

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

IN THE MATTER OF

**ENRIQUE RODRIGUEZ NARVAEZ
MYRNA I. RIVERA ORTIZ**

DEBTORS

CASE NO. 15-06277 (EAG)

CHAPTER 11

AMENDED DISCLOSURE STATEMENT

**TO THE HONORABLE COURT
TO CREDITORS
TO OTHER PARTIES IN INTEREST**

Enrique Rodriguez Narvaez and Myrna I. Rivera Ortiz, as debtors in possession, through the undersigned attorney submit their Disclosure Statement as of October 5, 2016, together with the proposed Plan of Reorganization.

Respectfully submitted, in San Juan, Puerto Rico, this 5th day of October 2016.

**WANDA I. LUNA MARTINEZ
PMB 389 PO BOX 194000
SAN JUAN, PR 00919-4000
TEL. (787) 998-2356 FAX (787)200-8837
quiebra@gmail.com**

**/s/ Wanda I. Luna Martinez
WANDA I. LUNA MARTINEZ
USDC-PR 206307**

TABLE OF CONTENTS

1. INTRODUCTION AND BANKRUPTCY PROVISIONS
 - 1.1 BANKRUPTCY CODE PROVISIONS FOR POST PETITION DISCLOSURE
 - 1.2 DISCLAIMER
 - 1.3 VOTING REQUIREMENTS
2. DEBTORS' HISTORY, OPERATIONS AND STRUCTURE
 - 2.1 THE DEBTORS AND THEIR OPERATIONS
 - 2.2 EVENTS LEADING COMMENCEMENT OF CHAPTER 11 CASE
 - 2.3 DATE THE PETITION WAS FILED
 - 2.4 BANKRUPTCY PROCEEDINGS
3. DEBTORS FINANCIAL INFORMATION
 - 3.1 GENERAL FINANCIAL INFORMATION
 - 3.2 ASSETS AND LIABILITIES AS OF PETITION DATE
 - 3.3 PENDING LITIGATION
 - 3.4 LIQUIDATION ANALYSIS
4. SUMMARY OF THE PLAN OF REORGANIZATION
 - 4.1 DESIGNATION OF CLASSES OF CLAIMS AND INTERESTS
 - 4.2 TREATMENT OF CLASSES OF CLAIMS AND INTEREST
 - 4.3 PAYMENT OF UNSECURED PRIORITY GOVERNMENT CLAIMS UNDER
11 USC SECTION 507(a)(8)
 - 4.4 IMPAIRMENT OF EXISTING CLAIMS AND INTERESTS
 - 4.5 DISCHARGE OF CLAIMS
 - 4.6 OBJECTIONS TO CLAIMS

5. OTHER MISCELLANEOUS PROVISIONS

5.1 EXECUTORY CONTRACTS

5.2 MEANS OF EXECUTION OF THE PLAN AND FUTURE MANAGEMENT
OF DEBTOR

5.3 PROVISIONS FOR THE MODIFICATION OF THE PLAN

5.4 CLOSING OF THE CASE

5.5 RETENTION OF JURISDICTION

1. INTRODUCTION AND BANKRUPTCY PROVISIONS

1.1 BANKRUPTCY PROVISIONS FOR POST PETITION DISCLOSURE

Section 1125 of the Bankruptcy Code, 11 USC sec. 1125, requires that debtors make post petition disclosure in the form of a disclosure statement which provides “adequate information” to its creditors before debtor or a party on its behalf may solicit acceptances of a Chapter 11 plan of reorganization. Creditors are urged to consult with their own attorney, or with each other, and to review all of the pleadings and all other documents on file with the US Bankruptcy Court in order to fully understand the disclosure made herein, regarding debtors’ proposed Plan of Reorganization (from hereon referred to as the Plan) and any other pertinent matters in this case. A copy of the Plan is attached to this Disclosure Statement.

