Victor Romero Corp. has been an active General Building contractor involved mainly with projects entailing the replacement of buildings in the "fire loss restoration context". Up until late in year 2012 Victor Romero Corp. Conducted field operations with employed crews. Subsequent to year 2013 Victor Romero Corp. made a transition to being what is colloquially known in the trade as a "paper contractor". In other words, a subcontractor would be employed to perform the actual construction work.

B. Insiders of the Debtor

Victor M. Romero, Celeste I. Romero,
& Renee Y. Sandoval (only in capacity as mother of Celeste I. Romero)

Compensation of insider Victor M. Romero,

Year 2014, \$ 30,454

Year 2015 \$ schd K-1 loss pass through -38,218.

Year to date 2016 as of February 5, 2016 \$ 0 Zero

Compensation of insider Celeste I. Romero,,

Year 2014, \$ 30,455

Year 2015 \$ schd K-1 loss pass through -38,218.

Year to date 2016 as of February 5, 2016 \$ 0 Zero

Compensation of insider Renee Y. Sandoval (mother of Celeste I. Romero)

Year 2014, \$ 0 Zero

Year 2015 \$ 0 Zero

Year to date 2016 as of February 5, 2016 \$ 0 Zero

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 debtor has managed his own affairs. No other persons have been involved in the management of the debtor's affairs.

After the effective date of the order confirming the Plan, the debtor will manage his own affairs.

D. . Events Leading to Chapter 11 Filing

1. Money judgment (improperly taken by default after service upon the keeper of a private mail box) for unpaid attorney fees and costs was obtained by a Law Firm which provided representation for the Victor Romero Corp.. As a consequence and in order to exert collection pressure, this judgment creditor initiated action to attempt to sustain a "Suspended" status as to the building contractor's license.

2. The aforementioned Law Firm Representing Victor Romero Corp. in a construction dispute lost the case in Superior Court. The Payment to the plaintiff of the resulting Construction Judgment furthered financial distress. The debtor's operations which were executed "in house" up through year 2012 were not sufficiently profitable. 2 of the 3 current contracts for Construction work in Weed CA were unprofitable and this further strained the finances of Victor Romero Corp.

E. Significant Events During the Bankruptcy Case

- There have NOT any post petition sales of assets outside the ordinary course of business, there has not been any post petition financing, and no Cash Collateral Orders have been obtained.
- The court has approved Richard Jare as counsel for the Debtor in Possession.
- No adversary proceedings or legal actions have been filed.
- The Debtor has finalized a new construction contract for a project in Oakland California which is expected to be profitable to the extent of perhaps \$50,000 upon project completion.

1 **F. Projected Recovery of Avoidable Transfers**

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

4
5 **G. Claims Objections**

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

10 2. The debtor expects to either object to the claim of the Internal Revenue Service or else
11 move the court to estimate the correct amount of the claim for confirmation purposes. This
12 claimant normally quickly amends its claim once the unfiled tax returns are filed. The priority
13 claim is Currently at \$35,650.91. It is expected that this Priority Claim of the Internal Revenue
14 Service will eventually be resolved at \$12,000.

15 3. The Debtor in Possession intends to object to the “Secured” claim of Dowling Aaron
16 Incorporated on the basis that the UCC filing of the Judgement Lien should be disallowed since
17 the underlying Judgment was taken without jurisdiction since Service of Summons was
18 defective.

19
20 **H. Current and Historical Financial Conditions**

21 1. The identity and fair market value of the estate's assets were initially listed in Schedule
22 B filed in this case on March 4th 2016 as document 39. Schedule B and Schedule D is attached
23 as an exhibit to this Disclosure Statement.

24 2. For liquidation purposes, as of the petition date, account’s receivables for construction
25 operations is effectively \$0, zero. As the case has developed, it has become apparent that line
26 11a. of schedule “B” is confusing. The number on line #11a. was derived from an oral
27 examination of the managing office of the Debtor in Possession. Line 11a was intended to
28 reflect that Victor Romero Corp. as of the petition date or very soon after the petition date can

1 submit a bill to his customers for 3 jobs in Weed CA for approximately \$150,000. Then as a
2 compensating entry Schedule D explains that it is estimated that creditor #2.1 is entitled to
3 receive \$120,000 of that \$150,000. Until the Debtor in Possession started to prepare monthly
4 reports to be filed with this court, his attorney was not aware that the “cash basis” method of
5 accounting which has been used for quite a while is entirely inappropriate for accounting in this
6 kind of a business. The debtor in possession conducts a small number of construction projects
7 which each might last anywhere from say 6 months to 12 months. Consequently the “cash
8 basis” way of thinking has to be discarded entirely and a transition needs to be made to adopt
9 either a “project completed” or a “% percentage of completed” method of accounting.

