

**IN THE UNITED STATES BANKRUPTCY COURT FOR THE
DISTRICT OF MARYLAND**

IN RE:

RAMOS REALTY, LLC

DEBTOR-IN-POSSESSION

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CHAPTER 11

CASE NO.: 16-23901DER

**Disclosure Statement
Describing Chapter 11 Plan**

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**RAMOS REALTY, LLC
DATED APRIL 10, 2017**

Ramos Realty, LLC, Debtor herein submits the following as their Disclosure Statement.

I. INTRODUCTION

This is the disclosure statement (the “ Disclosure Statement”) in the chapter 11 case of RAMOS REALTY, LLC (the “Debtor”). This Disclosure Statement contains information about the Debtor and describes Chapter 11 Reorganization Plan (the “Plan”). Your rights may be affected. You should read this Disclosure Statement carefully and discuss them with your attorney. If you do not have an attorney, you may wish to consult one.

The proposed distributions under the Plan are discussed at pages 6-24 of this Disclosure Statement. General unsecured creditors are classified in Class 2, and will receive a distribution of 100% of their allowed claims if approved after objection to proof of claim, paid over five-year period starting one month after the effective date of

the Plan.

A. Purpose of This Document

This Disclosure Statement describes:

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

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

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

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

1. Time and Place of the Hearing to Finally Approve This Disclosure

Statement and Confirm the Plan:

The hearing at which the Court will determine whether to approve this Disclosure Statement and confirm the Plan will take place on the date and time set by the Court, United States Bankruptcy Court for the District of Maryland, 101 W. Lombard Street, Baltimore, Maryland 21201.

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

If you are entitled to vote to accept or reject the plan, vote on the enclosed ballot and return the ballot in the enclosed envelope to Jasmin M. Torres, Esquire TORRES & ASSOCIATES, LLC, 711 St. Paul Street, Baltimore, MD 21202, the Debtor's counsel, on or before the date set forth in the Order Approving Disclosure Statement and Fixing Time. When and if such Order is entered by the Bankruptcy Court, all parties entitled to vote on the Plan will receive a copy thereof.

3. 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 and served upon Jasmin M. Torres, Esquire TORRES & ASSOCIATES, LLC, 711 St. Paul Street, Baltimore, MD 21202, the Debtor's counsel, on or before the date set forth in the Order Approving Disclosure Statement and Fixing Time. All parties entitled to vote on the Plan will receive a copy thereof.

4. Identity of Person to Contact for More Information

If you want additional information about the Plan, you should contact Jasmin M. Torres, Esquire TORRES & ASSOCIATES, LLC, 711 St. Paul Street, Baltimore, MD 21202, Phone (410) 262-0243.

C. Disclaimer

NO REPRESENTATION CONCERNING THE DEBTOR, ITS BUSINESS OPERATIONS, ITS PROPERTY OR THE VALUE OF ITS PROPERTY HAS BEEN AUTHORIZED EXCEPT AS SET FORTH IN THIS DISCLOSURE STATEMENT, ANY REPRESENTATION MADE BY OR FOR THE DEBTOR TO SECURE AN ACCEPTANCE OF THE PLAN, OTHER THAN CONTAINED IN THIS DISCLOSURE STATEMENT, IS UNAUTHORIZED AND IMPROPER AND SHOULD NOT BE RELIED UPON.

THE DEBTOR HAS ATTEMPTED TO ASSEMBLE ACCURATE INFORMATION FOR THIS DISCLOSURE STATEMENT, NEVERTHELESS, THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS NOT BEEN SUBJECT TO A CERTIFIED AUDIT AND SOME OF THE INFORMATION INVOLVES ESTIMATES AND PROJECTIONS ALTHOUGH GREAT EFFORT HAS BEEN MADE TO BE ACCURATE, THE DEBTOR IS UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN IS WITHOUT INACCURACY. FURTHERMORE, THE DEBTOR'S COUNSEL MAKES NO REPRESENTATION WHATSOEVER IN CONNECTION HEREWITH.

II. BACKGROUND

A. Description and History of the Debtor's Business

The Debtor is an individual and sole owner of Ramos Realty, LLC, a Maryland limited liability company registered at 118 Cherry Valley Road, Baltimore, Maryland 21136. Ramos Realty, LLC is a real estate construction and management company developing and rehabbing properties in the state of Maryland and throughout the east coast.

At this time, Ramos Realty, LLC does not have any partners or members as Debtor owns and controls 100% of Ramos Realty, LLC. Currently, Ramos Realty, LLC, has no employees but sometimes work with independent contractors. Debtor's income is derived from Ramos Realty, LLC and other sub-contracting agreements he enters into with clients. Prior to debtor filing bankruptcy in October 18, 2016, there was

substantial reduction in Debtor's income due to the economy and bad investments. Debtor owned approximately six real property ranging from commercial to residential. The six (6) properties were not all owned nor titled in the name of Ramos Realty, LLC. Some were owned and titled under the managing member's other entities such as, but not limited to Ramos Realty, Inc. and G and N, LLC. The properties have all been foreclosed on with the exception 116 S. Chapel Street, Baltimore, MD 21224 which is presently underwater. The primary reason for the Debtor filing for Bankruptcy was due to the economy and foreclosure on managing member's residential and commercial investment properties. Ramos Realty, LLC owned 129 W. Broadway, Baltimore, MD 21231, which was foreclosed by the lender for defaulting on the loan payments.

