

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION
www.flsb.uscourts.gov

In re:

P.D.L., Inc.

Case No.: 17-20457-LMI

Debtor. _____ /

Chapter 11

DISCLOSURE STATEMENT IN SUPPORT OF
PLAN OF REORGANIZATION OF P.D.L.,
INC.

IMPORTANT: THIS DISCLOSURE STATEMENT CONTAINS INFORMATION THAT MAY BEAR UPON YOUR DECISION TO ACCEPT OR REJECT THE PROPOSED CHAPTER 11 PLAN. PLEASE READ THIS DOCUMENT WITH CARE.

Submitted on October 2, 2017 by:

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ARTICLE I
DEFINITIONS

Except as otherwise provided in the Plan of Reorganization for P.D.L., Inc. Ecological Paper, attached hereto as Exhibit “A” (as may be amended, the “Plan”) or this Disclosure Statement, all terms used herein shall have the meanings ascribed to such terms under Article I of the Plan, the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules of the Bankruptcy Court for the Southern District of Florida. For purposes of this Disclosure Statement, except as expressly otherwise provided or unless the context otherwise requires, all capitalized terms not otherwise defined shall have the meanings assigned to them in Article I of the Plan.

ARTICLE II
INTRODUCTION

This disclosure statement (the “Disclosure Statement”) describes the Plan in the Chapter 11 Case of P.D.L., Inc. (“PDL” or the “Debtor”). This Disclosure Statement and the Plan are propounded pursuant to sections 1125 and 1129 of the Bankruptcy Code and submitted to all known Creditors and holders of Claims against and Equity Interests in the Debtor for the purpose of disclosing the information that is material and necessary for Creditors to make an informed decision in exercising their right to vote on the Plan and understand the distributions and proposed reorganization of the Debtor under the Plan. Reorganization pursuant to Chapter 11 of the Bankruptcy Code depends upon the receipt of a sufficient number of votes in favor of reorganization. Your vote is therefore important. *Your rights may be affected by the treatment of your Claim or Interest under the Plan. Therefore, you should read this Disclosure Statement and the Plan carefully and discuss it with your attorney. If you do not have an attorney, you may wish to consult one.*

You are urged to study the Plan in full and to consult with your counsel about the Plan and its effect, including possible tax consequences, upon your legal rights. Please read this Disclosure Statement carefully before voting on the Plan. *Creditors concerned with how the Plan may affect their tax liability should consult with their own accountants, attorneys, or other advisors.*

The financial information contained in this Disclosure Statement is not covered by a certified audit of independent public accountants. For this reason, the Debtor is unable to represent that the information contained in this Disclosure Statement is without inaccuracy, although every effort has been made to present the information fairly and accurately. Additional information can be found in the Debtor's Statement of Financial Affairs, Schedules of Assets and Liabilities, and Monthly Operating Reports, all of which have been filed with the United States Bankruptcy Court for the Southern District of Florida in the Debtor's Chapter 11 Case.

Except as otherwise expressly indicated herein, the portions of this Disclosure Statement describing the Debtor, its business, and the Plan have been prepared from information furnished by Debtor's management. This Disclosure Statement uses defined terms in capital letters. For the definitions of capitalized terms not otherwise defined in this Disclosure Statement, see Article 1 of the Plan.

The proposed distributions under the Plan are discussed at Article V of this Disclosure Statement. General unsecured creditors are classified in Class 4 and will receive a guaranteed distribution of 1.5% of their Allowed Claims.

This Disclosure Statement describes:

1. A brief explanation of Chapter 11 and the confirmation process;
2. The business of the Debtor and significant events during the Chapter 11 Case;

3. 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 Interests if the Plan is confirmed);
4. Who can vote on or object to the Plan;
5. What factors the Bankruptcy Court will consider when deciding whether to confirm the Plan;
6. Why the Debtor 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 account of your Claim or Equity Interest in liquidation; and
7. The effect of Confirmation of the Plan.

ARTICLE III **OVERVIEW OF CHAPTER 11**

A. Brief Explanation of Chapter 11

Chapter 11 is the principal reorganization chapter of the Bankruptcy Code. Under Chapter 11, a Debtor is authorized to reorganize or liquidate its business for its benefit and for the benefit of stakeholders. Upon the filing of a petition under Chapter 11, actions by Creditors and Claimants attempting to collect on pre-petition Claims or to foreclose upon any of the Debtor's property are automatically stayed during the pendency of the Chapter 11 case.

In this case, the Debtor has continued in possession of its property. Accordingly, under Section 1107(a) of the Bankruptcy Code, the Debtor is vested with substantially the same powers as a trustee under the Bankruptcy Code.

B. Voting on the Plan

The principal purpose of a Chapter 11 reorganization proceeding is formulation of a plan of reorganization. Liquidation of a Debtor's assets, however, is also permitted under Chapter 11. The Plan is the vehicle through which Claims of the Debtor's Creditors are satisfied. Each Creditor entitled to vote on the Plan may cast its vote for or against the Plan by completing, dating, and signing the Ballot that accompanies the Plan. The Bankruptcy Court will, by separate

Order, order that Ballots and Objections to Confirmation of the Plan be received at the offices of Debtor's counsel, Ariel Sagre, Esq., Sagre Law Firm, P.A., 5201 Blue Lagoon Drive, Suite 892, Miami, Florida 33126 and the Office of the United States Trustee, 51 SW 1st Avenue, Room 1204, Miami, Florida 33130, no later than 5:00 p.m. on the date set forth in the Ballot and Order that shall accompany this Disclosure Statement or be provided by separate mailing.

This Disclosure Statement is intended to assist Creditors in evaluating the Plan and in determining whether to accept the Plan. **UNDER THE BANKRUPTCY CODE, YOUR VOTE FOR ACCEPTANCE OR REJECTION MAY NOT BE SOLICITED UNLESS YOU RECEIVE A COPY OF THIS DISCLOSURE STATEMENT PRIOR TO OR CONTEMPORANEOUS WITH SUCH SOLICITATION. THE SOLICITATION OF VOTES ON THE PLAN IS GOVERNED BY THE PROVISIONS OF SECTION 1125(b) OF THE BANKRUPTCY CODE, THE VIOLATION OF WHICH MAY RESULT IN SANCTIONS BY THE COURT, INCLUDING DISALLOWANCE OF THE SOLICITED VOTE, AND LOSS OF THE "SAFE HARBOR" PROVISIONS OF SECTION 1125(e) OF THE BANKRUPTCY CODE.**

Only the votes of Creditors in the Classes that are impaired by the Plan will be counted to determine if the Plan is accepted by Creditors. In this case, all Classes are impaired by the Plan. Therefore Classes 1, 2, 3, 4, and 5 are entitled to vote and will have their votes counted. Class 6 is deemed to have rejected the Plan and is not entitled to vote. Votes on the Plan will only be counted for those Claims for which (a) the Claim was scheduled by the Debtor as undisputed, liquidated, and not contingent, or (b) a proof of Claim was filed before the Bar Date, if any,

providing such Claim has not been disallowed, objected to, or suspended prior to the computation of the vote. *The Ballot does not constitute a proof of Claim.*

C. The Confirmation Hearing

The Bankruptcy Court will schedule a hearing on the Confirmation of the Plan to determine if the Plan has been accepted by the requisite number of Creditors and whether the other requirements necessary to Confirmation have been satisfied. The date on which the Confirmation hearing will be conducted will be set forth in the Bankruptcy Court's Order setting the hearing on Confirmation of the Plan, which will be provided either with the Plan or in a separate mailing.

D. Confirmation

At the Confirmation hearing, the Bankruptcy Court will determine, among other things, whether the Plan has been accepted by each Impaired Class of Creditors and Equity Interests. Under Section 1126 of the Bankruptcy Code, an Impaired Class is deemed to have accepted the Plan if at least two-thirds in amount and more than one-half in number of Allowed Claims in such Class voting to accept or reject the Plan have voted in favor of acceptance.

There are two methods by which the Plan can be confirmed: (i) the "acceptance" method in which all Impaired Classes have voted to accept the Plan as described above; or (ii) the "cram-down" method, in which the Plan is not accepted by one or more of the Impaired Classes, provided the Bankruptcy Court finds that the Plan does not discriminate unfairly and is fair and equitable with respect to such non-accepting Class or Classes. For a Plan to be confirmed under the "non-acceptance" method, it must be accepted by at least one Class of Claims or Interests that is Impaired by the Plan. The Debtor may choose to rely upon the "non-acceptance" method to seek Confirmation of the Plan if it is not accepted by all Impaired Classes of Creditors.

Section 1129(b) of the Bankruptcy Code provides that the Bankruptcy Court may confirm the Plan notwithstanding its rejection by one or more Impaired Class if the Bankruptcy Court finds that the Plan is fair and equitable with respect to each Impaired Class that does not accept the Plan. With respect to Classes of Secured Creditors, the fair and equitable test requires that a Secured Creditor (i) retain its lien or liens and receive cash payments having a present value equal to its Allowed Secured Claim; (ii) receive the proceeds from the sale of its collateral, or (iii) realize the indubitable equivalent of its Claim. With respect to a Class of Unsecured Claims, the fair and equitable test requires that if each Claimant in such Class does not receive property having a present value equal to the amount of such Claimant's Allowed Claim, no junior class can receive any property on account of such junior Claim or Interest. If the Bankruptcy Court orders Confirmation of the Plan, then pursuant to Section 1141(d) of the Bankruptcy Code, the Debtor is discharged from all pre-Confirmation debts except as provided in the Plan. Confirmation makes the Plan binding on the Debtor, all Creditors, Holders of Equity Interests, and other parties in interest regardless of whether they voted to accept or reject the Plan.

ARTICLE IV
THE DEBTOR'S BUSINESS AND THE CHAPTER 11 CASE

A. PDL's Business

Debtor is in the trucking industry specializing in the transportation of produce and refrigerated foods throughout the contiguous 48 United States and Canada.

P.D.L., Inc. was formed in 2003. It started as most trucking businesses with one (1) one truck and one (1) trailer. The first year was difficult and as P.D.L., Inc. only made \$44,000 in gross receipts in 2003. The following year 2004 was better as the Debtor found additional customers and finished the year at \$95,000 in gross receipts (which was good considering only 1 truck and 1 trailer were in use). The years of 2006 and 2007 were similar in gross receipts as the Debtor added two (2) more trucks and two (2) more trailers and thus those years resulted in gross receipts of approximately \$420,000 in 2006 and 2007. In 2008, the Debtor commenced contracting owner operators and reached the gross amount of \$1,900,000 in gross receipts for 2008. In 2009, the Debtor continued to add more company trucks and owners and gross receipts climbed to \$2,500,000 gross receipts in 2009. Then, in 2010 as a result of new air regulations, Department of Transportation regulations, and poor U.S. economy, the gross receipts were \$1,900,000 in 2010. In 2011 (planning ahead of its time as this administrative requirement commences in 2017), the Debtor installed Electronic Log Devices (“ELD”) on its trucks which controls hours of driving, location of vehicle, and assists with inspection safety regulations. The years of 2011 and 2012 were very similar as the gross receipts for those years were approximately \$1,500,000 gross receipts for 2011 and 2012. 2012 also saw the release of new engines in inserted into new trucks and trailers in compliance with air regulations. As such, the gross receipt for 2013 were \$2,700,000. The gross receipts for 2014 were \$3,900,000.

B. Business Factors Necessitating the Chapter 11 Case

The first quarter of 2015 was acceptable however commencing with the second quarter of 2015 the freight rates plummeted culminating in extremely low rates by December of 2015. Also looming on the horizon unbeknownst to the Debtor were massive vehicle breakdowns which would come into play in 2016. Despite that, the Debtor had gross receipts in 2015 of \$3,600,000.

Regarding 2016, while certain breakdowns and repair costs are standard in the industry but these vehicle breakdowns were at an unprecedented rate. In fact, the Debtor spent approximately 10% of its gross receipts on repair and maintenance in 2016. The constant vehicle repair costs and/or breakdowns and the reduced freight rate caused the debts to exceed gross receipts. The Debtor's gross receipts for 2016 were \$4,200,000. As a result Debtor became delinquent in its secured and unsecured debt obligations. Debtor sought relief under the Bankruptcy Code to, among other things, seek confirmation of a plan which modified its secured obligations and dedicated his anticipated profits towards the repayment of creditors.

The trucking industry is faced with many challenges related to the new government regulations, weak U.S. market and the shortage of professional drivers. However, with over fourteen (14) years of experience the Debtor has the experience to retain over 1,400 customers across the U.S., meet or exceed governmental regulations, and treat its professional chauffeurs. The Debtor is 100% compliant with the ELD mandate, air regulations, and food regulations. Due to problems with cash flow, however, PDL had no other options but to initiate this Chapter 11 Case.

C. PDL's Undersecured Secured Indebtedness

Wells Fargo Equipment Finance, Inc., Commercial Credit Group, Inc., Siemens Financial Services, Engs Commercial Finance, Co., and Hitachi Capital, BMO Harris Bank ("Undersecured Creditors")

In order to operate, the Debtor entered into contracts with the Undersecured Creditors. Wells Fargo Equipment Finance, Inc., Commercial Credit Group, Inc., Siemens Financial Services, Hitachi and BMO Harris Bank have not filed a proof of claim.

Gulf Coast

Prior to the Petition Date the Debtor entered into a factoring agreement with Gulf Coast. However, Gulf Coast failed to file a release of U.C.C. filing.

D. Prepetition Priority and Unsecured Claims

Based upon timely filed proofs of claim and the Debtor's Schedules of Assets and Liabilities, approximately \$300,000 in general unsecured claims, including Deficiency Claims, have been filed or asserted in the Chapter 11 Case. However, the Debtor estimates that approximately \$200,000 to \$350,000 in unsecured Claims will be Allowed in this case after the Debtor has completed its review and objections to Claims. A copy of the Claims Register as maintained by the Bankruptcy Court is attached hereto as "**Exhibit B**". In addition to filed Claims, the Debtor scheduled numerous Creditors in its Schedules. To the extent that a creditor filed a proof of claim that was also scheduled by the Debtor, the filed proof of claim would supersede the scheduled claim, subject to alternative resolutions obtained in the claims objection process. The Debtor does not waive any objections to or concedes that any of these Claims are or will be Allowed Claims. The Debtor has not yet completed its review of and possible objections to Claims. Under the terms of the Plan, the Debtor has guaranteed a 1.5% distribution to Allowed

General Unsecured Creditors in Class 4. This percentage distribution is printed here for Disclosure Statement purposes only and should not be construed by any creditor to mean that its claim will be Allowed.