10 3. The transition to a different method of accounting has been made exceedingly difficult
11 because the bookkeeping clerk has always lumped all jobs together. It appears that within the
12 ledgers she has created, she has not noted which job the deposits and disbursements came from.
13 The only way this could be rectified at this point without crippling the management with the
14 burden of redoing all of the books entirely is to recognize that a simplification is possible. All of
15 the active projects as of the petition date, the 3 jobs in Weed CA, will yield no net profit, \$0 zero
16 profit after costs of operations and overhead are taken into account. The new project in Oakland
17 CA, an entirely post petition project from a field operations standpoint, is expected to yield a
18 \$50,000 profit. A copy of the “Addendum to Monthly Reports” is attached as an Exhibit to this
19 disclosure statement. A copy of the Most recent, May 31st, 2016 monthly operating report is
20 attached as an Exhibit to this Disclosure statement.

21 4. The Marcus Collins account receivable is scheduled at a value of \$85,981 is a
22 Schedule “B” line 11b. item specified as a \$10,981 value. This is not an account receivables
23 from operations, but rather it is an account receivable from the liquidation in year 2012 of a
24 segment of the Victor Romero Corp.’s “Packout Operations”. In that operation, personalty is
25 recovered and stored after a fire event. Collectability of this receivables is an issue. The
26 obligor currently may not have a profitable operation. The last payment received was on or
27 around August 12th of year 2014. The assets transferred are difficult and burdensome to recover.
28 The assets sold consist mainly of storage lockers and one forklift and one Ford van.

Whether the asset is encumbered depends upon the outcome of the aforementioned claim objection.

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:

<u>TYPE</u>	<u>ESTIMATED AMOUNT OWED</u>	<u>PROPOSED TREATMENT</u>
Expenses Arising in Ordinary Course of Business Around and After the Petition Date	expected to rise from present levels to over \$50,000 each typical month	Paid according to the terms of the Obligation, which Under State Law a General Building Contractor is an Agent for the Owner for purposes of paying for Material Suppliers and Subcontractors
Professional Fees, as approved by the Court, attorney previously approved, others to be approved	\$15,000	Paid 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	\$1717	Previously Paid prior to the effective date of the plan.
Other administrative expenses	approx \$0	Paid in full on the effective Date of the Plan or according to separate written agreement
Office of the US Trustee Fees	per formula estimate to be \$975 each quarter	Paid quarterly as required by the rules and guidelines.
Total	Approx. \$52,000 each month	

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.

<u>DESCRIPTION</u> (name and type of tax)	<u>ESTIMATED</u> <u>AMOUNT</u> <u>OWED</u>	<u>DATE OF</u> <u>ASSESS-</u> <u>MENT</u>	<u>TREATMENT</u>
Franchise Tax Board Corporate Franchise Taxes	\$1756.24	2014 & Forward	Pmt interval = Quarterly Quarterly payment = \$146.36 Commencing December 31, 2016 End date = Sept. 30, 2019 Interest Rate % = 0% Total Payout Amount =\$1756.24
Internal Revenue Service 2009 TY forward for WT- FICA, & FUTA, & 2015 TY for Corporate Income Tax	expect to resolve at \$12,000 present claim is \$35650.91	2009 TY forward	Pmt interval = Quarterly Quarterly payment = \$1,000.00 Commencing December 31, 2016 End date=Sept. 30, 2019 Interest Rate % =0% Total Payout Amount =\$12,000

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:

