

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

BALTAZAR NEGRON SOTO

CASE NO. 14-08847

DEBTOR(S)

CHAPTER 11

**AMENDED DISCLOSURE STATEMENT
FOR PLAN OF REORGANIZATION DATED ~~JULY 8~~AUGUST 29, 2016**

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This Disclosure Statement is being filed in connection with the Plan of Reorganization dated August 26, 2015 (the "Plan") for the Individual Chapter 11 Debtor, Baltazar Negron Soto. A copy of the Plan is attached hereto as **Exhibit A**.

ARTICLE 1. SUMMARY OF PLAN

The Debtor submits the following summary of the Plan (the "Summary") that sets forth the nature of the Plan and includes a clear description of the exact proposed treatment of each Class of Creditors; shows total amounts and timing of payments to be made under the Plan and all sources and amounts of funding thereof; as well as plainly identifies all Class of Creditors, the composition of each Class, the amount of Claims, and the property to be received by each Class, accordingly:

1.1. Debtor: Baltazar Negron Soto

1.2. General Purpose: This Plan consists of one (1) class of Secured Claims, one (1) Class of General Unsecured Claims, and Priority Tax Claims which are not classified in the Plan. The purpose of this Plan is to reorganize secured, unsecured and priority claims against the Debtor and the Debtor's real and personal properties.

The Debtor is an Individual. The Debtor generates income from three sources: (a) the Debtor's management and ownership interest of Funeraria Ebenezer, (b) income which is paid to the Debtor from the Ministry of Iglesia De Dios Restaurando La Familia, and (c) rental income generated by the Debtor's Commercial Property.

The Debtor owns two significant business assets. First, the Debtor owns a 100% interest in the shares of Funeraria Ebenezer (hereinafter, referred to as the "Funeraria"). Funeraria, which is managed and operated by the Debtor, is a corporation dedicated to funeral services. Funeraria does not own any real property. The Debtor also owns an investment real property located at: Calle 601 Bloque 222 Casa 15 Villa Carolina, Carolina, PR (the "Investment Property" and/or "Commercial Property"). Additionally, the Debtor also owns the real property located at Bloque 142 Calle 412 #13 Villa Carolina, Carolina, PR, which is Debtor's Primary Residence (the "Primary Residence"). The Primary Residence is owned by the Debtor free and clear of any liens and/or encumbrances.

1.3 Classification, Treatment of Creditors and Distributions to Claims and Interests: The Plan consists of two (2) classes of creditors, one (1) class of equity holders, and Priority Tax Claims, which are not classified in this Plan. The Classes of Creditors are:

1.3.1 Rushmore Secured Claim (Class 1): Class 1 consists of the Allowed Secured Claim of Rushmore Loan Management Systems LLC ("Rushmore") (POC #4), if any, which is allegedly secured by a pre-petition first mortgage lien which encumbers the Commercial Property.

1.3.2 General Unsecured Claims (Class 2): Class 2 Claims consist of: (a) the pre-petition unsecured claims against the Debtor, to the extent Allowed, if any. It is anticipated that the Claims filed pursuant to Class 2 will result in Allowed Class 2 Claims in the approximate amount of \$105,~~127.81~~000.00.

1.3.3 Equity Interests (Class 3): This Class consists of the Debtor's right to retain the Property.

1.4. **Term:** The Term of the Plan is thirty (30) years.

1.5. **Plan Funding:** As set forth in more detail in the Five Year Cash Flow Statement attached as **Exhibit B**, the Plan will be funded by and through: (a) the Debtor's cash reserves as of the Effective Date of the Plan, (b) the future cash flows generated by the rental of the Commercial Property; (c) income generated from the Debtor's ownership of Funeraria; and (d) income received by the Debtor for his services as a minister and preacher of Iglesias de Dios.

1.6. **Effective Date:** The Effective Date of the Plan will be the 10th day following the day this Honorable Court enters an Order of Confirmation, unless the Confirmation Order is stayed pending appeal, in which case the Effective Date shall be the first day, other than a Saturday, Sunday or legal holiday enumerated in Bankruptcy Rule 9006(a), after such stay is dissolved, vacated or expires.