B. Management of the Debtor Before and During the Bankruptcy

During the two years prior to the date on which the bankruptcy petition was filed, the Debtor was in control of his financial affairs and that of his business, Ramos Realty LLC.

An Official Committee of Unsecured Creditors was not or has not been formed in this case.

C. Events Leading to Chapter 11 Filing

Debtor's income is primarily derived from Ramos Realty, LLC. Prior to debtor filing bankruptcy in October 18, 2016, Ramos Realty, LLC had significant cash flow constraints resulting in the failure to pay the mortgage on 116 S. Chapel Street, Baltimore, MD 21224 and 129 S. Broadway, Baltimore, MD 21231. 129 W. Broadway along with other properties owned by other entities were foreclosed.

D. Significant Events During the Bankruptcy Case

The following is a chronological list of significant events which have occurred during this case: Case was filed on October 18, 2016.

On April 29, 2016, Debtor's attorney filed a motion for Application to Employ Jasmin M. Torres, Esquire TORRES & ASSOCIATES, LLC, 711 St. Paul Street, Baltimore, MD 21202. The order granting motion is pending.

Since the filing of bankruptcy, the main source of income has not changed. The debtor's business income and expenses for 2013, 2014, and 2015 are contained in the tax returns already filed with the Court and available for inspection upon request by a creditor. Debtor's income and expenses for first quarter of 2016 are filed and is a part of the record. Based on the filed monthly operating report, the net income flowing to the debtor from the business is approximately \$1,500.00 and payment of \$2,505.00 of income from other jobs such as sub-contractor.

Currently, there are no adversary proceedings or motions pending before the Court.

E. Projected Recovery of Avoidable Transfers

Debtor did not make any transfers within 90 days before the filing of the bankruptcy and the Debtor did not make any transfers to insiders within one year immediately preceding the commencement of the bankruptcy.

F. Claims Objections

Except to the extent that a claim is already allowed pursuant to a final non-

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

G. Current and Historical Financial Conditions

The identity and fair market value of the estate's assets are:

(1) 116 S. Chapel Street, Baltimore, Maryland 21224 is a single family rental property owned my entity. The property is currently occupied with long term tenant. The approximate value of property is \$115,000.00. The value of the property based on Maryland State Department of Taxation and Zillow. The property is upside down and does not have any equity, as presently, the mortgage including late fees is \$176,000.00. properties for sale is also lower than projected market value.

This property is secured by liens by Midstate Community Bank, formerly known as Midstate Federal Savings and Loan Association \$167,378.78.

At the time of the filing of the bankruptcy the debtor had \$100.00 in their checking account;

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

A. Purpose of the Plan of Reorganization.

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

confirmed, your recovery will be limited to the amount provided by the Plan.

B. Unclassified Claims

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

1. Administrative Expenses

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

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

Type	Estimated	Proposed Treatment
	Amount Owed	
Expenses Arising in the Ordinary Course of Business After the Petition Date	None	Paid in full when due.
The Value of Goods Received in the Ordinary Course of Business Within 20 Days Before the Petition	None	Paid in full on the effective date of the Plan.

Date		
Professional Fees, as approved by the Court.	\$5,000.00 Estimate	Paid according to court order if such fees have not been approved by the Court on the effective date of the Plan
Clerks Office Fees	None	Paid in full on the effective date of the Plan
Other administrative expenses	None	Paid in full when due or on the effective date of the Plan or according to separate written agreement
Office of the U.S. Trustee Fees	\$ 5,000.00 Estimated	Paid in full when due or on the effective date of the Plan.
TOTAL		
	\$10,000.00	

2. Priority Tax Claims

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

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

Description (name and Type of Tax)	Estimated Amount Owed	Date of Assessment	Treatment
Income Tax	\$600.00		\$100.00 per month starting

C. Classes of Claims and Equity Interests

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

3.01. Class 1- Secured Claims

Class 1A: The following are secured claims to a property the debtor:

Midstate Community Bank
\$167,378.78 (Prepetition \$49,381.36)
116 S. Chapel Street, Balt, MD

unimpaired

Treatment:
**To be paid in plan
within petition.**

Class 1B: The following are secured claims in which Debtor will abandon his interest in the collateral:

None are applicable at this time.

Class 1C: The following are secured claims on Debtor's principal residence.

Debtor's principal's residence is current.

3.02. Class 2 Unsecured Claims.

Debtor presently does not have any unsecured claims.

Class 2B: the following creditors are members of this class consisting of disputed debts that has been assigned and/or sold to third parties:

Presently there are none under this classification.

4. Class of Equity Interest Holders

Equity interest holders are parties who hold an ownership interest (i.e., equity

interest) in the Debtor. There are no equity interest holders.