I. 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 Y/N	Impair- ed?	TREATMENT
2	<p><i>Secured claim of Franchise Tax Board</i></p> <p>Collateral description = Ford Van in the Possession of Marcus Collins</p> <p>Allowed Secured Amount = Claim 4 \$1473.28</p> <p>Priority of lien = 1st</p>	No	No	<p>Pmt interval = Quarterly</p> <p>Quarterly payment = \$129.51</p> <p>Commencing December 31, 2016</p> <p>End date = Sept. 30, 2019</p> <p>Interest Rate % = 3.5%</p> <p>Treatment of Lien = periodic cash payments</p> <p>Total Payout Amount = \$1554.13</p>
3	<p><i>Secured claim of Dowling Aaron Incorporated</i></p> <p>Collateral description = UCC Filing Recorded August 15, 2016 Affect's property in the possession of Marcus Collins.</p> <p>At present, pending anticipated objection, Allowed Secured Amount = Claim 1 \$79214.0</p> <p>Priority of lien = 2nd behind Franchise Tax Board</p>	NO	YES	<p>Objection to Claim anticipated on the basis Judgment was obtained without effective Service of Process.</p> <p>If Objection is not sustained, then treatment in the plan shall be "Surrender the Collateral"</p>

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		TREATMENT
NONE	NONE	NONE	NONE

--	--	--	--

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 Class[es] _ through _, which contain general unsecured claims against the Debtor:

Class #	DESCRIPTION		TREATMENT
	1122(b) Convenience NONE	N/A	N/A
7	General Unsecured as a group totals approximately: \$419,238	Impaired	Quarterly Pmt = \$3000.00 aggregete to the entire group Pmts Begin =December 31, 2016 End date = Sept. 30, 2019 Interest rate 0 % Estimated percent of claim paid = 11%

4. Class[es] 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[es] of equity interest holders: [There may be more than one class of equity interests in, for example, a partnership case, or a case where the prepetition debtor had issued multiple classes of stock.]

Class #	DESCRIPTION		TREATMENT
8	Equity interest holders	Not Impaired	N/A

D. Means of Implementing the Plan

I. Source of Payments

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

1. Post Petition Profits and Liquidation of the Marcus Collin's account's recievable

asset and future Capital Contributions by Victor M. Romero.

2. Post-confirmation Management

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

Name	<u>Affiliation</u>	Insider ?	Position	<u>Compensation</u>
Victor M. Romero	50% Shareholder, Officer, Director	Yes, Insider	combined, CEO, Project Manager, General Manager	average of \$8,000 a month

E. Risk Factors

The Anticipated proposed Plan has the following risks:

Minimal Risks, Subsequent to year 2012 field operations have been Subcontracted out. Consequently, the higher risks incident with the previous operations has been eliminated.

F. Executory Contracts and Unexpired Leases

None. Note, the Debtor in Possession and the Owner for the new project in Oakland deem that to be a new post petition contract.

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: [List the following general consequences as a minimum: (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

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

9
10 **A. Who May Vote or Object**

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

13 Many parties in interest, however, are not entitled to vote to accept or reject the
14 Plan. A

15 creditor or equity interest holder has a right to vote for or against the Plan only if that
16 creditor or equity interest holder has a claim or equity interest that is both (1) allowed or
17 allowed for voting purposes and (2) impaired.

18 In this case, the Plan Proponent believes that classes are impaired and that holders
19 of claims in each of these classes are therefore entitled to vote to accept or reject the Plan.

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

22
23 ***1. What Is an Allowed Claim or an Allowed Equity Interest?***

24 Only a creditor or equity interest holder with an allowed claim or an allowed equity
25 interest has the right to vote on the Plan. Generally, a claim or equity interest is allowed if
26 either

27 (1) the Debtor has scheduled the claim on the Debtor's schedules, unless the claim
28 has been scheduled as disputed, contingent, or unliquidated, or (2) the creditor has filed a

1 proof of claim or equity interest, unless an objection has been filed to such proof of claim
2 or equity interest.

3 When a claim or equity interest is not allowed, the creditor or equity interest holder
4 holding the claim or equity interest cannot vote unless the Court, after notice and hearing,
5 either overrules the objection or allows the claim or equity interest for voting purposes
6 pursuant to Rule 3018(a) of the Federal Rules of Bankruptcy Procedure.