E. Significant Events in the Chapter 11 Case

1. The Factor

During the Chapter 11 Case, RTS Financial Service, Inc. (“RTS”) appeared as an existing factoring company for the Debtor owning all receivables. The Honorable Court entered an *Interim Order Under 11 U.S.C. Sections 105(a), 361, 363, and 364 and Bankruptcy Rules 2002, 4001, 6003, and 9014: (A) Authorizing Debtor to Factor, and Incur Post Petition Secured Indebtedness; (B) Granting Security Interests and Super-Priority Claims; and (C) Scheduling Final Hearing* [ECF No. 36]. The Debtor filed an *Emergency Motion to Approve New Post-Petition Factoring Agreement* [ECF No. 92].

F. Claims

Bar Date for Filing Proofs of Claims and Administrative Claims. The general Claims Bar Date is on **December 28, 2017**. The Deadline for filing a motion for allowance of a post-petition claim is the date of the Disclosure Statement Hearing (the “Administrative Claims Bar Date”).

Claims Objections Generally. There are some Claims that the Debtor scheduled as disputed, contingent, or unliquidated, which have been designated on the Debtor’s Schedule F (as amended) (the “Disputed Claims”). To the extent that any Creditor files a proof of claim based upon a Disputed Claim, the Debtor may object to such Claims. In addition, in the event that proofs of claim that may have been filed, but not scheduled, the Debtor may object to such Claims. Only creditors with Allowed Claims are entitled to vote on the Plan, absent express consent by the Debtor.

ARTICLE V
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.

A. Final Hearings to Approve the Disclosure Statement and Plan

The hearing to finally approve this Disclosure Statement will be held on _____ at _____ a.m./p.m. (the “Disclosure Statement Hearing”) or such other date and time as the Bankruptcy Court may Order.

The hearing to finally approve the Plan (the “Confirmation Hearing”) will be held on a date to be set by the Court at the Bankruptcy Court for the Southern District of Florida, Miami Division, C. Clyde Atkins U.S. Courthouse, 301 North Miami Avenue, Courtroom 8, Miami FL 33128. If the Plan is rejected by one or more Impaired Classes of Claims and at least one Class accepts, the Bankruptcy Court may still confirm the Plan, or modifications thereof, under Section 1129(b) of the Bankruptcy Code (commonly referred to as a “cramdown”) if it determines, among other things, that the Plan does not discriminate unfairly and is fair and equitable with

respect to the rejecting Class or Classes of Claims impaired under the Plan. The procedures and requirements for voting on the Plan are described in more detail below.

B. 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:

Clerk's Office - Miami Division
C. Clyde Atkins United States Courthouse
301 N. Miami Avenue, Room 150
Miami, Florida 33128

With a copy to:

Ariel Sagre, Esq.
Counsel to the Debtor
Sagre Law Firm, P.A.
5201 Blue Lagoon Drive, Suite 892
Miami, Florida 33126

Your ballot must be received by [REDACTED], 2017 or it will not be counted.

Each Creditor entitled to vote on the Plan may cast its vote for or against the Plan by completing, dating, and signing the Ballot, which accompanies the Plan. The Bankruptcy Court will, by separate Order, order that ballots and objections to Confirmation of the Plan, be received at the offices of Debtor's counsel, Ariel Sagre, Esq., Sagre Law Firm, P.A., 5201 Blue Lagoon Drive, Suite 892, Miami, Florida 33126 and the Office of the United States Trustee, Region 21, 51 SW First Avenue, Room 1204, Miami, Florida 33130, no later than 5:00 p.m. on the date set forth in the ballot and Order approving this Disclosure Statement or be provided by separate mailing.

This Disclosure Statement is intended to assist Creditors in evaluating the Plan and in determining whether to accept the Plan. **UNDER THE BANKRUPTCY CODE, YOUR VOTE FOR ACCEPTANCE OR REJECTION MAY NOT BE SOLICITED UNLESS**

YOU RECEIVE A COPY OF THIS DISCLOSURE STATEMENT PRIOR TO OR CONTEMPORANEOUS WITH SUCH SOLICITATION. THE SOLICITATION OF VOTES ON THE PLAN IS GOVERNED BY THE PROVISIONS OF SECTION 1125(b) OF THE BANKRUPTCY CODE, THE VIOLATION OF WHICH MAY RESULT IN SANCTIONS BY THE COURT, INCLUDING, BUT NOT LIMITED TO, DISALLOWANCE OF THE SOLICITED VOTE, AND LOSS OF THE “SAFE HARBOR” PROVISIONS OF SECTION 1125(e) OF THE BANKRUPTCY CODE.

Only the votes of Creditors in the Classes that are Impaired by the Plan will be counted to determine if the Plan is accepted by Creditors. Therefore, Classes 1, 2, 3, 4, 5, 6, 7, 9, and 10 will have their votes counted. Votes on the Plan will only be counted for those Claims for which a proof of Claim was filed before the applicable Claims Bar Date, if any, providing such has not been disallowed or suspended prior to the computation of the vote. **The Ballot does not constitute a proof of Claim.**

C. Deadline for Objecting to the Adequacy of Disclosure and Confirmation of the Plan

Objections to this Disclosure Statement or to the Confirmation of the Plan must be filed with the Court at the Clerk’s Office address provided above and served upon Debtor’s counsel, Ariel Sagre, Esq., and the Office of the United States Trustee, 51 SW 1st Avenue, Room 1204, Miami, Florida 33130, by the date and time set forth in the Order approving this Disclosure Statement.

D. Sources of Information

Except as otherwise expressly indicated, the portions of this Disclosure Statement describing the Debtor, its business, properties, and management have been prepared from information furnished by the Debtor.

Certain of the materials contained in this Disclosure Statement are taken directly from other readily accessible documents or are digests of other documents. While the Debtor has made every effort to retain the meaning of such other documents or portions that have been summarized, the Debtor urges that any reliance on the contents of such other documents should depend on a thorough review of the documents themselves. In the event of a discrepancy between this Disclosure Statement and the actual terms of a document, the actual terms of the document shall govern, control, and apply.

The statements contained in this Disclosure Statement are made as of the date hereof unless another time is specified, and neither the delivery of this Disclosure Statement nor any exchange of rights made in connection with it shall, under any circumstances, create an implication that there has been no change in the facts set forth herein since the date of this Disclosure Statement.

No statements concerning the Debtor, the value of its property, or the value of any benefit offered to the holder of a Claim or Equity Interest under the Plan should be relied on other than as set forth in this Disclosure Statement. In arriving at a decision, parties should not rely on any representation or inducement made to secure their acceptance or rejection that is contrary to information contained in this Disclosure Statement, and any such additional representations or inducements should be immediately reported to counsel for the Debtor. If you want additional information about the Plan, you should contact Ariel Sagre, Esq., at T. 305.266.5999, or Sagre Law Firm, P.A., 5201 Blue Lagoon Drive, Suite 892, Miami, Florida 33126.

E. Disclaimer

The Court has not yet approved this Disclosure Statement as containing adequate information to enable parties affected by the Plan to make an informed judgment about it terms. The Court has not yet determined whether the Plan meets the legal requirements for confirmation.

THE APPROVAL BY THE BANKRUPTCY COURT OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE AN ENDORSEMENT BY THE BANKRUPTCY COURT OF THE PLAN OR A GUARANTEE OF THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED IN THE DISCLOSURE STATEMENT. THE MATERIAL CONTAINED IN THIS DISCLOSURE STATEMENT IS INTENDED SOLELY FOR THE USE OF CLAIMHOLDERS IN EVALUATING THE PLAN AND VOTING TO ACCEPT OR REJECT THE PLAN. ACCORDINGLY, YOU SHOULD NOT RELY ON IT FOR ANY PURPOSE OTHER THAN TO DETERMINE HOW TO VOTE ON, OR WHETHER TO OBJECT TO, THE PLAN. THE REORGANIZATION OF THE DEBTOR PURSUANT TO THE PLAN IS SUBJECT TO NUMEROUS CONDITIONS AND VARIABLES, AND THERE CAN BE NO ABSOLUTE ASSURANCE THAT THE PLAN, AS CONTEMPLATED, WILL BE EFFECTUATED.

THE DEBTOR BELIEVES THAT THE PLAN AND THE PROPOSED TREATMENT OF CLAIMS IS IN THE BEST INTEREST OF CREDITORS, AND THEREFORE URGES YOU TO VOTE TO ACCEPT THE PLAN.

THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION (“SEC”), NOR HAS IT PASSED ON THE ACCURACY OR ADEQUACY OF THE STATEMENTS CONTAINED HEREIN. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL. THE PLAN SHOULD BE REVIEWED CAREFULLY.

NEITHER THE FILING OF THE PLAN NOR ANY STATEMENT OR PROVISION CONTAINED IN THE PLAN OR IN THIS DISCLOSURE STATEMENT, NOR THE TAKING BY ANY PARTY IN INTEREST OF ANY ACTION WITH RESPECT TO THE PLAN, SHALL (i) BE OR BE DEEMED TO BE AN ADMISSION AGAINST INTEREST AND (ii) UNTIL THE EFFECTIVE DATE, BE OR BE DEEMED TO BE A WAIVER OF ANY RIGHTS ANY PARTY IN INTEREST MAY HAVE (a) AGAINST ANY OTHER PARTY IN INTEREST OR (b) IN ANY OF THE ASSETS OF ANY OTHER PARTY IN INTEREST, AND, UNTIL THE EFFECTIVE DATE, ALL SUCH RIGHTS ARE SPECIFICALLY RESERVED. IF THE PLAN IS NOT CONFIRMED OR FAILS TO BECOME EFFECTIVE, NEITHER THE PLAN NOR THE DISCLOSURE STATEMENT, NOR ANY STATEMENT CONTAINED IN THE PLAN OR IN THE DISCLOSURE STATEMENT, MAY BE USED OR RELIED ON IN ANY MANNER IN ANY SUIT, ACTION, PROCEEDING OR CONTROVERSY, WITHIN OR WITHOUT THE DEBTOR’S CHAPTER 11 CASE, INVOLVING THE DEBTOR, EXCEPT WITH RESPECT TO CONFIRMATION OF THE PLAN.

ARTICLE VI
SUMMARY OF THE PLAN AND DISTRIBUTION SCHEME

A. Sources of Plan Funding

The Plan shall be funded from the following sources: (a) the net proceeds from the operation of the business.

The Reorganized Debtor will retain and be vested in all property of the Estate except property that will be disposed of as provided herein, executory contracts that are rejected under this Plan, and property transferred to Creditors of the Debtor pursuant to the terms of this Plan. The Estate property retained by the Reorganized Debtor, if any, shall be used by the Reorganized Debtor in the ordinary course of the Reorganized Debtor's business. The Estimated Distribution Analysis attached as "**Exhibit E**" demonstrates that the proposed payments to creditors are feasible.

B. Classification and Treatment of Claims and Equity Interests

As required by the Bankruptcy Code, the Plan classifies Claims and Equity Interests in

various Classes according to their right to priority of payments as provided in the Bankruptcy Code. The Plan states whether each Class of Claims or Equity Security Interests is Impaired or unimpaired. The Plan provides the treatment of each Class will receive under the Plan. In accordance with the requirements of the Bankruptcy Code, Allowed Administrative Claims are not Classified. The Allowed Claims against the Debtor's Estate are set forth and classified as follows:

1. Unclassified Claims

(a) Administrative Claims. Administrative Claims include claims for costs or expenses of administering the Debtor's case, which are allowed under Section 503(b) of the Bankruptcy Code and fees payable to the Clerk of the Bankruptcy Court and the Office of the United States Trustee that were incurred during the course of the case. No motion or application is required to fix fees payable to the Clerk's Office or the Office of the United States Trustee, as those fees are determined by statute. The Bankruptcy Code requires that Allowed Administrative Claims be paid on the Effective Date, unless a particular Creditor agrees to different treatment. All fees payable pursuant to section 1930 of Title 28 of the United States Code, as determined by the Bankruptcy Court at the Confirmation Hearing, shall be paid on the Effective Date. All Allowed Administrative Claims shall be paid in full on or before the Effective Date of the Plan or assumed by the Reorganized Debtor in the ordinary course of business.

All requests for allowance and payment of Administrative Claims must be filed by the Administrative Claims Bar Date. Any such Administrative Claim that is not filed within this deadline shall be forever barred and any holders of Administrative Claims who are required to file a request for payment of such Claims and who do not file such request by the Administrative Claims Bar Date shall be forever barred from asserting such Claims against the

Debtor, the Reorganized Debtor or any of its property.

(b) **Professional Claims.** The Bankruptcy Court must approve all requests for the payment of professional compensation and expenses to the extent incurred on or before the Confirmation Date. Each Professional requesting compensation or reimbursement of expenses in the Proceedings pursuant to Sections 327, 328, 330, 331, 503(b), or 1103 of the Bankruptcy Code shall file an application for allowance of final compensation prior to the expiration of the deadline set by the Court. All fees, costs, and disbursements to Professionals shall be the subject matter of applications to the Court for allowance or award in the manner prescribed by the Code. The Debtor anticipates that the aggregate amount of Professional Claims due on the Effective Date will be approximately \$60,000 to \$80,000 for fees and costs. Professional Claims will be paid when approved by Order of the Bankruptcy Court.

(c) **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.

(d) **Asserted Lien Interests of Gulf Coast.** Any purported lien or security interest asserted by Gulf Coast pursuant to the former Factoring Agreement will be extinguished as of the Effective Date. UFC shall receive no distribution under the Plan and shall have no interests in any Assets of the Debtor or the Reorganized Debtor.