1.2 DISCLAIMER

Creditors are advised that the financial information contained in this Disclosure Statement has not been the object of an audit and is not certified by independent public accountants, except where expressly stated otherwise. Debtors do not warrant or represent that the information contained herein is without inaccuracy notwithstanding the efforts to disclose all matters with careful attention to accuracy and completeness.

1.3 VOTING REQUIREMENTS

In order for the plan to be confirmed by the Bankruptcy Court, the Bankruptcy Code requires that the plan be approved by all classes of creditors and interest holders or that the Court find that the Plan is “fair and equitable” as to any dissenting class. As provided by 11 USC 1124, a class of claims or interests is impaired under a plan unless, with respect to each claim or interest of such class, the plan:

- (1) Leaves unaltered the legal, equitable, and contractual rights to which such claim or interest entitles the holder of such claim or interest; or
- (2) Notwithstanding any contractual provision or applicable law that entitles the holder of such claim or interest to demand or receive accelerated payment of such claim or interest after the occurrence of such default
 - (A) Cures any such default that occurred before or after the commencement of the case under this title, other than a default specified in section 365(b)(2) of this title
 - (B) Reinstate any maturity of such claim or interest as such maturity existed before such default
 - (C) Compensates the holder of such claim or interest for any damages incurred as a result of any reasonable reliance by such holder on such contractual provision or such applicable law; and
 - (D) Does not otherwise alter the legal, equitable or contractual right to which such claim or interest entitles the holder of such claim or interest.

Ordinarily, but not in all circumstances, a plan may not be confirmed unless at least one impaired class, assuming there is at least one impaired class, accepts the plan. A class has accepted the plan if such a plan has been accepted by creditors other than those under 11 USC section 1126(e), that hold at least two-thirds (2/3) in amount and more than one-

half (1/2) in number of the allowed claims of such class held by creditors, that have accepted the plan. Creditors may vote for the acceptance or rejection of the plan.

Each creditor is urged to consult with its own attorney and obtain advice on the proposals and dispositions of this Disclosure Statement and Plan of Reorganization. The statements contained herein are only a brief summary of the confirmation process and should not be relied upon in making your determination as to whether to vote in favor or against the Plan. Creditors should consult their attorneys before making a determination to vote for or against the Plan.

Creditors are expressly referred to the debtor's schedules of assets and liabilities and the statement of financial affairs and all other documents duly filed with the Bankruptcy Code. This Plan is predicated upon certain assumptions that may not materialize, and you are urged to give consideration to such assumptions.

No representation concerning Debtors or as to the actual realizable value of its property is authorized by the debtor other than as set forth in this Disclosure Statement. Any amendments or clarifications to this Disclosure Statement or the Plan shall be in writing and filed with the Court.

2. DEBTORS HISTORY, OPERATIONS AND STRUCTURE

2.1 THE DEBTORS AND THEIR OPERATIONS

Mar Enrique Rodriguez was engaged in the development and construction business in Puerto Rico. Mrs Myrna I. Rivera Ortiz is a housewife. During many years Mr. Rodriguez acquired and develop many lots of land. The construction business suffered a great

downfall and Mr. Rodriguez was not able to continue with the development and construction business. This situation caused that Mr. Rodriguez was not able to comply with his financial obligations, causing a default on the payments of certain loans.

2.2 EVENTS LEADING COMMENCEMENT OF CHAPTER 11 CASE

As mentioned before, the construction business suffered a great downfall and Mr. Rodriguez was not able to continue with the development and construction business. This situation caused that Mr. Rodriguez was not able to comply with his financial obligations, causing a default on the payments of certain loans.

2.3 DATE THE PETITION WAS FILED

The Bankruptcy Petition was filed on August 17, 2015 under the provisions, 11 USC section 1101 et seq. Upon filing of the petition, the debtors remain operating as Debtor in Possession, and as of today, such is the situation.