7
8 *The deadline for filing a proof of claim in this case was__.*

9 *[If applicable - The deadline for filing objections to claims is .*

10
11 *2. What Is an Impaired Claim or Impaired Equity Interest?*

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

17 *3. Who is Not Entitled to Vote*

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

- 20 • holders of claims and equity interests that have been disallowed by an order of the
- 21 Court;
- 22 • holders of other claims or equity interests that are not "allowed claims" or
- 23 "allowed equity interests" (as discussed above), unless they have been "allowed"
- 24 for voting purposes.
- 25 • holders of claims or equity interests in unimpaired classes;
- 26 • holders of claims entitled to priority pursuant to §§ 507(a)(2), (a)(3), and (a)(8) of
- 27 the Code; and
- 28 • 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

15. 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 Nonaccepting Classes

Even if one or more impaired classes reject the Plan, the Court may nonetheless

confirm the Plan if the nonaccepting classes are treated in the manner prescribed by § 1129(b) of the Code. A plan that binds nonaccepting classes is commonly referred to as a "cram down" plan.

The Code allows the Plan to bind nonaccepting 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

16/ 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 will show that the Debtor will have an aggregate annual average cash flow, after paying operating expenses and post-confirmation taxes.

17. . The final Plan payment is expected to be paid on ____.

[Summarize the numerical projections, and highlight any assumptions that are not in accord with past experience. Explain why such assumptions should now be made.]

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

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.

[Option 4 - If § 1141(d)(3) is applicable]

1 **B. Modification of Plan**

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

7
8 **C. Final Decree**

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

14
15 [only Major material change is on page 13, a typographical error]
16
17
18

19 **July 12, 2016**

20 **Respectfully submitted,**

21
22 By: 

23 **The Plan Proponent**

24
25 **By: /s/ Richard Jare**

26
27 **Richard Jare**

28 **Attorney for the Plan Proponent**

Addendum to Monthly Reports: Report of Operations: As of May 31, 2016

All work in progress on petition date: February 5, 2016 consisting of 3 const., Jobs in Weed CA

1. \$319,659 Dusnebury Project: Project Receipts As of May 31, 2016 \$319,659 p.i.f.
2. \$141,093 Wilson – Oak Project: Project Receipts As of May 31, 2016 \$119,928.99
3. \$162,328 Wilson – Pine Project: Project Receipts As of May 31, 2016 \$142,036.95
4. Balance received reflects approximately \$30,000~ of credits to owners for owner's disbursements made directly to Debtor in Possession's subcontractor.
5. Weed Projects, Received as of May 31, 2016 : $\$319,659 + \$119,928.99 + \$142,036.95 = \$581,624.94$
Then balance eventually owing on these jobs: $\$623,079.00 - \$581,624.94 = \$41,454.06$
6. As of May 31, 2016, the estimate of the amount that subcontractors remaining to be paid through completion of the projects is: respectively 1,2,3 $\$15,000 + \$30,000 + \$27,000 = \$72,000$
7. Additional work orders or disputed payment balances on the Wilson jobs might be at least \$20,000 and the owner's fire insurance company does not want to pay it. It is probable that the value of AWA's "additional work orders" should be valued at \$0 for bankruptcy purposes. There is risk of counterclaim, if the DIP sues on these balances, the Superior Court might be unpredictable.
8. Recapitulation of post petition cash flow on the Weed, CA Jobs : cash balance \$212,129.53 less amount held in trust for the new Oakland CA job (\$182,099.44) + balance on contract \$41,454.06 less amount to complete payment for the Weed CA contracts \$72,000 = \$-515.85 Net post petition loss on the Weed Contracts as a combined group. There is a net loss close to \$0 on these jobs, when combined as a group.
9. NEW, Oakland project; \$191,963.56 received in May, which is 30% of the contract balance (\$720,495.64 - \$63,498.51 = \$656,997.13), Most of this is held in trust as agent for the Owner, however for the purposes of the monthly report for May, \$15,000 (approx. 7.6 %) is reported as earned and this Oakland CA project will be accounted for on the percentage of project completion bases. Unlike the older Weed CA projects which as a group have operational "losses" rather than profit and were reported on the Contract completed basis of Construction accounting. *CONTRACT = \$720,495.64; BALANCE = \$459,897.99*

June 23, 2016

/s/



/s/ by Victor Romero

For Victor Romero Corporation

Fill in this information to identify the case:

Debtor name **Victor Romero Corporation**United States Bankruptcy Court for the: **EASTERN DISTRICT OF CALIFORNIA**Case number (if known) **16-20652-B-11**☐ Check if this is an amended filing

Official Form 206A/B

Schedule A/B: Assets - Real and Personal Property

12/15

Disclose all property, real and personal, which the debtor owns or in which the debtor has any other legal, equitable, or future interest. Include all property in which the debtor holds rights and powers exercisable for the debtor's own benefit. Also include assets and properties which have no book value, such as fully depreciated assets or assets that were not capitalized. In Schedule A/B, list any executory contracts or unexpired leases. Also list them on *Schedule G: Executory Contracts and Unexpired Leases* (Official Form 206G).