1.7. **Voting:** Those creditors entitled to vote on the Plan should complete the enclosed ballot and return it to Condominio Midtown 420 Ponce de Leon Ave., San Juan, PR 00918. Ballots must be received on or before _____ at _____ p.m. EST. Only those ballots returned in a timely manner and in accordance with the accompanying notice and instructions will be counted in determining whether a particular Class of creditors has accepted or rejected the Plan. Acceptance of the Plan by a Class of Claims requires accepting votes by (1) more than half of the voting creditors of such class, and (2) holders of claims totaling at least two thirds of the total amount of claims held by voting creditors of such class. Acceptance of the Plan by a class of Interest requires acceptance by at least two-thirds (2/3) in amount of the allowed Interests of such class that have voted to accept or reject the Plan.

1.8. **Hearing:** On _____ at _____ a.m. the Confirmation Hearing shall be held before the Honorable Mildred Caban Flores at the United States Bankruptcy Court, District of Puerto Rico, José V. Toledo Federal Building & US Courthouse 300 Recinto Sur Street, Courtroom #3, San Juan, Puerto Rico 00901 (the "Confirmation Hearing"). The last day for filing and serving written objections to the disclosure statement and confirmation of the plan shall be _____ at _____ p.m..

1.9. **Additional Information:** Request for information regarding the Plan or the Disclosure Statement should be directed to counsel for Debtor as follows:

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1.10. **Liquidation Value:** A Liquidation Analysis is attached hereto as **Exhibit C**. It shows that in a hypothetical liquidation of the Debtor's assets under Chapter 7 there would be less than \$3,607.54 to distribute to unsecured creditors. If any creditor and or creditors are deemed the holders of an Allowed General Unsecured Claim, this Plan proposes to distribute to the class of general unsecured creditors a ~~+3.004.2~~% distribution or \$4,500.00 on account of their Allowed

General Unsecured Claims. But in no case will such distribution be less than \$3,607.54 and/or the amount of Allowed General Unsecured Claims whichever is less.

1.10 **Disposable Income:** A Disposable Income Analysis is attached hereto as **Exhibit D**. It shows that Debtor's monthly disposable income, if projected over 60 months pursuant to 11 U.S.C. § 1129(a)(15), would not result in a distribution to unsecured creditors.

1.10 **Tax Consequences:** The confirmation and execution of the Plan may have tax consequences to holders of Claims. The Debtor does not offer any opinion as to any federal, state, local or other tax consequences to holders of Claims as a result of the Confirmation of the Plan. All holders of Claims are urged to consult their own tax advisors with respect to the federal, state, local and foreign tax consequences of the Plan. **THIS DISCLOSURE STATEMENT IS NOT INTENDED, AND SHOULD NOT BE CONSTRUED, AS LEGAL OR TAX ADVICE TO ANY CREDITOR.**

1.11 **Disbursing Agent.** Baltazar Negron Soto shall be the disbursing agents for Plan payments.

1.12 **Executory Contracts.** The Debtor rejects any executory contract or lease not specifically assumed in the attached **Exhibit A** to the Plan. Any counter-party to the executory contracts listed therein, may, within 30 days after the Confirmation Date, file a proof of claim for damages for any amount of damages allegedly resulting from the rejection of the contract. Any rejection damages arising pursuant to a notice of rejection of a contract or lease shall constitute a Class 2 Claim to the extent they become Allowed Claims.

ARTTICLE 2 THE PURPOSE OF THE DISCLOSURE STATEMENT AND THE PLAN CONFIRMATION PROCESS

The purpose of this Disclosure Statement is to provide each creditor with a description of the Plan as an aid in making an informed decision to accept or reject the Plan. Each impaired creditor is entitled to vote to accept or reject the Plan. **THE DISCLOSURE STATEMENT PROVIDES A BRIEF SUMMARY OF THE PLAN AND OTHER INFORMATION WITH RESPECT THERETO AND IS NOT INTENDED TO TAKE THE PLACE OF THE PLAN. EACH CREDITOR IS URGED TO STUDY THE PLAN IN FULL AND TO CONSULT WITH COUNSEL WITH RESPECT TO THE PLAN AND ITS EFFECT ON HIS/HER RIGHTS.**

The court will set a date for a hearing on the confirmation of the Plan. Creditors may vote on the Plan by filling out and mailing the accompanying Ballot for accepting or rejecting the Plan to: **The Batista Law Group, PSC.**, Condominio Midtown 420 Ponce de Leon Ave. Suite 901, San Juan, PR, 00918. In order for the Plan to be accepted, claimants holding at least two thirds in amount and more than one half in numbers of the allowed claims in Classes 1 through 4 who vote, must vote in favor of the Plan. The Plan may be confirmed with the acceptance of one Class of Claimants as described hereinafter.