2.3 BANKRUPTCY PROCEEDINGS

Compliance with Operating Guidelines and DIP Requirements

Upon the filing of the bankruptcy petition, debtors have taken all possible measures necessary to reorganize their finances. Debtors are in compliance with the Operating Guidelines as follows:

- a. Monthly Operating Reports have been completed and filed with the court up to August 2016.
- b. Property and public liability insurance has been maintained
- c. Quarterly fees required by the US Trustee are up to date
- d. Post petition expenses are paid in the ordinary course
- e. Tax returns and declarations have been filed as these become due

- f. Debtors have reduced their expenses as much as possible, including personal expenses, as well as professional and sub contractors fees.
- g. Debtor is actively marketing the properties in order to sell them and pay creditors. As a matter of fact, debtor has already signed an Option to Sell Property which generates enough income to pay creditors, secured and unsecured.

Employment of Professionals

On August 17, 2015 debtors filed their application to employ attorney Wanda I. Luna Martinez who will serve as the attorney for the debtors in possession. On September 14, 2015 the Court entered an order approving this employment (docket #12).

Operational Adjustments Implemented

Operational reports are being analyzed in order to identify business alternatives and marketing strengths that could maximize debtors' return in the operation of their business:

- a. Debtors have reduced their household expenses, such as utilities, housekeeping expenses and legal expenses.
- b. Debtors have been actively marketing the properties
- c. Debtors have already signed an Option to sell property which generates enough income to pay creditors
- d. Debtors are actively making collection efforts in account receivables

3. DEBTORS FINANCIAL INFORMATION

3.1 GENERAL FINANCIAL INFORMATION

For purposes of filing this petition, debtors have analyzed and presented the required schedules. The information provided in the schedules and statement of financial

affairs, as amended, shows debtors' financial situation as of the date of the filing of the petition. Said financial situation has changed on account of the reorganization steps currently undertaken. Included herein as Exhibit 1 are debtors' income and expenses projections for the next five (5) years.

Monthly operating reports available in the Bankruptcy Court show that debtors' finances have remained constant and that the possibility of a reorganization of its finances is viable. A summary of all monthly operating reports has been prepared and enclosed herein as Exhibit 2.

Debtors have filed all their tax return.

Also, debtors are not responsible or required to pay any child support or alimony.

3.2 ASSETS AND LIABILITIES AS OF PETITION DATE

Schedules and Statement of Financial Affairs

Debtors filed their Schedules of Assets and Liabilities and Statement of Financial Affairs (collectively, the "Schedules and Statements") on August 17, 2015. (Docket # 1). Later, on September 30, 2015 the same were amended as requested by the US Trustee. Among other things, the Schedules and Statements set forth the Claims of known creditors against the debtors as of the Petition Date, based upon debtors' books and records.

Moreover, a detail of all assets is provided in the liquidation analysis section, with updated values as detailed herein as Exhibit 3.

Claims bar date and proof of claims

On August 18, 2015 the Bankruptcy Court entered an order setting a bar date for general unsecured non priority creditors to file their proof of claims on or before December 21, 2015 and for governmental units (as defined by section 101 (27) of the Bankruptcy

Code) as February 14, 2016. To this date all creditors have file claims. To date the debtor has received eleven (11) proof of claims forms asserting \$3246513.43in claims, of which \$3064471.51 is secured and \$1820411.90 is unsecured. The debtors have begun the process of reviewing the asserted claims in order to determine which claims need to be objected to..

The debtors' estimate of Allowed Claims are identified herein

3.3 PENDING LITIGATION

As of today, debtors have no pending litigation.

3.4 LIQUIDATION VALUE ANALYSIS

One requirement for the confirmation of a Plan under Chapter 11 of the Bankruptcy Code is that with respect to each impaired class of claims, each claim holder of such class has accepted the plan or will receive or retain under the plan on account of such allowed claim, a value as of the effective date of the plan, that is not less than the amount that such claims holders would receive or retain if the debtor was to be liquidated under Chapter 7 of the Bankruptcy Code on such date. In order to provide the value as of the effective date of the plan under a Chapter 7 scenario, debtors provide a detailed liquidation value analysis.