Be as complete and accurate as possible. If more space is needed, attach a separate sheet to this form. At the top of any pages added, write the debtor's name and case number (if known). Also identify the form and line number to which the additional information applies. If an additional sheet is attached, include the amounts from the attachment in the total for the pertinent part.

For Part 1 through Part 11, list each asset under the appropriate category or attach separate supporting schedules, such as a fixed asset schedule or depreciation schedule, that gives the details for each asset in a particular category. List each asset only once. In valuing the debtor's interest, do not deduct the value of secured claims. See the instructions to understand the terms used in this form.

Part 1: Cash and cash equivalents

1. Does the debtor have any cash or cash equivalents?

- ☐ No. Go to Part 2.
☒ Yes Fill in the information below.

All cash or cash equivalents owned or controlled by the debtor

Current value of debtor's interest

2. Cash on hand

\$0.00

3. Checking, savings, money market, or financial brokerage accounts (Identify all)

Name of institution (bank or brokerage firm)

Type of account

Last 4 digits of account number

3.1.. **Tri Counties Bank, Approximate balance on February 6, 2016 in account DBA "Construction First" which is funds derived from Revenue of Victor Romero Corp.**

Checking

6347

\$738.55

4. Other cash equivalents (Identify all)

5. Total of Part 1.

Add lines 2 through 4 (including amounts on any additional sheets). Copy the total to line 80.

\$738.55**Part 2: Deposits and Prepayments**

6. Does the debtor have any deposits or prepayments?

- ☒ No. Go to Part 3.
☐ Yes Fill in the information below.

Part 3: Accounts receivable

10. Does the debtor have any accounts receivable?

- ☐ No. Go to Part 4.
☒ Yes Fill in the information below.

11. Accounts receivable

Debtor Victor Romero Corporation
NameCase number (If known) 16-20652-B-11☐ Yes

45. Has any of the property listed in Part 7 been appraised by a professional within the last year?

☒ No☐ Yes**Part 8: Machinery, equipment, and vehicles**

46. Does the debtor own or lease any machinery, equipment, or vehicles?

☐ No. Go to Part 9.☒ Yes Fill in the information below.**General description**

Include year, make, model, and identification numbers (i.e., VIN, HIN, or N-number)

Net book value of debtor's interest
(Where available)**Valuation method used for current value****Current value of debtor's interest**47. **Automobiles, vans, trucks, motorcycles, trailers, and titled farm vehicles**47.1.. **See item 21, statement of financial affairs.****\$0.00****Comparable sale****Unknown**48. **Watercraft, trailers, motors, and related accessories** Examples: Boats, trailers, motors, floating homes, personal watercraft, and fishing vessels49. **Aircraft and accessories**50. **Other machinery, fixtures, and equipment (excluding farm machinery and equipment)**51. **Total of Part 8.**

Add lines 47 through 50. Copy the total to line 87.

\$0.0052. **Is a depreciation schedule available for any of the property listed in Part 8?**☒ No☐ Yes

53. Has any of the property listed in Part 8 been appraised by a professional within the last year?

☒ No☐ Yes**Part 9: Real property**

54. Does the debtor own or lease any real property?

☒ No. Go to Part 10.☐ Yes Fill in the information below.**Part 10: Intangibles and intellectual property**

59. Does the debtor have any interests in intangibles or intellectual property?

☐ No. Go to Part 11.☒ Yes Fill in the information below.**General description****Net book value of debtor's interest**
(Where available)**Valuation method used for current value****Current value of debtor's interest**60. **Patents, copyrights, trademarks, and trade secrets**61. **Internet domain names and websites**

Debtor Victor Romero Corporation
NameCase number (If known) 16-20652-B-11

62.	Licenses, franchises, and royalties California General Building Contractor's License # 819430	\$0.00	\$1.00
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63. Customer lists, mailing lists, or other compilations

64. Other intangibles, or intellectual property

65. Goodwill

66. Total of Part 10.

Add lines 60 through 65. Copy the total to line 89.

\$1.00

67. Do your lists or records include personally identifiable information of customers (as defined in 11 U.S.C. §§ 101(41A) and 107?)