NO REPRESENTATIONS CONCERNING THE DEBTOR ARE AUTHORIZED OTHER THAN AS SET FORTH IN THIS STATEMENT. ANY REPRESENTATIONS OR INDUCEMENTS MADE TO SECURE YOUR ACCEPTANCE, WHICH ARE OTHER THAN AS CONTAINED IN THIS STATEMENT, SHOULD NOT BE RELIED UPON BY

YOU IN ARRIVING AT YOUR DECISION, AND SUCH ADDITIONAL REPRESENTATIONS AND INDUCEMENTS SHOULD BE REPORTED TO THE OFFICE OF THE UNITED STATES TRUSTEE WHICH, IN TURN, SHALL DELIVER SUCH INFORMATION TO THE BANKRUPTCY COURT FOR SUCH ACTIONS AS MAY BE DEEMED APPROPRIATE. THE INFORMATION CONTAINED HEREIN HAS NOT BEEN SUBJECT TO A CERTIFIED AUDIT. THE DEBTOR DOES NOT WARRANT OR REPRESENT THE INFORMATION CONTAINED HEREIN IS WITHOUT ANY INACCURACY ALTHOUGH CONSIDERABLE EFFORT HAS BEEN MADE TO BE ACCURATE.

The Debtor has proposed this Plan of Reorganization in good faith and in compliance with the applicable provisions of the Bankruptcy Code. In a reorganizing Plan, if the Plan has been accepted by one impaired class, but all impaired classes have not accepted the Plan, the Court would normally determine whether to cram the plan down on the dissenting class or classes. The Court can only do this if the Plan does not discriminate unfairly as to each class of claims, and if the Plan is fair and equitable as to each class of claims. Whether a Plan is fair and equitable as to a class of claims is determined by the standards set out in § 1129(b)(2) of the Bankruptcy Code. In the Plan submitted by the Debtor, there are 2 impaired classes. Therefore, the “cram down” provisions of the bankruptcy code could be applied against a rejection class or classes of creditors. Regardless of the results of voting under any class of claims, the Debtor will ask the Court to confirm the Plan of Reorganization and find that the Plan does not discriminate unfairly and is fair and equitable with respect to the rejection creditors described in such cases.

ARTICLE 3. FINANCIAL INFORMATION RESPECTING DEBTOR

3.1 Description of the Debtor and His Business

The Debtor is an individual whose primary sources of income are: (a) the rental income generated by the Commercial Property, (b) the income generated from Self-employment as the owner of Funeraria Ebenezer, and (c) the income generate from Debtor’s professional services as a preacher. The Debtor’s primary assets are the Debtor’s Primary Residence and the Commercial Property. The Commercial Property consists of a building with rental spaces that generates monthly rental income in the amount of \$1,650.00 per month. The market value of the Commercial Property is \$180,000.00. The Primary Residence is located in Villa Carolina, Puerto Rico. The same is valued at approximately \$90,000.00, is owned free and clear, but subject to the Debtor’s claim homestead exemption.

3.2 Debtor’s assets and Liabilities:

As of the Petition Date, the Debtor’s Assets and Liabilities reflected Assets in the amount of \$282,165.00 and Liabilities in the amount of \$285,052.40. See, **Exhibit E**, Summary of Schedules, Schedules A, B, D, E, F, I and J.

The Debtor’s assets include: (a) Debtor’s Primary Residence valued at \$90,000.00 and (b) the Commercial Property valued at \$180,000.00. In addition, the Debtor scheduled miscellaneous personal property valued at \$12,165.00 which includes the value of the Debtor’s capital stock in Funeraria.

The Debtor’s liabilities are composed of claims of Secured Claims are limited to claims which are secured by the Debtor’s real and personal property as well as approximately \$105,000.00

in general unsecured claims. Specifically, the secured claims include: (a) a first mortgage in the amount of \$160,000.00, filed by Rushmore, which is allegedly secured by a pre-petition lien on the Commercial Property. General Unsecured Claims are estimated in the approximately amount of \$105,000.00. See, **EXHIBIT F**, Charts of Claim.