For purposes of determining a liquidation value, debtors have estimated as realizable in a Chapter 7 scenario from 0% to less than 75% of the actual or scheduled value of existing personal property. The estimated realizable values have been deducted for purposes of the liquidation analysis using the experience of liquidation of assets under Chapter 7 bankruptcy cases. Liens and encumbrances have been reduced as well.

For the estimated realizable value, estimated administrative expenses have been reduced to determine the estimated amount for unsecured creditors in liquidation. A detail liquidation analysis is enclosed herein as Exhibit 3.

The liquidation analysis prepared for this case shows that upon realization of estate assets and payments of liens and expenses, unsecured creditors will receive no meaningful dividend under Chapter 7 proceeding in as much most estate property is encumbered to a secured creditor.

4. SUMMARY OF THE PLAN OF REORGANIZATION

ARTICLE I DEFINITIONS

For the purposes of this Plan of Reorganization, the following terms shall have the respective meanings set forth.

1. "Administrative Creditor" shall mean a person entitled to payment of an Administrative Expense Claim.
2. "Administrative Expense Claim" shall mean any claim constituting a cost or expense of administration of the Chapter 11 proceeding allowed under 11 USC section 503(b) and 507 (a)(1).
3. "Allowed Claim" shall mean any Claim, proof of which was properly filed on or before the Bar Date set by the Bankruptcy Court, namely December 21, 2015, or if no proof of claim has been filed, which has been or hereafter is listed as liquidated in amount and not in disputed, contingent or unliquidated in the Debtors' schedules of assets and liabilities filed with the Bankruptcy Court (as they may be amended or supplemented from time to time according to the Bankruptcy Rules) and, in either case, a Claim to which no objection to the

allowance thereof has been interposed within the applicable period of limitation (if any) fixed by the Bankruptcy Court, or about which any objection has been determined by a Final Order. Unless otherwise provided for in the Plan, "Allowed Claim" shall not include interest, costs, fees, expenses or other charges on the principal amount of such Claim from and after the Petition Date.

4. "Allowed Secured Claim" shall mean any Allowed Claim which is a secured claim and shall include in the amount thereof, unless otherwise stated in the Plan, all interest accrued on or after the Petition Date, fees, costs, and charges as may be allowed.
5. "Bankruptcy Code" or "Code" shall mean the provisions of Title 11 of the United States Code, 11 USC section 1101 et seq, as amended from time to time.
6. "Bankruptcy Court" shall mean the United States Bankruptcy Court for the District of Puerto Rico, having jurisdiction over this Chapter 11 proceeding, or such other court as may be exercising jurisdiction over this Chapter 11 proceeding.
7. "Bankruptcy Rules" or "Rules" shall mean the Federal Rules of Bankruptcy Procedures, as amended from time to time.
8. "Bar Date" shall mean the deadline of December 21, 2015, after which any proof of claim filed will not have any effect on this Plan and will not entitle its holder to participate with other claims under this Plan. The government Bar Date is February 14, 2016.
9. "Claim" shall mean any right to payment whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured,

disputed, undisputed, legal, equitable, secured or unsecured; or any right to an equitable remedy for breach of performance if such breach gives right to a right of payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured.

10. "Class" shall mean a category of holders of claims or interests that is substantially similar to other claims or interests in such class.
11. "Confirmation Date" shall mean the date the order of confirmation in this Chapter 11 proceeding made according to the provisions of 11 USC section 1129 becomes a Final Order.
12. "Consummation Date" shall mean the Date by which all of the conditions precedent to the consummation set forth in this Plan shall have been met or waived.
13. "Cramdown" shall mean the confirmation of the Plan under the provisions of 11 USC section 1129 (b).
14. "Creditor" shall mean any person who has a claim against the debtor which arose on or before the Petition Date or a claim of any kind specified in 11 USC sections 502(g), 503(h) or 502 (l).
15. "Creditors Committee" shall mean the elected committee that represents the creditors in this proceeding pursuant to 11 USC section 705. No creditors committee has been appointed in this case.
16. "Debtor" shall mean Enrique Rodriguez Narvaez and Myrna Iris Rivera Ortiz.