☒ No☐ Yes

68. Is there an amortization or other similar schedule available for any of the property listed in Part 10?

☒ No☐ Yes

69. Has any of the property listed in Part 10 been appraised by a professional within the last year?

☒ No☐ Yes**Part 11: All other assets**

70. Does the debtor own any other assets that have not yet been reported on this form?

Include all interests in executory contracts and unexpired leases not previously reported on this form.

☒ No. Go to Part 12.☐ Yes Fill in the information below.

Debtor **Victor Romero Corporation**
NameCase number (If known) **16-20652-B-11****Part 12: Summary**

In Part 12 copy all of the totals from the earlier parts of the form

Type of property	Current value of personal property	Current value of real property
80. Cash, cash equivalents, and financial assets. <i>Copy line 5, Part 1</i>	\$738.55	
81. Deposits and prepayments. <i>Copy line 9, Part 2.</i>	\$0.00	
82. Accounts receivable. <i>Copy line 12, Part 3.</i>	\$160,981.00	
83. Investments. <i>Copy line 17, Part 4.</i>	\$0.00	
84. Inventory. <i>Copy line 23, Part 5.</i>	\$0.00	
85. Farming and fishing-related assets. <i>Copy line 33, Part 6.</i>	\$0.00	
86. Office furniture, fixtures, and equipment; and collectibles. <i>Copy line 43, Part 7.</i>	\$145.00	
87. Machinery, equipment, and vehicles. <i>Copy line 51, Part 8.</i>	\$0.00	
88. Real property. <i>Copy line 56, Part 9.....></i>		\$0.00
89. Intangibles and intellectual property. <i>Copy line 66, Part 10.</i>	\$1.00	
90. All other assets. <i>Copy line 78, Part 11.</i>	+ \$0.00	
91. Total. Add lines 80 through 90 for each column	\$161,865.55	+ 91b. \$0.00
92. Total of all property on Schedule A/B. Add lines 91a+91b=92		\$161,865.55

Fill in this information to identify the case:

Debtor name **Victor Romero Corporation**United States Bankruptcy Court for the: **EASTERN DISTRICT OF CALIFORNIA**Case number (if known) **16-20652-B-11**☐ Check if this is an amended filing

Official Form 206D

Schedule D: Creditors Who Have Claims Secured by Property

12/15

Be as complete and accurate as possible.

1. Do any creditors have claims secured by debtor's property?☐ No. Check this box and submit page 1 of this form to the court with debtor's other schedules. Debtor has nothing else to report on this form.☒ Yes. Fill in all of the information below.**Part 1: List Creditors Who Have Secured Claims****2. List in alphabetical order all creditors who have secured claims.** If a creditor has more than one secured claim, list the creditor separately for each claim.

		Column A Amount of claim Do not deduct the value of collateral.	Column B Value of collateral that supports this claim	
2.1	TOMMY TRAN CONSTRUCTION Creditor's Name 8409 SUNRISEWOOD WAY Sacramento, CA 95828 Creditor's mailing address Creditor's email address, if known Date debt was incurred 2016 Last 4 digits of account number Do multiple creditors have an interest in the same property? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Specify each creditor, including this creditor and its relative priority.	Describe debtor's property that is subject to a lien 90 days or less: Project at 511 Shasta Ave Weed, CA 96094, Project at 82 Pine St. Weed, CA 96094 Project at 1379 Oak Street Weed, CA 96094 Describe the lien State law, General contractor is trustee as agent for owner for Sub Payments Is the creditor an insider or related party? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes Is anyone else liable on this claim? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Fill out <i>Schedule H: Codebtors</i> (Official Form 206H) As of the petition filing date, the claim is: Check all that apply <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed	\$120,000.00	\$150,000.00

3. Total of the dollar amounts from Part 1, Column A, including the amounts from the Additional Page, if any.**\$120,000.00****Part 2: List Others to Be Notified for a Debt Already Listed in Part 1**

List in alphabetical order any others who must be notified for a debt already listed in Part 1. Examples of entities that may be listed are collection agencies, assignees of claims listed above, and attorneys for secured creditors.

If no others need to be notified for the debts listed in Part 1, do not fill out or submit this page. If additional pages are needed, copy this page.

Name and address

On which line in Part 1 did you enter the related creditor?

Last 4 digits of account number for this entity