3.3. Factors Leading to Chapter 11:

The Bankruptcy Petition in this case was filed to stay three legal actions which were pending against the Debtor. Specifically, Rushmore, Banco Bilbao Viscaya and Antonio Flores had commenced legal actions to collect on alleged pre-petition mortgage arrears and unsecured obligations. The alleged pre-petition mortgage arrears were caused, amongst other reasons, by a decrease in the income the Debtor generates from the Funeraria.

To accommodate these obligations, the Debtor sought bankruptcy protection. Here, the Debtor seeks to reorganize the secured debt with Rushmore and Banco Bilbao Vizcaya, as well as all other unsecured creditors.

3.4. Best Interest of Creditors Test

3.4.1 **Liquidation Analysis:** The Debtor's primary assets are: (a) Debtor's Primary Residence, which is owned free and clear of any liens and/or encumbrances; and (b) the Commercial Property. The value of the Primary Residence is \$90,000.000 and the value of the Commercial Property is estimated at \$180,000.00. The Primary Residence is exempt property under applicable provisions of Puerto Rico law. The Commercial Property, on the other hand, is encumbered by a mortgage lien ~~in the favor of~~. The mortgage lien which encumbers the Commercial Property totals approximately \$160,000.00. Additionally, the Debtor also own miscellaneous personal property with an estimated value of \$12,165.00.

Attached hereto, as **Exhibit C**, is a Liquidation Value Analysis. This analysis of the Debtor's Assets and Liabilities reveals a Net Liquidation Value of less than \$3,607.54.

3.4.2 **Best Interest Test:** In this case, the Debtor believes that Creditors, particularly Creditors holding Class 2 Allowed General Unsecured Claims, if any, will fare no better in a Chapter 7 liquidation that they will under the Plan if the Plan is confirmed.

In a hypothetical Chapter 7 scenario liquidation of the Debtor's real properties would not result in a distribution to unsecured creditors. First, after allowances for expenses, costs and potential discounts related to a distressed sale of the Commercial Property, the secured creditor will not realize a sufficient amount to satisfy the secured claims. Therefore, general unsecured creditors would not receive a distribution from the liquidation of the Commercial Property. The Primary Residence, on the other hand, is owned free and clear. This Primary Residence, however, is an exempt asset; thus, general unsecured creditors will not receive a distribution from the liquidation of this asset either.

In this Case, the Debtor believes that unsecured creditors will fare better under the Plan than in a hypothetical Chapter 7. In this case, creditors with Allowed General Unsecured Claims will receive a distribution equal to 4.2% of its claim but in no case will the distribution be in an amount less than \$3,607.54. As such, if unsecured claims are Allowed in this Case, such creditors will receive no less under this Plan that they would receive in a hypothetical Chapter 7 liquidation. In addition, here, they will receive said sum without having to incur in the collection costs they would hypothetically have to incur in order to collect a lesser amount if the case was dismissed or converted.

3.5 Post-Petition Financial Condition and Post-Petition Monthly Operating Statements.

After the Case was filed, on October 28, 2014, the Debtor opened his DIP bank account.

The Debtor's sources of income, post-petition, have been: (a) rental income, (b) income generated from Debtor's self-employment, and (c) income from church as a preacher.

The Debtor's expenses, post-petition, have primarily been his household expenses. The Debtor's post-petition household expenses are consistent with the Debtor's pre-petition expenses as reflected in the filed Scheduled J.

3.6 Cash Flow Projections.

Debtor's Cash Flow Projections are attached hereto as **Exhibit B**. The Debtor estimates that the last distribution under the Plan will be on the 360th month following the Effective Date of the Plan.¹

The Debtor's projections are based on the Debtor's post-petition efforts to reorganize his financial affairs. Post-petition, the Debtor has invested into the improvements of two Units in his Commercial Property. As a result, the Debtor projects that the Commercial Property will generate rents from: -(a) a barber, at \$700.00 per month, (b) a Church, at \$500.00 per month, and (c) a one bedroom apartment, at \$390.00 per month. Coupled, the Debtor projects rental income of \$1,650.00 per month. Second, post-petition, the Debtor has focused his efforts on improving the operation and income generated by the Funeraria. Specifically, the Debtor moved his business location in April of 2015 and has since worked to re-establish his clientele. Based on his recent efforts, the Debtor projects income of \$1,200.00 per month. In addition, the Debtor projects monthly income from his services as a preacher and a minister equal to \$1,000.00 per month.