2. *Classified Claims*

(a) **Class 1. Allowed Secured Claims.** Holders of Allowed Claims in Class 1 will receive commencing on the Effective Date equal monthly payments continuing every thirty (30) thereafter for twenty (24) months. **Class 1 is impaired and allowed to vote.**

collateral under Section 506(c). Any deficiency will be treated as a General Unsecured Claim under Class 4. **Class 1 is impaired and is entitled to vote.**

(b) **Class 2. Allowed Secured Claims.** Holders of Allowed Claims in Class 2 will receive commencing on the Effective Date equal monthly payments continuing every thirty (30) thereafter for twenty (24) months. **Class 2 is impaired and allowed to vote.**

(c) **Class 3. Allowed Secured Claims.** Holders of Allowed Claims in Class 3 will receive commencing on the Effective Date equal monthly payments continuing every thirty (30) thereafter for twenty (24) months. **Class 3 is impaired and allowed to vote.**

(d) **Class 4. Allowed Secured Claims.** Holders of Allowed Claims in Class 4 will receive commencing on the Effective Date equal monthly payments continuing every thirty (30) thereafter for twenty (24) months. **Class 4 is impaired and allowed to vote.**

(e) **Class 5. Allowed Secured Claims.** Holders of Allowed Claims in Class 5 will receive commencing on the Effective Date equal monthly payments continuing every thirty (30) thereafter for twenty (24) months. **Class 5 is impaired and allowed to vote.**

(f) **Class 6. Allowed Secured Claims.** Holders of Allowed Claims in Class 6 will receive commencing on the Effective Date equal monthly payments continuing every thirty (30) thereafter for twenty (24) months. **Class 6 is impaired and allowed to vote.**

(g) **Class 7. Allowed Secured Claims.** Holders of Allowed Claims in Class 7 will receive commencing on the Effective Date equal monthly payments continuing every thirty (30) thereafter for twenty (24) months. **Class 7 is impaired and allowed to vote.**

(h) **Class 8. Allowed Unsecured Priority Claims.** Holders of Allowed Claims in Class 8 will receive commencing on the Effective Date equal monthly payments continuing every thirty (30) thereafter for twenty (24) months. Class 8 is not impaired and not allowed to vote.

(i) **Class 9. Allowed General Unsecured Claims.** The Allowed General Unsecured Claims shall receive approximate distribution of **1.5%** of their allowed claims. **Class 9 is impaired and entitled to vote.**

(f) **Class 10. Equity Interests in the Debtor.** Class 10 consists of the Debtor's interest in property of the estate, which is retained under this Plan. The Debtor has committed the value of 24 months of its profit toward funding the Plan, and has otherwise met all of the requirements under the Bankruptcy Code. Class 10 is presumed to accept this Plan and is not entitled to vote.

**ARTICLE VII
PROVISIONS REGARDING VOTING AND
DISTRIBUTIONS UNDER THE PLAN**

A. Ballots and Voting Deadline.

The deadline for submitting Ballots for the acceptance or rejection of the Plan is _____, 2017 5:00 p.m., Eastern Standard Time (the “Voting Deadline”).

All Claimants (or their authorized representatives) entitled to vote must:

1. carefully review the Ballot and corresponding instructions,
2. execute the Ballot, and
3. return the ballot to the address indicated on the Ballot so that it is actually received by the Voting Deadline.

B. Claimholders Entitled to Vote.

Any Creditor whose Claim is not a Disputed Claim or an Unimpaired Claim is entitled to vote. Under the Plan a “Disputed Claim” means (a) a Claim that is listed on a Debtor’s Schedules as other than disputed, contingent or unliquidated, but as to which an objection has been filed, and such objection has not been withdrawn or denied by a Final Order; (b) a Claim that is listed on Debtor’s Schedules as disputed, contingent or unliquidated; or (c) a proof of claim or request for payment of an Administrative Claim that has been filed by the applicable Bar Date or has otherwise been deemed timely filed under applicable law. **Returning the Ballot to the Debtor or Debtor’s Counsel does not constitute filing a proof of Claim or Equity Interest.**

Any Holder of a Disputed Claim is not entitled to vote unless the Bankruptcy Court, upon motion filed by such Holder, temporarily allows the Claim in a specific amount for the purpose of accepting or rejecting the Plan. Such motion must be heard and determined by the Bankruptcy

Court before the Confirmation Hearing on the Plan. A vote may be disregarded if the Bankruptcy Court determines that the Disputed Claimholder's acceptance or rejection was not solicited or procured in good faith or in accordance with the applicable provisions of the Bankruptcy Code. Ballots must be filed in the Chapter 11 Case, which can be accomplished by sending completed Ballots to:

Clerk's Office - Miami Division
C. Clyde Atkins United States Courthouse
301 N. Miami Avenue, Room 150
Miami, Florida 33128
T. 305.714.1800

With a copy to:

Ariel Sagre, Esq.
Counsel to Debtor
Sagre Law Firm, P.A.
5201 Blue Lagoon Drive, Suite 892
Miami, Florida 33126

Ballots sent to Debtor's Counsel do not constitute filing a proof of Claim or Interest.

Under Section 1126(f) of the Bankruptcy Code, a Class that is not Impaired under a Chapter 11 plan, and each Holder of a Claim or Equity Interest in such Class, are conclusively presumed to have accepted the Chapter 11 plan. Under Section 1126(g) of the Bankruptcy Code, a Class is deemed not to have accepted a Chapter 11 plan if the Holders of Claims or Equity Interests in such class do not receive or retain any property under the Chapter 11 Plan on account of such Claims or Equity Interests. Holders of Claims or Equity Interests that are unimpaired under the Plan or that are not entitled to receive or retain any property under the Plan are not entitled to vote to accept or reject the Plan. The Debtor will not be soliciting votes from such Claimholders or Interest-holders.

C. Bar Date for Filing Proofs Claim.

The Bankruptcy Court established December 28, 2017 as the general deadline for filing proofs of claim in the Chapter 11 Case (the “Claims Bar Date”) with the following exceptions: (i) in the event that the Debtor amends its Schedules of Assets and Liabilities, the Debtor must give notice of such amendment to the Creditor affected thereby, and the affected Creditor shall have until the later of the Claims Bar Date or 30 days from the date on which notice of such amendment was given to file a proof of Claim; (ii) in the event that a Claim arises with respect to the Debtor’s rejection of an executory contract or unexpired lease, any Creditor shall have until 30 days after the entry of any Order authorizing the rejection of the executory contract or unexpired lease to file a proof of Claim.

D. Definition of Impairment.

Under Bankruptcy Code section 1124, a class of Claims or Equity Interests is Impaired under a plan of reorganization unless, with respect to each Claim or Equity Interest, the Plan:

1. leaves unaltered the legal, equitable, and contractual rights of the holder of such claim or interest; or
2. notwithstanding any contractual provision or applicable law that entitles the holder of a claim or interest to receive accelerated payment of such claim or interest after the occurrence of a default:
 - a. cures any such default that occurred before or after the commencement of the case under the Bankruptcy Code, other than a default of a kind specified in section 365(b)(2) of the Bankruptcy Code;
 - b. reinstates the maturity of such claim or interest as it existed before the default;
 - c. compensates the holder of such claim or interest for damages incurred as a result of reasonable reliance on such contractual provision or applicable law; and

- d. does not otherwise alter the legal, equitable, or contractual rights to which such claim or interest entitles the holder of such claim or interest.

E. Disallowed Claims

All Claims held by persons against whom the Debtor has commenced a proceeding asserting a Cause of Action under sections 542, 543, 544, 545, 547, 548, 549, and/or 550 of the Bankruptcy Code shall be deemed “Disallowed Claims” pursuant to section 502(d) of the Bankruptcy Code and Holders of such Claims shall not be entitled to vote to accept or reject the Plan. Claims that are deemed Disallowed under Section 502(d) shall continue to be Disallowed for all purposes until the avoidance action against such party has been settled or resolved by Final Order and any sums due to the Debtor from such party have been paid.

F. Acceptance by Class of Claimholders

A Class of Claimholders is deemed to have accepted the Plan if the Plan is accepted by (a) at least two-thirds (2/3) in amount and (b) more than one-half (1/2) in number, of the Allowed Claims of such Class that actually cast votes.

G. Cramdown

In the event that any impaired Class of Claimholders with Claims against the Debtor fail to accept the Plan in accordance with Section 1129(a) of the Bankruptcy Code, the Debtor will request the Bankruptcy Court to confirm the Plan in accordance with Section 1129(b) of the Bankruptcy Code (“Cramdown Provisions”). For purposes of seeking Confirmation of the Plan under the Cramdown Provisions, the Debtor reserves the right to modify or vary the terms of the Plan or the treatment of the Claims of those Classes that rejected the Plan so as to comply with the requirements of the Cramdown Provisions.

In this case, the Debtor is proposing a total distribution of 1.5% to Class 4 (General Unsecured Claims). Unsecured creditors are, therefore, impaired under the Plan. In the event that unsecured creditors do not vote in favor of the Plan, the Debtor will seek to confirm the Plan over the “no” vote of the unsecured creditors or “cramdown.” Notwithstanding such a possible “no” vote, the Debtor believes that the Plan is fair and equitable and gives unsecured creditors a greater return than they would receive if the Debtor were liquidated. If the Debtor is liquidated, unsecured creditors would likely receive nothing on account of their Claims as all of the Debtor’s property would be liquidated for the benefit of the Allowed Secured Claims and Holders of Administrative Claims and Priority Claims.

H. Classes Impaired Under the Plan

The following Classes are impaired under the Plan: Class 1, Class 2, Class 3, Class 4, and Class 5.

I. Vote Required for Class Acceptance.

The Bankruptcy Code defines acceptance of a plan by a class of claims or interests as acceptance by holders of at least two-thirds in dollar amount and more than one-half in number of the claims or interests of that class that actually cast ballots for acceptance or rejection of the plan; that is, acceptance takes place only if creditors holding claims constituting at least two-thirds in dollar amount of the total amount of claims and more than one-half in number of the creditors actually voting cast their ballots in favor of acceptance.

J. Information on Voting and Ballots.

1. Transmission of Ballots to Claimholders

Ballots are being forwarded to Holders of Allowed Claims and Allowed Equity Interests in Classes 1, 2, 3, 4, and 5 of the Plan, and in accordance with the Bankruptcy Rules and the

order approving the Disclosure Statement. Those Claimholders whose Claims are unimpaired under the Plan are conclusively presumed to have accepted the Plan under Bankruptcy Code Section 1126(f) and therefore need not vote concerning the Plan. Under Section 1126(g) of the Bankruptcy Code, Claimholders who do not either receive or retain any property under the Plan are deemed to have rejected the Plan.

2. *Ballot Tabulation Procedures*

The amount and classification of a Claim and the procedures that will be used to tabulate acceptances and rejections of the Plan shall be exclusively as follows: any timely received ballot that contains sufficient information to permit the identification of the Claimant and is cast as an acceptance or rejection, as the case may be, of the Plan, subject to the following exceptions and clarifications:

- a. If a Claim is deemed Allowed in accordance with the Plan, such Claim is allowed for voting purposes in the deemed allowed amount set forth in the Plan;
- b. If a Claim has been established or otherwise allowed for voting purposes by Order of the Bankruptcy Court, such Claim is temporarily allowed in the amount so estimated or allowed by the Bankruptcy Court for voting purposes only, and not for purposes of allowance or distribution;
- c. If a Claim is listed in the Schedules as contingent, unliquidated, or disputed and a proof of claim was not (i) filed by the applicable deadline to file proofs of Claim or (ii) deemed timely filed by an order of the Bankruptcy Court prior to the Voting Deadline, the Claim will be disallowed in its entirety for voting purposes;
- d. For all persons or entities who timely filed a proof of Claim reflecting a Claim or portion of a Claim that is contingent or if a Claim objection is

pending, the Claim shall be disallowed in its entirety for voting purposes, subject to the right of such Holder to file a motion for temporary allowance;

e. If a ballot is properly completed, executed and timely filed, but does not indicate an acceptance or rejection of the Plan, or indicates both an acceptance and rejection of the Plan, the Ballot will not be counted;

f. If a proof of Claim has been timely filed and has not been objected to before the Confirmation Hearing, the voted amount of that Claim shall be the liquidated amount specified in the proof of Claim;

g. If no proof of claim has been timely filed, the voted amount of a Claim shall be equal to the amount listed for the particular Claim in the Schedules, as amended, to the extent such Claim is not listed as contingent, unliquidated, or disputed, and the Claim shall be placed in the appropriate Class based on the Debtor's records and consistent with the Schedules; and

h. Ballots that fall within the following categories will not be counted or considered for any purpose in determining whether the Plan has been accepted or rejected, except as specified:

(1) Any Ballot received after the Voting Deadline unless the Debtor or Bankruptcy Court shall have granted an extension in writing of the Voting Deadline with respect to such Ballot;

(2) Any Ballot that is illegible or contains insufficient information to permit the identification of the Claimant;

(3) Any Ballot cast by a person or entity that does not hold a Claim in a Class that is entitled to vote to accept or reject the Plan as of the Voting Record Date;

(4) Any duplicate Ballot;

(5) Any Ballot that is unsigned, or signed by someone other than the Holder of the Claim (or the claimholders authorized representative); or

(6) Any acceptance or rejection submitted on something other than the Ballot form provided by the Debtor and approved pursuant to the Solicitation Procedures Order.

The Debtor believes that the foregoing proposed procedures provide for a fair and equitable voting process. As mentioned above, if any Claimant seeks to challenge the allowance of its Claim for voting purposes, such creditor must serve on the Debtor and file with the Court a motion requesting the temporary allowance of such Claim in a different amount for purposes of voting to accept or reject the Plan. The Ballot of any Claimant filing such a motion shall not be counted unless temporarily allowed by the Bankruptcy Court for voting purposes, after notice and a hearing.

Whenever two or more ballots are cast voting the same Claim prior to the Voting Deadline, the latest dated Ballot received prior to the Voting Deadline will be deemed to reflect the voter's intent and thus to supersede any prior ballots; provided, however, that where an ambiguity exists as to which Ballot reflects the voter's intent, the Clerk of the Bankruptcy Court reserves the right to contact the Claimant and calculate the vote according to such voter's written instructions. This procedure is without prejudice to the Debtor's right to object to the validity of the second Ballot on any basis permitted by law and, if the objection is sustained, to count the

first Ballot for all purposes. This procedure of counting the last Ballot is consistent with practice under various state and federal corporate and securities laws. Furthermore, the Debtor proposes that in its sole discretion they can agree to allow a Claimant to change its vote after the Voting Deadline without further order of the Bankruptcy Court.