D. Means of Implementation of the Plan

1. Source of Payments

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

The Plan will be funded by the following: (1) income from debtor's business and social security payments. Although, Debtor's business income has been drastically reduced this year, Debtor expects an increase in his business income. Moreover, based on the plan monthly payments, it is expected that debtor's income would be sufficient to make all payments in the plan.

2. Post-confirmation Management

The Debtor would manage their affairs Post-Confirmation

E. Risk Factors

The proposed Plan has the following risks:

The Plan as proposed has the risk that payment dependent on income from the operation of Ramos Realty, LLC is based on the projection of the income from the business would be sufficient to meet the obligations set forth in the plan. The Debtor will make the monthly mortgage payment from the rental income.

F. Executory Contracts and Unexpired Leases

The Debtor hereby assumes all executory contracts that have not previously been rejected or terminated.

G. Tax Consequences of Plan

Creditors and Equity Interest Holders Concerned with How the Plan May Affect Their Tax Liability Should Consult with Their Own Accountants, Attorneys, And/Or Advisors. The following disclosure of tax consequences is intended solely for the purpose of alerting readers about possible tax issues this plan may present to the Debtor. The proponent CANNOT and DOES NOT represent that the tax consequences contained below are the only tax consequences of the Plan because the Tax Code embodies many complicated rules which makes it difficult to state completely and accurately all the tax implications of any action.

IV. CONFIRMATION REQUIREMENTS AND PROCEDURES

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

A. Who May Vote or Object

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

Many parties in interest, however, are not entitled to vote to accept or reject the

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

1. What is an Allowed Claim or an Allowed Equity Interest?

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

The deadline for filing a proof of claim in this case was August 1, 2016 for Non-Governmental entities.

2. What is an Impaired Claim or Impaired Equity Interest?

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

3. Who is Not Entitled to Vote

The holders of the following five types of claims and equity interests are not

entitled to vote:

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

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

4. Who Can Vote in More Than One Class

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

B. Votes Necessary to Confirm the Plan

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

I. Votes Necessary for a Class to Accept the Plan

A class of claims accepts the Plan if both of the following occur: (1) the holders of more than one-half ($1/2$) of the allowed claims in the class, who vote, cast their votes to

accept the Plan, and (2) the holders of at least two-thirds (2/3) in dollar amount of the allowed claims in the class, who vote, cast their votes to accept the Plan.

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

2. Treatment of Nonaccepting Classes

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

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

C. Liquidation Analysis

To confirm the Plan, the Court must find that all creditors and equity interest holders who do not accept the Plan will receive at least as much under the Plan as such claim and equity interest holders would receive in a chapter 7 liquidation.

The total property of debtor	\$115,000.00
Less:	
Property securing Debt	\$167,378.78
Exempted Property	\$0.00

=Value of debtor's interest in non-exempt property	\$0.00
+ Value of property recoverable under avoiding powers	\$0.00
-Estimated Chapter 7 administrative expenses	\$5,000.00
-Amounts payable to priority creditors (other than cost of administration)	\$600.00
= Estimated amount payable to unsecured creditors if Chapter 7 filed	\$0.00

This analysis is based on the assumption that the Debtor's business could be liquidated, therefore the proposed 100% payment to unsecured creditors would be in the best interest of creditors.

D. Feasibility

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.

1. Ability to Initially Fund Plan

Debtor based on the projection and net business income, Debtor will have enough cash on hand on the effective date of the Plan to commence payment of the \$916.23 monthly payment.

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

The Debtor will have the ability to make future payments based on the previous financial history of his company and business prospects. The sale of the property that caused him to file Chapter 11 Bankruptcy will resolve most of his financial issues.

V. EFFECT OF CONFIRMATION OF PLAN

A. *Binding Effect*

On or after the Confirmation Date, the provisions of the Plan shall bind any

holder of a Claim against, or an interest in, the Debtor, whether or not such Claim or interest of such holder is impaired under the Plan and whether or not such holder has accepted the Plan

B. Discharge.

Except as otherwise provided in the Plan or in the Confirmation Order, confirmation of the Plan shall constitute an injunction against action by or on behalf of the holder of any Claim so discharged seeking to collect a Claim in any manner other than as specified in the Plan.

C. Modification of Plan

Debtor may modify the Plan at any time before confirmation of the Plan. However, the Court may require a new Disclosure Statement and/or re-voting on the Plan. Debtor may also seek to modify the Plan at any time after confirmation only if (1) the Plan has not been substantially consummated and (2) the Court authorizes the proposed modifications after notice and a hearing.

D. Closing Case

Once all disputed claims filed against the Debtor have become allowed Claims or have been disallowed by Final Order, and all distributions required pursuant to the Plan have commenced, the Debtor may move the Court to close case in accordance with the Bankruptcy Code and the Bankruptcy Rules.

Respectfully submitted,
TORRES & ASSOCIATES, LLC

/s/Nicholas Ramos/s/
Ramos Realty, LLC

By: /s/Jasmin M. Torres
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