Post Confirmation, the Debtor's projected cash-flows demonstrate (a) sufficient cash-flow to satisfy Administrative Claims due on the Effective Date (approximately \$5,500.00 – See, October and November of 2015 in Cash Flow Projections), (b) sustained ability to continue to make payment on the secured debt reorganized through the Plan (See, Class 1 of Projected Cash Flows), and (c) the ability to comply with all other payments scheduled through the Plan (See, Class 2 of Projected Cash Flows).

As explained in further detail herein, the Plan proposes payments and distributions on all Allowed Claims. First, the Debtor's Five Year Cash Flow Projections evidence the Debtor's ability to satisfy all Administrative Claims due on the Effective Date. Specifically, the Debtor's estimates that sometime between the months of October and November, the Debtor will have spent approximately \$5,500.00 to satisfy projected Allowed Administrative Claims relative to Professional Fees. Second, the Cash Flow projections also project the payment of \$133.08 in months #2 through 37 for the payment of Priority Tax Claims. Third, the Secured Class 1 Claims, will be satisfied via principal and interest payment in the amount of \$860.70. The payment is reflected in the Cash-Flow projections commencing on January of 2016, based on an expected confirmation date of December 2015. Additionally, the Cash-Flow projections contemplate the payment of taxes, insurance, vacancy factor, and repairs on this property. This amount is estimated based on a 15.00% Vacancy and repair factor. Class 2 Claims (General Unsecured Claims) are

¹ This Disclosure Statement is drafted on the presumption that this case will be ready for confirmation sometime on or about December 2016.

projected to be satisfied via monthly payments in the amount of \$125.00. *See, **Exhibit B***, Five Year Cash Flow Projections.

ARTICLE 4. CLASSES OF CLAIMS

4.1 Unclassified Claims. Unclassified Claims consist of Administrative Claims and or Priority Tax Claims.

4.1.1 Administrative Claims: In accordance with the scheme of distribution of creditors established by the Bankruptcy Code, Debtor's Chapter 11 Reorganization Plan provides for payment of Administrative Claims which generally consist of professional fees and unpaid expenses of the Debtor which arose subsequent to the filing date of this case. These claims shall be paid either subsequent to an order of the court where so required or in the Debtor's ordinary course of business. With respect to professional fees, the Debtor paid an initial retainer in the amount of \$3,000.00. Since, on August 14, 2015, this Honorable Court entered an Order approving the Debtor's First Application for Fees in the amount of \$5,902.50. *See, Dk. #76*. Once this amount is paid, the Debtor projects that approximately \$5,500.00 will be due to professionals upon the Effective Date of the Plan (\$4,000.00 attorneys and \$1,500.00 accountant). Any U.S. Trustee Fees owed will be paid prior to the Confirmation Order. Each holder of any other administrative expense claim allowed under § 503 of the Code will also be paid in full on the Effective Date of his Plan.

4.1.2 Priority Tax Claims.

a. Description: consists of the Allowed Priority Tax Claim owed to (a) Internal Revenue Services ("IRS"), if any. Pursuant to 11 U.S.C. § 507(a) (8) (A), the IRS has filed a Priority Tax Claim (POC #3) in the approximate amount of \$4,473.59.

b. Treatment: The Priority Tax Claims which are deemed Allowed Claims will be paid in full (100%) the present value of their Claims based on a 4.25% per annual rate of interest. Distributions will commence on 1st day of the first month following the effective date of the Plan and will continue thereafter on a monthly basis until month #37.

4.2 Classified Claims

4.2.1 Cass 1- Rushmore Secured Claim.

a. Description. Class 1 consists of the Allowed Secured Claim of Rushmore (POC #4), if any, which is allegedly secured by a pre-petition first mortgage lien which encumbers the Commercial Property.

b. Treatment by agreement of the Parties. The Allowed Class 1 Claim, if any, will be paid in full over 360 months. The Allowed Secured Class 1 Claim shall be \$160,332.01. The Debtor will satisfy the Allowed Class 1 Claim based on the following terms: (a) monthly payment of principal and interest; (b) payments will commence on the first day of the second month following the Effective Date of the Plan and will continue such payments until the last day of the 360th month following the Effective Date of the Plan; (c) payments will be based on the Allowed Class 1 Claim of \$160,332.01; (d) based on an annual rate of interest of five percent

(5.00%); (e) based on a 360 month amortization schedule; (f) any remaining principal balance owed will be paid in full on or before the last day of the 360th month following the Effective Date of the Plan; (g) the Debtor will maintain payments of property hazard and Taxes on the Commercial Property thru an escrow account which will be calculated by Rushmore. The Allowed Class 1 Claims will be secured by the Commercial Property to the same extent and priority as they had as of the Petition Date.