Claim splitting is not permitted and Claimants who vote must vote all of their Claims within a particular class to either accept or reject the Plan.

**ARTICLE VIII CONFIRMATION
OF THE PLAN**

A. Solicitation of Acceptances.

The Debtor is soliciting your vote.

NO REPRESENTATIONS OR ASSURANCES, IF ANY, CONCERNING THE DEBTOR OR THE PLAN ARE AUTHORIZED BY THE DEBTOR, OTHER THAN AS SET FORTH IN THIS DISCLOSURE STATEMENT AND IN ANY SOLICITATION MATERIALS APPROVED BY THE BANKRUPTCY COURT. ANY REPRESENTATIONS OR INDUCEMENTS MADE BY ANY PERSON TO SECURE YOUR VOTE, OTHER THAN THOSE CONTAINED IN THIS DISCLOSURE STATEMENT, SHOULD NOT BE RELIED ON BY YOU IN ARRIVING AT YOUR DECISION, AND SUCH ADDITIONAL REPRESENTATIONS OR INDUCEMENTS SHOULD BE REPORTED TO DEBTOR'S COUNSEL FOR APPROPRIATE ACTION.

THIS IS A SOLICITATION SOLELY BY THE DEBTOR, AND IS NOT A SOLICITATION BY ANY SHAREHOLDER, ATTORNEY, ACCOUNTANT, OR OTHER PROFESSIONAL FOR THE DEBTOR. THE REPRESENTATIONS, IF ANY, MADE IN THIS DISCLOSURE STATEMENT ARE THOSE OF THE DEBTOR AND NOT OF SUCH SHAREHOLDERS, ATTORNEYS, ACCOUNTANTS, OR OTHER PROFESSIONALS, EXCEPT AS MAY BE OTHERWISE SPECIFICALLY AND EXPRESSLY INDICATED.

Under the Bankruptcy Code, a vote for acceptance or rejection of a plan may not be solicited unless the claimant has received a copy of a disclosure statement approved by the Bankruptcy Court prior to, or concurrently with, such solicitation. This solicitation of votes on the Plan is governed by Bankruptcy Code Section 1125(b). Violation of Bankruptcy Code

Section 1125(b) may result in sanctions by the Bankruptcy Court, including disallowance of any improperly solicited vote.

B. Requirements for Confirmation of the Plan.

At the confirmation hearing, the Bankruptcy Court shall determine whether the requirements of Bankruptcy Code Section 1129 have been satisfied, in which event the Bankruptcy Court shall enter an order confirming the Plan. For the Plan to be confirmed, Section 1129 of the Bankruptcy Code requires that:

1. The Plan complies with the applicable provisions of the Bankruptcy Code;
2. The Debtor has complied with the applicable provisions of the Bankruptcy Code;
3. The Plan has been proposed in good faith and not by any means forbidden by law;
4. Any payment or distribution made or promised by the Debtor or by a person issuing securities or acquiring property under the Plan for services or for costs and expenses in connection with the Plan has been disclosed to the Bankruptcy Court, and any such payment made before the confirmation of the Plan is reasonable, or if such payment is to be fixed after confirmation of the Plan, such payment is subject to the approval of the Bankruptcy Court as reasonable;
5. The Debtor has disclosed the identity and affiliation of any individual proposed to serve, after confirmation of the Plan, as a director, officer or voting trustee of the Debtor, an affiliate of the Debtor participating in a joint plan with the Debtor, or a successor to the Debtor under the Plan; the appointment to, or continuance in, such office of such individual is consistent with the interest of Claimholders and Interest-holders and with public policy; and

the Debtor has disclosed the identity of any insider that will be employed or retained post-confirmation and the nature of any compensation for such insider;

6. Any government regulatory commission with jurisdiction (after confirmation of the Plan) over the rates of the Debtor has approved any rate change provided for in the Plan, or such rate change is expressly conditioned on such approval;

7. With respect to each impaired Class of Claims or Equity Interests, either each holder of a Claim or Equity Interest of the Class has accepted the Plan, or will receive or retain under the Plan on account of that Claim or Equity Interest, property of a value, as of the Effective Date of the Plan, that is not less than the amount that such holder would so receive or retain if the Debtor was liquidated on such date under chapter 7 of the Bankruptcy Code. If Section 1111(b)(2) of the Bankruptcy Code applies to the Claims of a Class, each Holder of a Claim of that Class will receive or retain under the Plan on account of that Claim property of a value, as of the Effective Date, that is not less than the value of that holder's interest in the Debtor's interest in the property that secures that Claim;

8. Each Class of Claims or Interests has either accepted the Plan or is not Impaired under the Plan;

9. Except to the extent that the holder of a particular Allowed Administrative Claim, or Allowed Priority Claim (other than a Priority Tax Claim) has agreed to a different treatment of its Claim, the Plan provides that such Claims shall be paid in full on the later of the Effective Date or the date on which such Claim becomes an Allowed Claim, or as soon as practicable thereafter;

10. If a Class of Claims or Equity Interests is Impaired under the Plan, at least one such Class of Claims or Equity Interests has accepted the Plan, determined without including any acceptance of the Plan by any insider holding a Claim or Equity Interest of that Class; and

11. 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 under the Plan, unless such liquidation or reorganization is proposed in the Plan.

The Debtor believes that the Plan satisfies all of the statutory requirements of the Bankruptcy Code for Confirmation and that the Plan was proposed in good faith. The Debtor believes it has complied, or will have complied, with all the requirements of the Bankruptcy Code governing confirmation of the Plan.

C. Acceptances Necessary to Confirm the Plan.

Voting on the Plan by each Holder of a Claim (or its authorized representative) is important. Chapter 11 of the Bankruptcy Code does not require that each Holder of a Claim vote in favor of the Plan in order for the Bankruptcy Court to confirm the Plan. Generally, to be confirmed under the acceptance provisions of Section 1126(a) of the Bankruptcy Code, the Plan must be accepted by each Class of Claims that is Impaired under the Plan by parties holding at least two-thirds in dollar amount and more than one-half in number of the Allowed Claims of such Class actually voting in connection with the Plan. Even if all Classes of Claims accept the Plan, the Bankruptcy Court may nonetheless refuse to confirm the Plan.

D. Cramdown.

In the event that any impaired Class of Claims does not accept the Plan, the Bankruptcy Court may still confirm the Plan at the request of the Debtor if, as to each Impaired Class that has not accepted the Plan, the Plan “does not discriminate unfairly” and is “fair and equitable.” A

plan unfairly discriminates against a class if another class of equal rank in priority will receive greater value under the plan than a nonaccepting class without reasonable justification. “Fair and equitable” has different meanings for Holders of secured and unsecured Claims and Equity Interests. With respect to a secured claim, “fair and equitable” means either (i) the impaired secured creditor retains its liens to the extent of its Allowed Claim and receives deferred cash payments at least equal to the allowed amount of its claims with a present value as of the Effective Date of the Plan at least equal to the value of such creditor’s interest in the property securing its Claims; (ii) property subject to the lien of the impaired secured creditor is sold free and clear of that lien, with that lien attaching to the proceeds of sale, and such lien proceeds must be treated in accordance with clauses (i) and (iii); or (iii) the Impaired Secured Creditor realizes the “indubitable equivalent” of its Claim under the Plan.

With respect to an unsecured claim, “fair and equitable” means either (i) each impaired creditor receives or retains property of a value equal to the amount of its Allowed Claim or (ii) the holders of claims or interests that are junior to the claims of the dissenting class will not receive any property under the Plan.

With respect to Equity Interests, “fair and equitable” means either (i) each impaired Interest receives or retains, on account of that Interest, property of a value equal to the greater of the allowed amount of any fixed liquidation preference to which the holder is entitled, any fixed redemption price to which the holder is entitled, or the value of the Interest, or (ii) the holder of any Interest that is junior to the Interest of that Class will not receive or retain under the Plan, on account of that junior Interest, any property.

The Debtor believes that the Plan does not discriminate unfairly and is fair and equitable with respect to each impaired Class of Claims and Equity Interests. In the event at least one Class

of Impaired Claims or Equity Interests rejects or is deemed to have rejected the Plan, the Bankruptcy Court will determine at the Confirmation Hearing whether the Plan is fair and equitable and does not discriminate unfairly against any rejecting impaired Class of Claims or Equity Interests.

In this case the Debtor is proposing a total distribution of 1.5% to Class 4. Unsecured Creditors are, therefore, impaired under the Plan. In the event that unsecured Creditors do not vote in favor of the Plan, the Debtor will seek to confirm the Plan over the “no” vote of the unsecured creditors or “cramdown.” Notwithstanding such a possible “no” vote, the Debtor believes that the Plan is fair and equitable and gives unsecured creditors a greater return than they would receive if the Debtor were liquidated. If the Debtor is liquidated, unsecured creditors would receive nothing on account of their claims as all of the Debtor’s property would be liquidated for the benefit of the Allowed Secured Claims alone. The only alternative source of recovery, if any, would require prosecution of potential causes of action against third parties. To the extent that said causes of action were viable or successful, the Debtor believes that Allowed Claimholders would receive significantly less than 45% given the costs and risks attendant to litigation, particularly if litigation were to occur in a Chapter 7 case, where additional professionals would be presumed to be retained. Accordingly, the Plan is in the best interests of all of its creditors.

E. Execution of Ballots by Representatives.

Federal Rule of Bankruptcy Procedure 3018(c) requires that an acceptance or rejection of a Chapter 11 Plan shall be in writing, identifying the plan accepted or rejected, and be signed by the creditor or equity security holder or an authorized agent. To be counted, completed ballots signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of

corporations, or others acting in a fiduciary or representative capacity must indicate their capacity when signing. At the Debtor's request, Ballot signatories must submit proper evidence, satisfactory to the Debtor, of his or her authority to so act. Failure to indicate the capacity of the signatory to the Ballot may result in the ballot being deemed invalid and not counted.

F. Waivers of Defects and Other Irregularities Regarding Ballots.

Unless otherwise directed by the Bankruptcy Court, all questions concerning the validity, form, eligibility (including time of receipt), acceptance, and revocation or withdrawal of ballots will be determined by the Debtor in its sole discretion, whose determination will be final and binding. The Debtor reserves the right to reject any and all ballots not in proper form, the acceptance of which would, in the opinion of the Debtor or its counsel, be unlawful. Any defects or irregularities in connection with deliveries of Ballots must be cured within such time as the Bankruptcy Court determines. Neither the Debtor, the Clerk of the Bankruptcy Court, nor any other person will be under any duty to provide notification of defects or irregularities with respect to deliveries of Ballots, nor will any of them incur any liability for failure to provide such notification; provided, however, that the Debtor or Clerk of the Bankruptcy Court will indicate on the ballot summary the Ballots, if any, that were not counted, and will provide the original of such Ballots with the original of the Ballot summary at the Confirmation Hearing. Unless otherwise directed by the Bankruptcy Court, delivery of such Ballots will not be deemed to have been made until any irregularities have been cured or waived. Unless otherwise directed by the Bankruptcy Court, Ballots previously furnished, and as to which any irregularities have not subsequently been cured or waived, will be invalidated.

G. Withdrawal of Ballots and Revocation.

Except as otherwise directed by the Bankruptcy Court after notice and a hearing, any Holder of a Claim (or its authorized representative) in an Impaired Class who has delivered a valid Ballot for the acceptance or rejection of the Plan to the Clerk of the Bankruptcy Court may withdraw such Ballot at any time before the Voting Deadline.

To be valid, a notice of withdrawal must:

1. Contain the description of the Claims to which it relates and the aggregate principal amount or number of shares represented by such Claims;
2. Be signed by the Creditor (or its authorized representative) in the same manner as the Ballot; and
3. Be received by the Clerk of the Bankruptcy Court in a timely manner at the address specified in the Ballot instructions for the submission of Ballots with a copy to Debtor's undersigned counsel.

The Debtor expressly reserves the absolute right to contest the validity of any such withdrawals of Ballots.

Unless otherwise directed by the Bankruptcy Court, a purported notice of withdrawal of Ballots that is not received in a timely manner by the Clerk of the Bankruptcy Court and Debtor's counsel will not be effective to withdraw a previously furnished Ballot.

Any Creditor (or its authorized representative) who has previously submitted a properly completed Ballot before the Voting Deadline may revoke such Ballot and change its vote by submitting before the Voting Deadline a subsequent, properly completed Ballot for acceptance or rejection of the Plan. In addition, if a Creditor submits a valid notice of withdrawal prior to the Voting Deadline, such Holder may submit a new Ballot, and such Ballot will be counted so long

as it is received prior to the Voting Deadline and is otherwise submitted in accordance with the order approving the Disclosure Statement.

ARTICLE IX
EFFECTS OF CONFIRMATION OF PLAN AND DISCHARGE

A. Discharge of Debt

Upon the Effective Date, the Debtor shall be fully and completely discharged to the fullest extent permitted by Sections 1141 and 524 of the Bankruptcy Code, from all Claims, debts and liabilities against the Debtor arising before the Effective Date, except as specifically provided for by the Plan.

B. Releases

As of the Effective Date, except for the Debtor's express obligations respecting distributions herein and Claims reserved by the Debtor to be pursued under the Plan, the Debtor and the Reorganized Debtor, and their respective present and former managing members, officers, directors, parents, subsidiaries, predecessors, successors, employees, partners, principals, and their respective heirs, executors, administrators, professionals, successors, and assigns, are hereby released and discharged from any and all claims, causes of action, demands, liabilities, losses, damages, whether known or unknown, under

federal, state or other law, that arose prior to the Effective Date in connection with any matter arising from or relating to the Debtor, except for any acts or omissions resulting from fraud or gross negligence.

C. Injunction

Except as otherwise provided under the Plan, As of the Effective Date, any person who holds or who has held a Claim against or Interest in the Debtor shall be permanently enjoined from commencing or continuing any action, employment of process, or act to collect, offset, avoid or recover any Claim against the Debtor, the Reorganized Debtor, their respective present and former managing members, officers, directors, parents, subsidiaries, predecessors, successors, employees, partners, principals, professionals, and their respective heirs, executors, administrators, successors, and assigns.