4.2.2 Class 2 – General Unsecured Claim.

c. **Description.** Class 2 Claims consist of: (a) the pre-petition unsecured claims against the Debtor, to the extent Allowed, if any. It is anticipated that the Claims filed pursuant to Class 2 will result in Allowed Class 2 Claims in the amount of \$~~105,127.81~~~~34,627.81~~.

d. **Treatment:** It is anticipated that the Claims filed pursuant to Class 2 will result in Allowed Class 2 Claims in the amount of \$~~34,627.81~~~~105,127.81~~. The Plan anticipates a ~~134.2~~% distribution on these claims for an approximated -total distribution of \$4,500.00. These claims will be paid via monthly payments in the amount of \$187.50; commencing on the first day of the 37th month following the Effective Date of the Plan and continue through the last day of the 60th month following the Effective Date of the Plan. Payments will be based on principal only, without any payment of interest.

4.2.5 Class 3 – Equity Interest: The Debtor shall retain his interest in the Property.

ARTICLE 5. MEANS OF IMPLEMENTING THE PLAN.

5.1 Funding the Plan.

5.1.1 Sources of Payment. The Plan establishes that the Plan will be funded from the Reorganized Debtor's cash flow generated by the Debtor. It generally consists of the rental income generated by the Commercial Property, the income generated by the Debtor's employment, and the income generated by Debtor's employment as a preacher. The Debtor will contribute his cash flows to fund the Plan commencing on the Effective Date of the Plan and continue to contribute said income through the date that Holders of Allowed Class 1 and 2 Claims receive the payments specified for in the Plan.

5.2 Distributions Under the Plan.

Funds will be distributed on a *pro rata* basis on the Priority Tax Claims. Only one creditor is expected to receive distributions pursuant to Classes 1 or 2.

5.3 Vesting of Assets.

The Plan provides that after the Effective Date of the Plan all of the Debtor's real and personal property will vest in the Reorganized Debtor, free and clear of all liens, claims, interests and encumbrances, except as otherwise provided in the Plan or the Confirmation Order.

5.4 Risk Factors.

When deciding whether to vote for or against the Plan, Creditors should be aware of the following risk factors.

5.4.1 Income Risk.

Although the Debtor believes the Reorganized Debtor will be able to generate sufficient income subsequent to the Effective Date to make payments under the Plan, there is a risk that: (a) the rental income that is projected from the Commercial Property is not generated and thus the Debtor will not achieve the income necessary to enable them to make payments to Creditors.

ARTICLE 6. OPERATION DURING THE CHAPTER 11

On October 28, 2014, the Debtor filed a voluntary petition for relief under Chapter 13 of the United States Bankruptcy Code. On January 12, 2015 this Honorable Court granted the Debtor's Motion to convert the case to Chapter 11. *See*, Dk. #16. Since that time, the Debtor has operated his financial affairs as Debtor and Debtor in Possession.

The 341 Meeting of Creditors was held on February 20, 2015. The last date and time by which general creditors may file a Claim against Debtor was set for March 3, 2015 (the "Bar Date"). The Bar Date for governmental units, as such term is defined under Section 101(27) of the Bankruptcy Code), was set for April 27, 2015. The Debtor's liabilities as set forth in their schedules of liabilities may increase or decrease depending on the amount of Claims which are eventually filed.

The Debtor has closed all pre-petition bank accounts. The real property that required insurance coverage is currently insured. All Monthly Operating Reports, through the month ending June 30, 2015, have been filed. Quarterly Fees payable to the United States Trustee were paid.

ARTICLE 7. CONCLUSION

The Debtor believes that the Plan provides for the maximum recovery for Claim holders. Accordingly, the Debtor believes that approval of the Plan is in the best interest of the Debtor, their estate, and creditors. The Debtor recommends that Claim holders that are impaired vote to accept the Plan.

Respectfully Submitted,

Baltazar Negron Soto
/s/ Baltazar Negron Soto
The Debtor.

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