D. Rejection and Assumption of Certain Executory Contracts and Unexpired Leases

1. Rejection

(a) **Leases and Contracts to be Rejected.** On the Confirmation Date, but subject to the occurrence of the Effective Date, the Debtor, pursuant to section 365 of the Bankruptcy Code, shall reject all of its executory contracts and unexpired leases except those that: (i) are the subject of motions to assume or reject pending on the Confirmation Date; (ii) were assumed or rejected before the Confirmation Date; or (iii) become the subject of a dispute over the amount or manner of cure and for which the Debtor makes a motion, at any time, to reject such contract or lease based upon the existence of such dispute; provided, however, that the Debtor shall not be required to assume or reject any executory contract or unexpired lease with any party that is a debtor under the Bankruptcy Code unless and until such contract or lease has been assumed or rejected by such other party. All contracts or leases not assumed or reserved hereby shall be deemed rejected.

(b) **Deadline to File Rejection Damage Claims.** Each Person who is a party to a contract or lease rejected under the Plan must file, not later than 30 days after the Confirmation Date, a proof of Claim for damages alleged to arise from the rejection of the applicable contract or lease or be forever barred from filing a Claim, or sharing in distributions under the Plan, related to such alleged rejection damages.

2. Assumption.

(a) **Leases and Contracts to be Assumed.** The Debtor does not intend to assume any executory contracts or leases pursuant to the Plan. The Debtor reserves the right, however, to amend the Plan and this Disclosure Statement to provide for the assumption of any contract or lease to which the Debtor is a party.

(b) Deadline to Object to Cure Amounts. If prior to the Confirmation Date or such other date as the Bankruptcy Court may fix, a party to an executory contract or unexpired lease fails to file with the Bankruptcy Court and serve upon the attorneys for the Debtor an objection to the applicable cure amount or the adequate assurance proposed, then such party shall be forever barred from asserting any additional or other amounts against the Debtor respecting such cure amount or require additional adequate assurance.

(c) Method of Cure. At the election of the Reorganized Debtor, any monetary defaults under each executory contract and unexpired lease to be assumed under this Plan, if any, shall be satisfied pursuant to section 365(b)(1) of the Bankruptcy Code, in one of the following ways: (a) by payment of the default amount in Cash before the first anniversary of the Effective Date or such lesser period ordered by the Bankruptcy Court; or (b) on such other terms as may be agreed to by the parties to such executory contract or unexpired lease. If a dispute occurs regarding: (x) the cure amount; (y) the ability of an assignee to provide adequate assurance of future performance under the contract or lease to be assumed; or (z) any other matter pertaining to assumption, the cure payments required by section 365(b)(1) of the Bankruptcy Code shall be made following the entry of a Final Order resolving the dispute and approving assumption.

F. Management of Reorganized Debtor

Beginning on the Effective Date of the Plan, all property of the Debtor and the Debtor's Estate, to the extent that any such property remains, shall vest in the Reorganized Debtor. The Reorganized Debtor will be managed by Edmundo Ponce de Leon and will continue operating in the ordinary course of business.

ARTICLE X
CAUSES OF ACTION AFTER CONFIRMATION

The Debtor has identified potential Avoidance Actions and has begun to make demand upon the transferees for the return of all such avoidable transfers. **Because all investigations and inquiries have not yet been completed, it is possible that there may be additional Causes of Action not mentioned herein and no party should assume that any release or discharge provision contained in the Plan, or the Confirmation Order, will bar or otherwise inhibit the Reorganized Debtor from taking any action to prosecute or enforce such additional Causes of Action, for which the Debtor preserves the right to pursue.** Under the circumstances, it is not feasible or in the best interests of the Debtor's Estate or its creditors to allow the continuing investigation to delay Confirmation of the Plan. Notwithstanding the foregoing, the Debtor does not expect recoveries from any such Avoidance Actions to affect the timing or amount of distributions under the Plan, and any recovery from any Avoidance Action or other Cause of Action shall not augment or otherwise increase any distributions provided for

under the Plan, including but not limited to the guaranteed 1.5% distribution to Holders of Allowed Claims in Class 4.

ARTICLE XI
TAX IMPLICATIONS OF THE PLAN

The tax consequences of the implementation of the Plan to a specific Creditor will depend on a number of factors, including whether the Holder's Claim constitutes a "security" for federal income tax purposes, whether a Creditor has already taken a deduction of loss with respect to its Claim and the timing of any distributions under the Plan. It is possible that certain Holders will recognize gain or income as a result of distributions under the Plan. There also may be state, local, or foreign tax considerations applicable to particular Holders of Claims, none of which are discussed herein. **Each Holder of a Claim or any other party in interest in this case is strongly urged to consult with their tax advisor regarding the federal, state, and local income and other tax consequences that the implementation of this Plan may have on them.**

ARTICLE XII
LIQUIDATION ANALYSIS

A plan proponent must demonstrate as a condition of Confirmation, that each impaired Class of Claimholders will receive as much as it would receive in a Chapter 7 proceeding. A plan proponent must also demonstrate that the plan is "feasible" (i.e., that confirmation of the plan is not likely to be followed by the liquidation or need for further financial reorganization of the Debtor).

Under Section 1129(a)(7) of the Bankruptcy Code, the Plan must provide that Claimholders receive as much or more under the Plan than they would receive in a Chapter 7 liquidation of the Debtor. The Debtor asserts that all Claimholders will receive more under the Plan than they would in liquidation. Attached as **Exhibit “C”** is a Liquidation Analysis demonstrating that distributions under the Plan exceed the amounts that creditors would receive in a Chapter 7 liquidation of the Debtor.

As is evident from comparing the value of the Assets with the Claims, Claimholders will receive more under the Plan than they would receive in a hypothetical Chapter 7. If the Debtor were to be liquidated through Chapter 7, General Unsecured Creditors would receive significantly less than under the Plan. The Debtor submits this liquidation analysis in order to satisfy the best interest of creditors test set forth in 11 U.S.C. § 1129(a)(7). If this case were to be converted to Chapter 7, a trustee would be appointed to marshal and liquidate the assets of the Debtor. A trustee would likely retain counsel, which would add additional administrative expenses. Substantial fees could be incurred in obtaining familiarity with the Debtor’s financial dealings already obtained by professionals retained by the Debtor in connection with the Chapter 11 proceedings. In all likelihood, the trustee would not operate the business of the Debtor. The trustee would be charged with liquidating accounts receivables and other assets for distribution to Claimholders. The Debtor believes that upon liquidation, the estate would not receive assets sufficient to exceed the proposed distributions under the Plan. Accordingly, the Debtor submits that General Unsecured Creditors stand to gain more benefit from Confirmation of the Plan than they would in a Chapter 7 liquidation of the Debtor.

Attached as “**Exhibit E**” is the Estimated Distribution Analysis for the Plan, including the schedule of payments to the various Classes of Creditors and interested parties under the Plan.

ARTICLE XIII
MISCELLANEOUS

A. Modification

The Debtor reserves the right to revoke or withdraw the Plan in its sole discretion, at any time before the Confirmation Date, or, if for any reason the Plan cannot be consummated after the Confirmation Date, at any time up to and including the Effective Date. If the Plan is revoked and withdrawn, then (a) nothing contained herein shall be deemed to constitute a waiver or release of any Claims by or against the Estate or to prejudice in any manner the rights of any person in any further proceedings in the Chapter 11 Case or otherwise; and (b) any provision of the Confirmation Order shall be null and void and all such rights of or against the Estate shall exist as though the Plan had not been filed and no actions were taken to effectuate it.

Debtor may modify the Plan, in its sole discretion, either pre- or post-Confirmation in accordance with the Bankruptcy Code, or, if for any reason the Plan cannot be consummated after the Confirmation Date, at any time up to and including the Effective Date.

B. Confirmation Order Controls

To the extent the Disclosure Statement is inconsistent with the Plan, the Plan shall control. To the extent that the Plan, the Disclosure Statement, or any agreement entered into between or among the Debtor and any third party is inconsistent with the Confirmation Order, the Confirmation Order shall control.

C. Effectuating Documents and Further Transactions.

The Debtor shall be authorized to execute, deliver, file, or record such documents, contracts, instruments, releases and other agreements, and take such other action as may be necessary to effectuate and further evidence the terms and conditions of the Plan. Debtor's counsel shall have no continuing duties post-confirmation other than to make the distributions required on the Effective Date unless otherwise agreed to by the Reorganized Debtor and counsel.

D. Substantial Consummation of the Plan.

Pursuant to the terms of the Plan, the Debtor believes that the Plan shall be deemed to be substantially consummated under Section 1101 of the Bankruptcy Code on the Effective Date.

E. Terms of the Plan are Binding.

Pursuant to Section 1141 of the Bankruptcy Code, the Plan and all of its terms, when approved and confirmed by the Bankruptcy Court, shall be binding upon, including, without limitation, the Debtor, the Debtor's estate, all holders of Claims, Allowed or not, and their respective successors and assigns.

If, after the Confirmation Date, any term or provision of this Plan is determined to be unenforceable, the remaining terms and provisions of this Plan shall nonetheless continue in full force and effect.

F. Taxes.

The issuance, transfer or exchange of a security or the making or delivery of an instrument of transfer under this Plan, if any, including the execution or recording of any mortgage modification, security agreement and related note, shall be deemed to be free of any tax under any law imposing a stamp or similar tax pursuant to Section 1146(c) of the Bankruptcy Code.

ARTICLE XIV
RETENTION OF JURISDICTION BY THE
BANKRUPTCY COURT

The Bankruptcy Court shall retain jurisdiction of these proceedings after the Confirmation Date of this Plan until the entry of the final decree pursuant to Bankruptcy Rule 3022 for the following purposes:

A. To enable the Debtor and the Reorganized Debtor to consummate the Plan and any amended or modified Plan and to resolve any disputes arising with respect thereto;

B. To enable the Debtor and the Reorganized Debtor to consummate any and all proceedings that it may bring prior to the entry of the Confirmation Order;

C. To determine all controversies relating to or concerning the classification, subordination, allowance, valuation, or satisfaction of Claims;

D. To liquidate or estimate for purposes of allowance all contested, contingent, or unliquidated Claims;

E. To determine the validity, extent, and priority of all liens, if any, against property of the estate;

F. To determine all assertions or an ownership interest in, the value of, or title to, any property of the estate;

G. To determine all applications for compensation and reimbursement and objections to Administrative Claims;

H. To determine all (1) adversary proceedings, contested or litigation matters brought before the Bankruptcy Court, and (2) any and all claims or causes of action asserted by the Debtor;

I. Without limiting the generality of the preceding paragraph, to determine any avoidance action brought by the Debtor;

J. To determine all controversies arising out of any purchase, sale, or contract made or undertaken by the Debtor prior to the Confirmation Date;

K. To enforce all agreements assumed, if any, and to recover all property of the estate, wherever located;

L. To determine any tax liability of the estate in connection with the Plan, actions taken, distributions, or transfers made thereunder;

M. To enforce any and all releases and injunctions created pursuant to the terms of the Plan;

N. To modify the Plan or to remedy any defect or omission or reconcile any inconsistencies in the Plan either before or after the entry of the Confirmation Order;

O. To hear and determine all controversies, suits, and disputes that may arise in connection with the interpretation or enforcement of the Plan;

P. To make such orders as are necessary or appropriate to carry out the provisions of the Plan; and

Q. To enter a Final Decree pursuant to Bankruptcy Rule 3022.

**ARTICLE XV RECOMMENDATION OF
CONFIRMATION**

The Debtor believes that Confirmation of the Plan is in the best interests of the creditors and the Estate because confirmation of the Plan will enable Claimholders to receive a meaningful recovery and a higher distributions under the Plan than they would in the event the case were converted to Chapter 7. Therefore, the Debtor urges all holders of Impaired Claims to cast a ballot voting in favor of the Plan on or before the Voting Deadline.

Respectfully submitted on October 2, 2017

P.D.L., INC.

By: _____
Edmundo Ponce de Leon, President

By: /s/Ariel Sagre
ARIEL SAGRE, ESQ.
Florida Bar Number 557447
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Attorney for the Plan Proponent

Exhibit “A”

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION
www.flsb.uscourts.gov**

In re:

Case No.: 17-20457-LMI

P.D.L., Inc.

Chapter 11

Debtor. /

**PLAN OF REORGANIZATION
OF P.D.L., INC.**

Submitted on October 2, 2017 by:

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PLAN OF REORGANIZATION

P.D.L., INC., by and through undersigned counsel, submits and proposes the following Plan of Reorganization under 11 U.S.C. § 1121(b):

ARTICLE I **DEFINITIONS**

Except as otherwise provided in this Plan, all terms used herein shall have the meanings ascribed to such terms under the Bankruptcy Code, as amended, the Bankruptcy Rules, and the Local Rules of the Bankruptcy Court for the Southern District of Florida. For purposes of this Plan, except as expressly otherwise provided or unless the context otherwise requires, all capitalized terms not otherwise defined shall have the meanings assigned to them in this Section of the Plan. The capitalized terms set forth below when used in this Plan and the Disclosure Statement shall have the following meanings:

1.1. “Administrative Claim” means a Claim for payment of costs or expenses of administration specified in Sections 503(b) of the Bankruptcy Code, incurred after the Petition Date through the Confirmation Date, including without limitation: (i) the actual, necessary costs and expenses of preserving the Debtor’s estate incurred after the Petition Date; (ii) compensation for legal, accounting and other services and reimbursement of expenses awarded pursuant to Sections 330(a) or 331 of the Bankruptcy Code; and, (iii) all fees and charges assessed against the Debtor’s estate pursuant to Section 1930 of Title 28 of the United States Code.

1.2. “Administrative Claims Bar Date” means the date established by a Final Order of the Bankruptcy Court as the last date to request payment of Administrative Claims other than with respect to a Professional Claim.

1.3. “Allow,” “Allowed,” “Allowance” or words of similar meaning mean with respect to a Claim against the Debtor’s respective estates: (i) that no objection has been

interposed within the applicable period of limitation fixed by this Plan or by the Bankruptcy Court and that such period of limitation has expired; or (ii) that the Claim has been allowed for purposes of payment by an order of the Bankruptcy Court that is no longer subject to appeal or certiorari and as to which no appeal or certiorari is pending.

1.4. “Allowed Claim” means a Claim against the Debtor (i) allowed by a Final Order, (ii) Scheduled as liquidated, undisputed and non-contingent by the Debtor in its Schedules of Assets and Liabilities filed with the Bankruptcy Court, as they may be amended or supplemented), or (iii) timely filed with the Clerk of the Bankruptcy Court and to which no objection has been made to the allowance thereof within a time fixed by the Bankruptcy Court and the Claim is not otherwise a Disputed Claim.

1.5. “Allowed Priority Claim” means a Priority Claim pursuant to Section 507 of the Bankruptcy Code which has been allowed by a Final Order of the Bankruptcy Court.

1.6. “Allowed Secured Claim” means a Claim pursuant to Section 506(a) of the Bankruptcy Code, which is secured by a lien on property in which the Debtor has an interest or that is subject to set-off under Section 553 of the Bankruptcy Code, to the extent of the value of such property or to the extent of the amount subject to such set off, as the case may be.

1.7. “Allowed Unsecured Claim” means an Allowed Claim that arose or that is deemed to have arisen prior to the filing of the Petition commencing this Chapter 11 Case and as to which the Claimant has not asserted, or as to whom it is determined by Final Order does not hold, a valid, perfected and enforceable lien, security interest or other interest in or encumbrance against property of the Debtor or a right of setoff to secure the payment of such Claim, but excluding any unsecured Claim previously paid in this Chapter 11 Case pursuant to agreements approved by the Bankruptcy Court.

1.8. “Assets” means the aggregate assets, of any kind, of the Debtor and its estate as more specifically defined in section 541 of the Bankruptcy Code, including, without limitation, all legal or equitable interests of the Debtor in any and all real or personal property of any nature, including any real estate, buildings, structures, improvements, privileges, rights, easements, leases, subleases, licenses, goods, materials, supplies, furniture, fixtures equipment, work in process, accounts, chattel paper, Cash, deposit accounts, reserves, deposits, contractual rights, intellectual property rights, Claims, Causes of Actions, stock, and any other general intangibles, and the proceeds, product, offspring, rents or profits thereof, but shall not include the Real Property or any proceeds, product, offspring, rents or profits thereof.

1.9. “Avoidance Action” means any action under Sections 544, 547, 548, or 549 of the Bankruptcy Code to avoid or recover property.

1.10. “Ballot” means the ballot accompanying this Plan or Order Approving the Disclosure Statement, upon which holders of impaired Claims entitled to vote on this Plan shall indicate their acceptance or rejection of his Plan in accordance with the instructions regarding voting.

1.11. “Bankruptcy Code” or the **“Code”** means the Bankruptcy Reform Act of 1978, as amended, Title 11, United States Code, 11 U.S.C. § 101, *et. seq.*, in effect as of the Petition Date, together with all amendments and modifications thereto to the extent applicable to the Chapter 11 of the Debtor.

1.12. “Bankruptcy Court” or the **“Court”** means the United States Bankruptcy Court for the Southern District of Florida, Miami Division, or any other court exercising jurisdiction over the Chapter 11 Case or any proceeding arising in or related to the Chapter 11 Case.

1.13. “Bankruptcy Rules” means (a) the Federal Rules of Bankruptcy Procedure and the Official Bankruptcy Forms, as amended and promulgated under Section 2075 of title 28 of the United States Code, (b) the Federal Rules of Civil Procedure, as amended and promulgated under Section 2072 of title 28 of the United States Code, (c) the Local Rules of the United States Bankruptcy Court for the Southern District of Florida (including any applicable local rules of the United States District Court for the Southern District of Florida), and (d) any standing orders governing practice and procedure issued by the Bankruptcy Court, each as in effect on the Petition Date, together with all amendments and modifications thereto to the extent applicable to the Chapter 11 Case of the Debtor or proceedings herein, as the case may be, as now in effect or hereafter amended.

1.14. “Business Day” means a day other than a Saturday, Sunday or legal holiday as such term is defined in Bankruptcy Rule 9006(a).

1.15. “Cash” means cash or cash equivalents, including, but not limited to, checks, bank deposits, proceeds and other lawful currency of the United States of America and its equivalents or other similar items.

1.16. “Cause(s) of Action” means any and all causes of action to recover funds for the benefit of the estate including but not limited to any and all Claims, choses in action, causes of action, suits, accounts, controversies, agreements, promises, rights to legal remedies, rights to equitable remedies, rights to payments and claims, whether known or unknown, reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured and whether assertable directly or derivatively, in law, equity or otherwise, which are owned or held by, or have accrued to, the Debtor or the Estate, whether arising before or after the Petition Date, including without

limitation, those that are: (i) property of the Estate of the Debtor under and pursuant to Section 541 of the Bankruptcy Code; (ii) for subrogation and contribution; (iii) for turnover; (iv) for avoidable transfers and preferences under chapter 5 of the Bankruptcy Code and applicable state law; (v) to determine the extent, validity and priority of liens and encumbrances; (vi) for surcharge under Section 506(c) of the Bankruptcy Code; (vii) for subordination under Section 510 of the Bankruptcy Code; (viii) related to federal or state securities laws; (ix) direct or derivative claims or causes of action of any type or kind; (x) for professional malpractice against professionals employed by the Debtor; (xi) against any and all current and/or former officers and directors of the Debtor, including for breach of fiduciary duty, aiding and abetting breach of fiduciary duty, or improper dividends; (xii) under and pursuant to any policies of insurance maintained by the Debtor, including without limitation, any directors' and officers' liability insurance policy; (xiii) for theft of corporate opportunity; (xiv) for collection on accounts, accounts receivables, loans, notes receivables or other rights to payment; (xv) for the right to seek a determination by the Bankruptcy Court of any tax, fine or penalty relating to a tax, or any addition to a tax, under Section 505 of the Bankruptcy Code; (xvi) under or as a result of any section of the Bankruptcy Code, including Section 362; (xvii) for lender liability against any lender of the Debtor, including but not limited to claims against any such lender for exerting excessive or unreasonable control over the Debtor, for, charging, taking, reserving, collecting or receiving interest in excess of the highest lawful rate, for any breach of fiduciary duty, breach of any duty of fair dealing, breach of confidence, or any cause of action or defense based on the negligence of such lender, for any "lender liability" theories, breach of funding commitment, undue influence, duress, economic coercion, conflict of interest, negligence, bad faith, malpractice, violations of the Racketeer Influenced and Corrupt Organizations Act, intentional or

negligent infliction of mental distress, tortious interference with contractual relations, tortious interference with corporate governance or prospective business advantage, breach of contract, fraud, mistake, deceptive trade practices, libel, slander, conspiracy, fraudulent conveyance, or any claim for wrongfully taking any action in connection with the foregoing; and (xviii) to the extent not otherwise set forth above, as described in the Disclosure Statement.

1.17. “Chapter 11 Case” or this **“Case”** means the proceeding under Chapter 11 of the Bankruptcy Code under case number 17-20457-LMI.

1.18. “Claim” has the meaning provided for such term in Section 101(5) of the Bankruptcy Code, including, without limitation, any claim of right to payment, liquidated, unliquidated, contingent, matured, unmatured, disputed or undisputed, legal, equitable, secured or unsecured.

1.19. “Claimant,” “Claimholder” or **“Creditor”** means the holder of an Allowed Claim or a Disputed Claim.

1.20. “Claimholder” means a creditor of the estate whose claim is not a Disputed Claim and who is entitled to vote on the Plan.

1.21. “Claims Bar Date” means December 28, 2017, which is the date set by the Bankruptcy Court as the last day for filing a proof of claim for all creditors except (a) a governmental unit against the Debtor, and (b) certain former employees who may hold claims against the Debtor under the Fair Labor Standards Act of 1938 or the Florida Minimum Wage Act.

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1.22. “Claim Objection Deadline” means the date set by order of the Bankruptcy Court (without notice or hearing) for objecting to Claims against the Estate.

1.23. “Class” means a group of Claims or Equity Interests consisting of Claims or Equity Interests that are substantially similar to each other as classified pursuant to the Plan in accordance with Section 1122 of the Bankruptcy Code.

1.24. “Collateral” means with respect to any particular Secured Creditor, any and all of the Debtor’s assets which are security for the Claims asserted as Secured Claims by the particular Creditor.

1.25. “Committee” means the Unsecured Creditors’ Committee that despite invitation by the US Trustee none has been constituted.

1.26. “Confirmation” or **“Confirmation Date”** means the date on which the Bankruptcy Court enters an order confirming this Plan in accordance with Section 1129 of the Bankruptcy Code.

1.27. “Confirmation Hearing” means the hearing conducted by the Bankruptcy Court under Section 1128 of the Bankruptcy Code to consider confirmation of this Plan under Section 1129 of the Bankruptcy Code, as the same may be continued from time to time.

1.28. “Confirmation Order” means the Final Order of the Bankruptcy Court confirming this Plan pursuant to Section 1129 of the Bankruptcy Code.

1.29. “Creditor” means any person or entity that is a holder of a Claim against the Debtor.

1.30. “Debtor” means P.D.L., Inc.

1.31. “Deficiency Claim” means with respect to an Allowed Secured Claim, the amount by which an Allowed Claim exceeds the amount of the collateral securing such Claim.

1.32. “DIP Accounts” means the bank accounts set up and maintained by the Debtor in Possession in approved depositories and which accounts are property of the bankruptcy estate.

1.33. “Disclosure Statement” means the Disclosure Statement filed in connection with this Plan under Section 1125 of the Bankruptcy Code, as such Disclosure Statement may be amended, modified or supplemented from time to time, and all exhibits and schedules attached thereto or referred to therein.

1.34. “Disclosure Statement Hearing” means the hearing to be held by the Bankruptcy Court to consider final approval of the Disclosure Statement as containing adequate information under Section 1125 of the Bankruptcy Code.

1.35. “Disputed Claim” means (i) a liability scheduled on the Schedules or the Amended Schedules as disputed, contingent or unliquidated; or (ii) a timely filed proof of Claim against which an objection is pending, or is filed within the deadline provided in this Plan and which Claim has not been Allowed by order of the Bankruptcy Court.

1.36. “Disputed Claims Reserve” means the reserve of cash to be disbursed pursuant to this Plan and established pursuant to this Plan for Disputed Claims in each Class of Claims that will receive cash under this Plan. Any unused amounts accounted for in the Disputed Claims Fund shall become Cash under the Plan, including for purposes of making Distributions to Holders of Allowed Unsecured Claims and Allowed Interests in accordance with the terms of this Plan.

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1.37. “Effective Date” means the date after the entry of the Confirmation Order on which distributions to Creditors shall commence.

1.38. “Equity Interest” means a share of stock, warrant or right, other than a right to convert, to purchase, sell, or subscribe to a share, security, or interest in the Debtor, as more specifically defined in Section 101(16) of the Bankruptcy Code.

1.39. “Estate” means the estate created by Section 541 of the Bankruptcy Code upon the Debtor’s filing of the Voluntary Petition under Chapter 11 of the Bankruptcy Code.

1.40. “Estate Claims” means claims asserted by the Debtor on behalf of the Estate against any third party whether under the Bankruptcy Code or other applicable law, including, but not limited to, Avoidance Actions.

1.41. “Executory Contracts” means all contracts, oral or written, to which the Debtor is a party and that are executory within the meaning of Section 365 of the Bankruptcy Code.

1.42. “Final Order” means an order or judgment of the Bankruptcy Court which has not been reversed, stayed, modified or amended and (i) as to which the time to appeal or seek reconsideration or rehearing thereof has expired; (ii) in the event a motion for reconsideration or rehearing is filed, such motion shall have been denied by an order or judgment of the Bankruptcy Court; or (iii) in the event an appeal is filed and pending, a stay pending appeal has not been entered; provided, however that with respect to an order or judgment of the Bankruptcy Court allowing or disallowing a Claim, such order or judgment shall have become final and non-appealable; provided further that the possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or analogous rule under the Bankruptcy Rules, may be filed with respect to such order or judgment shall not cause such order or judgment to not be a Final Order

1.43. “General Unsecured Claim” means any Claim against the Estate other than an Administrative Claim, an Administrative Tax Claim, a Secured Claim, a Priority Claim, or a Priority Tax Claim, and includes Deficiency Claims.

1.44 “Governmental Unit” has the meaning set forth in Section 101(27) of the Bankruptcy Code.

1.45. “Governmental Unit Bar Date” means February 14, 2018, the date established by Section 502(a)(9) of the Bankruptcy Code as the last day for a Governmental Unit to file a Proof of Claim against the Debtor in this Chapter 11 Case.

1.46. “Holder” means a creditor of the estate whose claim is not a Disputed Claim.

1.47. “Impaired” has the meaning set forth in Section 1124 of the Bankruptcy Code.

1.48. “Initial Distribution” means the initial payment, if any, to each Class.

1.49. “Insiders” has the meaning given such term in Section 101(31) of the Bankruptcy Code.

1.50. “Late-Filed Claim” means a Claim that is filed after the Claims Bar Date, Governmental Unit Bar Date, or FLSA Claims Bar Date, as applicable.

1.51. “Petition Date” means August 18, 2017, the date on which the Debtor filed its Voluntary Petition under chapter 11 of the Bankruptcy Code.

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1.52. “Plan” means this Plan of Reorganization in its entirety, together with all addenda, exhibits, schedules and other attachments thereto, in its present form or as it may be modified, amended or supplemented from time to time.

1.53. “Plan Documents” means the Disclosure Statement and the Plan and includes any referenced exhibits to the Disclosure Statement or Plan.

1.54. “Plan Proponent” means the Debtor.

1.55. “Priority Claim” means a Claim entitled to priority under Section 507(a) of the Bankruptcy Code.

1.56. “Priority Tax Claim” means a Claim entitled to priority under Section 507(a)(8) of the Bankruptcy Code.

1.57. “Professional” means a person or entity (a) employed in the Chapter 11 Case pursuant to a Final Order in accordance with Section 327, 328, or 1103 or other applicable provision of the Bankruptcy Code and to be compensated for services rendered prior to the Effective Date pursuant to Sections 327, 328, 329, 330, 331, and 363 of the Bankruptcy Code or (b) for which compensation and reimbursement has been allowed by the Bankruptcy Court pursuant to Section 503(b)(4) of the Bankruptcy Code.

1.58. “Professional Claim” means the Claim of any legal counsel, accountant, consultant, financial advisor, or other Professional entitled to such Claim pursuant to Sections 327, 328, 330, 331, 503(b) or 1103 of the Bankruptcy Code for services rendered before the Effective Date.

1.59. “Rejection Claim” means a Claim arising under Section 502(g) of the Bankruptcy Code from the rejection under Section 365 of the Bankruptcy Code, or under this Plan, of an Executory Contract or unexpired lease which the Debtor has not assumed.

1.60. “Reorganized Debtor” means the Debtor in its restructured and reorganized form as of the entry of the Confirmation Order.

1.61. “Scheduled” means as set forth in the Debtor’s Schedules of Assets and Liabilities.

1.62. “Schedules” means the Schedules of Assets and Liabilities and any amendments thereto filed by the Debtor in this Chapter 11 Case.

1.63. “Secured Creditor” means a Creditor that is a holder of a Secured Claim whether allowed or disputed, as the case may be, against the Debtor, and, if necessary, pursuant to a valuation by the Bankruptcy Court pursuant to Section 506(a) of the Bankruptcy Code, is secured by a valid, enforceable and perfected mortgage, lien, security interest or other encumbrance of any kind against Assets of the Estate, and which is not subject to avoidance under the Bankruptcy Code or applicable non-bankruptcy law.

1.64. “Unclaimed Property” means any distribution of Cash or any other property made to the Holder of an Allowed Claim pursuant to this Plan that (a) is returned to the Reorganized Debtor as undeliverable and no appropriate forwarding address is received within the later of (i) 90 days after the Effective Date and (ii) 90 days after the attempted distribution by the Reorganized Debtor is made to such Holder or (b) in the case of a distribution made in the form of a check, is not negotiated within 90 days and no request for re-issuance is made.

1.65. “United States Trustee” means the Assistant United States Trustee for the Southern District of Florida.

1.66. “Unliquidated Claims” means Claims scheduled as “unliquidated” by the Debtor and any Claim filed by a Claimant without a specific dollar amount identified or otherwise specified as “unliquidated”.

ARTICLE II **CLASSIFICATION OF CLAIMS AND INTERESTS**

All Claims against the Debtor of whatever nature, whether or not scheduled, liquidated or unliquidated, absolute or contingent, including all Claims arising from transactions of the Debtor or rejection of executory contracts or unexpired leases, whether resulting in an Allowed Claim or not, shall be bound by the provisions of the Plan. With the exception of Administrative Claims, which

are unclassified pursuant to 11 U.S.C. § 1123(a)(1), Claims against the Debtor Are classified as follows:

Classification		Impaired
Class 1	Allowed Secured Claim of RTS Financial Service, Inc.	Yes
Class 2	Allowed Undersecured Claim of Wells Fargo Equipment	Yes
Class 3	Allowed Undersecured Claim of Commercial Credit Group, Inc.	Yes
Class 4	Allowed Undersecured Claim of Siemens Financial Services	Yes
Class 5	Allowed Undersecured Claim of Engs Commercial Finance Co.	Yes
Class 6	Allowed Undersecured Claim of Hitachi Capital	Yes
Class 7	Allowed Undersecured Claim of BMO Harris Bank	Yes
Class 8	Allowed Unsecured Priority Claim of the Internal Revenue Service	No
Class 9	Allowed General Unsecured Claims	Yes
Class 10	Equity	Yes

ARTICLE III
TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN

	Classification		Allowed Claim	Treatment
	Class 1	Allowed Secured Claim of RTS Financial Service, Inc.	Approximately \$30,000.00 based upon ordinary course payments	Class 1, RTS Financial Service, Inc. has an Allowed Secured Claim on the Debtor's receivables. Debtor is not in default to Class 1. On the Effective Date, RTS shall retain its lien rights pursuant to ECF No. 36 and the Reorganized Debtor shall continue operating with RTS in the ordinary course of business operations.

	Class 2	Allowed Undersecured Claim of Wells Fargo Equipment	Approx. \$836,079.19	<p>Wells Fargo Equipment Finance, Inc. has an allowed Undersecured Claim on the four trucks and seven trailers (if lien perfected) listed on ECF No. 45. The value for each tractor or trailer correctly identified as having a perfected lien is approximately per tractor is DISPUTED and per trailer is DISPUTED. Under 11 U.S.C. § 506(a)(1) Class 2 undersecured by \$725,679.19. Any claim regarding any tractor or trailer not having a perfected lien will be an entirely unsecured claim. The undersecured portion of the Wells Fargo claims will be treated as an unsecured claim <i>pari passu</i> with all members of Class 9.</p> <p>The debt will be amortized over a 2 year period at \$4,600.00 a month, Payments will be made from ordinary course of business of the Reorganized Debtor.</p>
	Class 3	Allowed Undersecured Claim of Commercial Credit Group, Inc.	Approx. \$148,500.00	<p>Commercial Credit Corp. has an allowed Undersecured Claim on the four trucks (if lien perfected) listed on ECF No. 23. The value for each tractor correctly identified as having a perfected lien is approximately per tractor is DISPUTED. Under 11 U.S.C. § 506(a)(1) Class 3 undersecured by \$124,500.00. Any claim regarding any tractor or trailer not having a perfected lien will be an entirely unsecured claim. The undersecured portion of the Commercial Credit Corp. claims will be treated as an unsecured claim <i>pari passu</i> with all members of Class 9.</p> <p>The debt will be amortized over a 2 year period at \$1,000.00 a month, Payments will be made from ordinary course of business of the Reorganized Debtor.</p>

	Class 4	Allowed Undersecured Claim of Siemens Financial Services	Approx. \$113,294.83	<p>Siemens Financial Service, Inc. has an allowed Undersecured Claim on the four trailers (if lien perfected) listed on ECF No. 66. The value for each tractor or trailer correctly identified as having a perfected lien is approximately per tractor is DISPUTED and per trailer is DISPUTED. Under 11 U.S.C. § 506(a)(1) Class 4 undersecured by \$89,294.83. Any claim regarding any tractor or trailer not having a perfected lien will be an entirely unsecured claim. The undersecured portion of the Siemens Financial Service, Inc. claims will be treated as an unsecured claim <i>pari passu</i> with all members of Class 9.</p> <p>The debt will be amortized over a 2 year period at \$1,000.00 a month, Payments will be made from ordinary course of business of the Reorganized Debtor.</p>
	Class 5	Allowed Undersecured Claim of Engs Commercial Finance Co.	Approx. \$88,015.17	<p>Engs Commercial Finance Co. has an allowed Undersecured Claim on the four trailers (if lien perfected) listed on ECF No. 78. The value for each tractor or trailer correctly identified as having a perfected lien is approximately per tractor is DISPUTED and per trailer is DISPUTED. Under 11 U.S.C. § 506(a)(1) Class 5 undersecured by \$64,015.17. Any claim regarding any tractor or trailer not having a perfected lien will be an entirely unsecured claim. The undersecured portion of the Engs Commercial Finance Co. claims will be treated as an unsecured claim <i>pari passu</i> with all members of Class 9.</p> <p>The debt will be amortized over a 2 year period at \$1,000.00 a month, Payments will be made from ordinary course of business of the Reorganized Debtor</p>

	Class 6	Allowed Undersecured Claim of Hitachi Capital	Approx. \$50,000.00	<p>Hitachi Capital has an allowed Undersecured Claim on the one trailer and two trucks (if lien perfected). The value for each tractor or trailer correctly identified as having a perfected lien is approximately per tractor is DISPUTED and per trailer is DISPUTED. Under 11 U.S.C. § 506(a)(1) Class 6 undersecured by \$20,000.00. Any claim regarding any tractor or trailer not having a perfected lien will be an entirely unsecured claim. The undersecured portion of the Hitachi Capital claims will be treated as an unsecured claim <i>pari passu</i> with all members of Class 9.</p> <p>The debt will be amortized over a 2 year period at \$1,250.00 a month, Payments will be made from ordinary course of business of the Reorganized Debtor</p>
	Class 7	Allowed Undersecured Claim of BMO Harris Bank	Approx. \$100,000.00	<p>BMO Harris Bank has an allowed Undersecured Claim on the four tractors and six trailers (if lien perfected). The value for each tractor or trailer correctly identified as having a perfected lien is approximately per tractor is DISPUTED and per trailer is DISPUTED. Under 11 U.S.C. § 506(a)(1) Class 7 undersecured by \$48,015.17. Any claim regarding any tractor or trailer not having a perfected lien will be an entirely unsecured claim. The undersecured portion of the Engs Commercial Finance Co. claims will be treated as an unsecured claim <i>pari passu</i> with all members of Class 9.</p> <p>The debt will be amortized over a 2 year period at \$4,167.00 a month, Payments will be made from ordinary course of business of the Reorganized Debtor</p>

	Class 8	Allowed Unsecured Priority Claim of the Internal Revenue Service	Approximately \$13,186.81	<p>The Internal Revenue Service filed an unsecured priority and unsecured general claim #3 on 09/07/2017 (“POC”).</p> <p>The Debtor shall pay the entire priority portion of the Claim in the amount of \$13,186.81 plus 3% post-petition interest per annum in equal monthly installments over a period ending not later than 2 years from the Petition Date with the first payment starting 30 days after the Effective Date of the plan (as defined in the Plan) and the last payment occurring in November of 2019.</p> <p>\$600 a month for months 1 to 24;</p> <p>The general unsecured portion of the IRS’ Claim shall share in the pro-rata distribution to all other general unsecured creditors per the Plan.</p> <p>The IRS agrees that the liability, interest, and penalties may be collected only once, whether from one or more of the business’s responsible persons, or from the business and one or more of its responsible persons. The Debtor may prepay this at any point without penalty.</p> <p>Payments shall be made to the Internal Revenue Service, 7850 S.W. 6th Court, M/S 5730, Plantation, Florida 33324.</p>
	Class 9	Allowed General Unsecured Claims	Approx. \$300,000	<p>Class 9 consists of all allowed unsecured general claims. The Class 9 creditors shall share pro rata in a total distribution in the approximate amount of \$5,000.00 (the "Plan Payments") which shall be paid in installments of \$1,250.00 bi-annual (every 6 months) for two (2) years, i.e. ten (10) bi-annual payments totaling \$5,000.00, with the first payment beginning the 30th day of the month following the Effective Date of this Plan.</p>

	Class 10	Equity		Existing equity shall be cancelled. New equity in the Reorganized Debtor will be issued to the Plan Sponsors in exchange for the following new value: (i) cash sufficient to fund unpaid Administrative Claims, the Unsecured Claim Fund, the Internal Revenue Service Claim, and the General Unsecured Claim.
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Except to the extent the holder of an Allowed Claim or Allowed Equity Interest against the Debtor agrees to accept different but lesser treatment, the treatment of Allowed Claims and Allowed Equity Interests will be as follows:

Administrative Claims. Each Holder of an Allowed Administrative Claim allowed under Section 503 of the Bankruptcy Code will be paid in full on the Effective Date in cash, or upon such other terms as may be agreed upon by the Holder of the Administrative Claim and the Debtor. All Administrative Claims incurred in the ordinary course of the Debtor's business, including without limitation, employee wages, utilities, and sales taxes shall be paid by the Debtor or Reorganized Debtor in the ordinary course of business pursuant to customary terms and due dates.

Asserted Lien Interests of Gulf Coast Bank and Trust. Any purported lien or security interest asserted by Gulf Coast Bank and Trust ("Gulf") pursuant to its filed but unreleased U.C.C. filing will be extinguished as of the Effective Date. Gulf shall receive no distribution under the Plan and shall have no interests in any Assets of the Debtor or the Reorganized Debtor.

Classes 2, 3, 4, 5, 6, and 7

- a. Wells Fargo Equipment Finance, Inc.

No proof of claim filed yet.

Collateral:

1. One (1) 2013 Volvo VNL64T780- S/N 4V4NC9EJ7DN565703
2. One (1) 2013 Wabash 53''' Refrigerated Trailer VIN#1JJV532B4DL749094 with Thermo King Refrigeration Unit S/N 6001110306
3. One (1) 2014 Wabash 53x102 Reefer Trailer VIN#1JJV532B3EL749119
4. One (1) 2014 Volvo Truck Tractor Model VNL64T VIN 4V4NC9EH1EN163500
5. One (1) Wabash Reefer Trailer VIN#1JJV532B4EL832252 with refrigeration unit
6. One (1) 2017 Wabash Reefer Trailer w/ Carrier Unit 1JJV532B6HL975076 w/ RAY91470313
7. One (1) 2017 Wabash Reefer Trailer w/ Carrier Unit 1JJV532B8HL975077 w/ RAY91470328
8. One (1) 2017 Wabash Reefer Trailer VIN#1JJV532BXHL975081 w/ Carrier unit
9. One (1) 2017 Wabash Reefer Trailer VIN#1JJV532B1HL975082 w/ Carrier unit

b. Commercial Credit Group, Inc.

No proof of claim filed yet.

Collateral:

1. One (1) 2013 Volvo VNL64T Tractor VIN #4V4NC9EJ7DN132804
2. One (1) 2013 Volvo VNL64T 780 Tractor VIN #4VNC9EJ4DN132808
3. One (1) 2013 Volvo VNL64T Tractor VIN #4V4NC9EH2DN135753
4. One (1) 2013 Volvo VNL64T Tractor VIN #4V4NC9EH2DN135754

c. Siemens Financial Services, Inc.

No proof of claim filed yet.

Collateral:

1. One (1) Wabash refrigerated van VIN#1JJV53B6GL92462 with Carrier x7500 RAR91441286
2. One (1) Wabash refrigerated van VIN#1JJV532B8GL924693 with Carrier x7500 RAR91441287

d. Eng Commercial Finance Co.

Proof of claims nos. 4 and 5 filed September 18, 2017.

1. One (1) 2014 Wabash National Reefer Van Trailer, S/N 1JJV532BXEL749117 with Thermo King SB330 Refrigeration Unit – S/N 6001129846
2. One (1) 2014 Wabash National Reefer Van Trailer, S/N 1JJV532BXEL749118 with Thermo King SB330 Refrigeration Unit – S/N 6001130723
3. One (1) 2014 Wabash Refrigerated Van Trailer, S/N 1JJV532B2EL832251 with 2013 Carrier x4 7500 Refrigeration Unit – S/N PAP91355573
4. One (1) 2014 Wabash Refrigerated Van Trailer, S/N 1JJV532B0EL832250 with 2013 Carrier x4 7500 Refrigeration Unit – S/N PAP91355568

e. Hitachi Capital America Corp.

No proof of claim filed yet.

1. One (1) truck
2. One (1) trailer
3. One (1) trailer

f. BMO Harris Bank, N.A.

No proof of claim filed yet.

1. One (1) truck
2. One (1) truck
3. One (1) truck
4. One (1) truck
5. One (1) trailer
6. One (1) trailer
7. One (1) trailer
8. One (1) trailer
9. One (1) trailer

10. One (1) trailer

*Any deficiency for any of the above will be treated as a General Unsecured Claim under Class 9.

Class 9. Allowed General Unsecured Claims. On or before December 28, 2017, The Reorganized Debtor shall provide payments in the amount of 1.5% of its Allowed Claim.

Class 10. Equity Interests. On the Effective Date, all Holders of Equity Interests shall be divested of their Equity Interests, and all Equity Interests in the Debtor shall be cancelled and extinguished.

ARTICLE IV ACCEPTANCE OR REJECTION OF PLAN

4.1. Voting Classes. Each holder of an Allowed Claim in Classes 1, 2, 3, 4, 5, 6, 7, and 9 shall be entitled to vote to accept or reject this Plan.

4.2. Presumed Acceptance of Plan. No Class is conclusively presumed to have accepted this Plan.

ARTICLE V FUNDING AND IMPLEMENTATION OF THIS PLAN

5.1. Vesting of Property of the Estate. On the Effective Date, property of the Debtor not otherwise disposed of under the Plan shall vest with the Reorganized Debtor.

5.2. Sources of Funding Plan Payments. The Plan shall be funded from the following sources: (a) the net proceeds from the operation of business sales of Assets.

The Reorganized Debtor will retain and be vested in all property of the Estate except property that will be disposed of as provided herein, executory contracts that are rejected under this Plan, and property transferred to Creditors of the Debtor pursuant to the terms of this Plan. The Estate property retained by the Reorganized Debtor, if any, shall be used by the Reorganized Debtor in the ordinary course of the Reorganized Debtor's business.

5.3. Debtor's Operation Prior to Confirmation. On or prior to the Confirmation Date, the Debtor shall (i) continue to operate any remaining business and make purchases and

collect payments in the ordinary course of its business, (ii) commence prosecution of all Estate Causes of Action, (iii) file and resolve by a final adjudication any objections to Claims except with respect to any objection to Claims that is scheduled for a trial or evidentiary hearing after the Confirmation Hearing, and (iv) continue to comply with the various other Orders entered by the Bankruptcy Court during the course of its case.

5.4. Events Occurring on or after the Effective Date. The Effective Date of the Plan shall occur on or before December 28, 2017. Beginning on the Effective Date, the Debtor shall tender any initial payments due Creditors holding Allowed Administrative Claims and shall commence the monthly payments provided for in this Plan. All property of the Debtor and the Debtor's Estate, to the extent that any such property remains, shall vest in the Reorganized Debtor. The Reorganized Debtor shall continue operations.

5.5. Documents. All necessary documents for the implementation of this Plan shall be executed and delivered by the Debtor, when possible, on or before the Effective Date. To the extent that the Debtor or any party in interest herein is unable to agree on the form or substance of such documents, such unresolved issues shall be submitted to the Court. Upon execution and delivery, all such documents shall be binding on the Debtor and Reorganized Debtor and all other parties subject to such documents.

5.6. Payments. On or as soon as practicable after the Effective Date, the Debtor shall commence payment of all amounts required to be paid on the Effective Date and according to the schedules provided in Article III of this Plan.

5.7. Causes of Action. Except to the extent any rights, Claims, Causes of Action, defenses, and counterclaims are expressly and specifically released in connection with this Plan or in any settlement agreement approved during the Bankruptcy Case, all Causes of Action or Claims accruing to the Debtor or the Estate shall remain Assets of and vest in the Reorganized Debtor whether or not litigation relating thereto is pending on the Effective Date, and whether or not any such Claims or Causes of Action have been listed or referred to in the Plan, the

Disclosure Statement, or any other document filed with the Court, and the Debtor does not waive, release, relinquish, forfeit, or abandon (nor shall it be estopped or otherwise precluded or impaired from asserting) any Claims, Causes of Action, or defenses that constitute property of the Estate. Any recovery from any Avoidance Action or other Cause of Action shall not augment or otherwise increase any distributions provided for under the Plan.

5.8. Reservation of Rights Under Section 1129(b). The Debtor expressly reserves the right to request the Court to confirm this Plan under Section 1129(b) of the Bankruptcy Code if all of the applicable requirements of Section 1129(a) of the Bankruptcy Code have been met, other than those of Section 1129(a)(8). In connection with such a request the Debtor may seek permission to modify the Plan. Further, the Debtor reserves the right to request that the Court strike any rejection of the Plan under 1126(e) of the Bankruptcy Code by any holder of a Claim where such rejection is not in good faith.

5.9. No Waiver of Claims. Neither the failure to list a Claim in the Schedules filed by the Debtor, the failure of the Debtor or any other Person to object to any Claim for purposes of voting, the failure of the Debtor or any other person to object to a Claim or Administrative Expense before Confirmation or the Effective Date, the failure of any person to assert a Claim or Cause of Action before Confirmation or the Effective Date, the absence of a proof of Claim having been filed with respect to a Claim, nor any action or inaction of the Debtor or any other person with respect to a Claim or Administrative Expense, other than a legally effective express waiver or release, shall be deemed a waiver or release of the right of the Debtor before or after solicitation of votes on the Plan or before or after Confirmation or the Effective Date to (a) object to or examine such Claim or Administrative Expense, in whole or in part or (b) retain or assign or exclusively assert, pursue, prosecute, utilize, otherwise act or otherwise enforce any Claim or Cause of Action against the holder of any such Claim.

5.10. Disputed Claims. At the time the Debtor distributes payment to a Class in which a member holds a Disputed Claim, the Debtor shall deposit into an escrow account the amount to which the Holder of a Disputed Claim would be entitled if its Claim were allowed in full. Within 30 days after a Disputed Claim becomes an Allowed Claim, the *pro rata* distribution which should have been disbursed to that Claimant had such Claim been an allowed Claim on the date of distribution, shall be paid to such Claimant. After all Disputed Claims have been adjudicated, to the extent that the amounts reserved for payment relating to those Disputed Claims exceed the amount of such Claims as ultimately Allowed, such excess shall be returned to the Reorganized Debtor.

5.11. 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 Order.

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

5.13. Unclaimed Property. Except as provided in the Plan and unless otherwise set forth in this Plan, Unclaimed Property shall be deposited into the registry of the Bankruptcy Court in accordance with the procedures of the Bankruptcy Court for Chapter 7 cases pursuant to Local Bankruptcy Rule 3011-1(B).

5.14. Assumption of Tax Obligations and Administrative Tax Reserve.
The Debtor shall reserve an adequate amount of funds to satisfy the tax obligations.

5.15. Post-Effective Date Fees and Expenses. From and after the Effective Date, the Reorganized Debtor shall, in the ordinary course of its business be authorized to pay the reasonable fees and expenses of Professionals thereafter incurred, including, without limitation, those fees and expenses incurred in connection with the implementation and consummation of the Plan.

5.16. Determination of Tax Liability. The Debtor or Reorganized Debtor, as the case

may be, may seek determination of any tax liabilities pursuant to 11 U.S.C. § 505.

ARTICLE VI
PROVISIONS FOR EXECUTORY CONTRACTS AND UNEXPIRED LEASES

6.1. Rejected Executory Contracts and Unexpired Leases. All executory contracts and unexpired leases of the Debtor's estate not previously assumed or rejected under Section 365 of the Bankruptcy Code with approval of the Bankruptcy Court are deemed rejected as of the date of the Confirmation Hearing. Holders of Claims resulting from rejection pursuant to Section 365 of the Bankruptcy Code shall have 30 days after the earlier of (i) the Effective Date or (ii) the date of an Order granting rejection within which to file any Claim based on such rejection. **THE FAILURE TO FILE SUCH REJECTION CLAIMS SHALL FOREVER BAR SUCH CLAIMS AND THE HOLDERS THEREOF SHALL NOT BE ENTITLED TO ANY DISTRIBUTION UNDER THIS PLAN.**

6.2. Assumed Executory Contracts and Unexpired Leases. The Debtor reserves the right to file motions for the assumption or rejection of any executory contract or unexpired lease at any time prior to the Confirmation Date and to prosecute any such motion to entry of a Final Order anytime thereafter.

ARTICLE VII
REQUEST FOR CONFIRMATION UNDER 11 U.S.C. § 1129(B)

In the event any impaired class of Claims or Interests does not accept the Plan, the Debtor requests that the Court nevertheless confirm its Plan under the provisions of Section 1129(b) of the Bankruptcy Code.

ARTICLE VIII
GENERAL PROVISIONS

8.1. Definitions and Rules of Construction. The definitions and rules of construction set forth in §§ 101 and 102 of the Bankruptcy Code shall apply when terms defined or construed in the Bankruptcy Code are used in this Plan, and they are supplemented by the definitions in Article I.

8.2. Effective Date of Plan. The Effective Date of the Plan is December 28, 2017.

8.3. 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.

8.4. 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 entity.

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

8.6. 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 Florida govern this Plan and any agreements, documents, and instruments executed in connection with this Plan, except as otherwise provided in this Plan.

ARTICLE IX DISCHARGE, RELEASES, AND INJUNCTIONS

9.1. Discharge of Debt. Upon the Effective Date, the Debtor shall be fully and completely discharged to the fullest extent permitted by Sections 1141 and 524 of the Bankruptcy Code, from all Claims, debts and liabilities against the Debtor arising before the Effective Date, except as specifically provided by the Plan.

9.2. Releases. As of the Effective Date, except for the Debtor's express obligations respecting distributions herein and Claims reserved by the Debtor to be pursued under the Plan, the Debtor and the Reorganized Debtor, and their respective present and former managing members, officers, directors, parents, subsidiaries, predecessors, successors, employees, partners, principals, and their respective heirs, executors, administrators, professionals, successors, and assigns, are hereby released and discharged from any and all claims, causes of action, demands, liabilities, losses, damages, whether known

or unknown, under federal, state or other law, that arose prior to the Effective Date in connection with any matter arising from or relating to the Debtor, except for any acts or omissions resulting from fraud or gross negligence.

9.3. Injunction. Except as otherwise provided under the Plan, As of the Effective Date, any person who holds or who has held a Claim against or Interest in the Debtor shall be permanently enjoined from commencing or continuing any action, employment of process, or act to collect, offset, avoid or recover any Claim against the Debtor, the Reorganized Debtor, their respective present and former managing members, officers, directors, parents, subsidiaries, predecessors, successors, employees, partners, principals, and their respective heirs, executors, professionals, administrators, successors, and assigns.

ARTICLE X
RETENTION OF JURISDICTION BY THE BANKRUPTCY COURT

The Bankruptcy Court shall retain jurisdiction of these proceedings after Confirmation for the following purposes:

- a. To enable the Debtor to consummate the Plan and any amended or modified Plan and to resolve any disputes arising with respect thereto;
- b. To enable the Debtor to consummate any and all proceedings that it may bring prior to the entry of the Confirmation Order;
- c. To determine all controversies relating to or concerning the classification, subordination, allowance, valuation or satisfaction of Claims;
- d. To liquidate or estimate for purposes of allowance all contested, contingent or unliquidated Claims;
- e. To determine the validity, extent and priority of all liens, if any, against property of the Estate;
- f. To determine any assertions or an ownership interest in, the value of, or title to, any property of the Estate;

- g. To determine any objections to Administrative Claims;
- h. To determine any (i) adversary proceedings, contested or litigation matters brought before the Bankruptcy Court and (ii) Estate Claims or Causes of Action asserted by the Debtor or the Reorganized Debtor;
 - i. Without limiting the generality of the preceding paragraph, to determine any Avoidance Action brought by the Debtor;
 - j. To determine all controversies arising out of any purchase, sale, or contract made or undertaken by the Debtor prior to the Confirmation Date;
 - k. To enforce all agreements assumed, if any, and to recover all property of the estate, wherever located;
 - l. To determine any tax liability of the estate in connection with the Plan, actions taken, distributions or transfers made thereunder;
 - m. To enforce any and all injunctions created pursuant to the terms of the Plan;
 - n. To modify the Plan or to remedy any defect or omission or reconcile any inconsistencies in the Plan either before or after the entry of the Confirmation Order;
 - o. To hear and determine all controversies, suits, and disputes that may arise in connection with the interpretation or enforcement of the Plan;
 - p. To make such orders as are necessary or appropriate to carry out the provisions of the Plan.

ARTICLE XI
MODIFICATIONS TO THE PLAN

The Debtor may propose amendments or modifications to the Plan at any time prior to the Confirmation Date without leave of the Bankruptcy Court. After the Confirmation Date parties-in-interest may, with Bankruptcy Court approval and so long as it does not materially or adversely affect the interests of Creditors, remedy any defect or omission or reconcile any inconsistencies in

the Plan or in the Confirmation Order in such manner as may be necessary to carry out the purposes and intent of the Plan.

ARTICLE XII
AMENDMENT OF CLAIMS

Claimants shall not be permitted to amend or otherwise modify any Claim after the Confirmation Date without leave of the Bankruptcy Court.

Respectfully submitted on October 2, 2017

P.D.L., INC.

By: _____
Edmundo Ponce de Leon, President

By: /s/Ariel Sagre
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