17. "Disclosure Statement" shall mean the Disclosure Statement filed by the debtors with the Bankruptcy Court in this Chapter 11 proceeding and dated October 6, 2016, pursuant to 11 USC section 1125, approved by the Bankruptcy Court and distributed to all Creditors and parties in interest, according to the provisions of the Code and Rules.
18. "Effective Date of the Plan" shall mean thirty (30) days after the order of confirmation of the plan becomes a final order and unappellable, and shall be the date on which there shall be made all initial cash payments required by the Plan.
19. "Estate" shall mean the Property owned by the debtors that comprises the Chapter 11 of the estate of the debtors in the above captioned Chapter 11 Proceeding.
20. "Final Order" shall mean an Order of the Bankruptcy Court (or other court of appropriate jurisdiction) which shall not have been reversed, stayed, modified or amended and that the time to appeal from or to seek review or rehearing of such order have expired, and about which, no appeal or petition for review or rehearing or certiorari proceeding is pending as a result of which such Order shall become final according to Rule 8002 of the Rules of Bankruptcy Procedure, as such Rules may be amended from time to time.
21. "Lien" shall mean a mortgage, pledge, judgment, lien, security interest, charging order, or other charge or encumbrance on property as is effective under applicable law as of the Petition date.

22. "Liquidation" shall mean the compliance liquidation of the Property of Debtors' Estate, by a duly appointed trustee, according to the provisions of Chapter 7 of the Bankruptcy Code.
23. "Liquidation Analysis" shall mean the comparison of the current assets and liabilities of the Debtors in order to determine the liquidation value of the debtors' property.
24. "Liquidation Value" shall mean the value that any item of the debtors' property could be expected to bring during a liquidation.
25. "Order of Confirmation" shall mean the Order of the Bankruptcy Court confirming this Plan according to the provisions of Chapter 11 of the Bankruptcy Code.
26. "Person" shall mean any individual, corporation, partnership, association, joint stock company, trust, unincorporated organization, government or any political subdivision thereof, or other entity.
27. "Petition Date" shall mean August 17, 2015 the date on which debtor filed its voluntary petition and commenced the instant Chapter 11 proceeding.
28. "Priority Claim" shall mean any allowed claim other than an Administrative Expense Claim or Priority Tax Claim, to the extent entitled to priority in payment under 11 USC section 507(a).
29. "Priority Creditor" shall mean any Creditor that is the holder of a Priority Claim.
30. "Priority Tax Claim" shall mean any allowed claim of any person who is entitled to a priority in payment under 11 USC section 507(a)(8).

31. "Priority Claim" shall mean any allowed claim of any person who is entitled to a priority in payment under section 507.
32. "Property" shall mean the property of the Estate which shall be administered by the debtors.
33. "Pro Rata" shall mean in the same proportion that a claim or interest in a given class bears to the aggregate amount of all claims (including disputed claims allowed or disallowed or the aggregate number of all interests in such class.
34. "Secured Claim" shall mean a claim the holder of which is vested with a perfected, non voidable lien on property in which the debtor has an interest, which lien is valid, perfected and enforceable under applicable law and not subject to avoidance under the Bankruptcy Code or other applicable non bankruptcy law, and is duly established in this case, to the extent of the value of such holder's interest in the debtors' interest in such Property, as determined according to 11 USC section 506.
35. "Substantial Consummation" of this Plan shall mean any of the events provided for on 11 USC section 1101(2).
36. "Trustee" shall mean the Debtor-in-Possession.
37. "Unsecured Creditor" shall mean a creditor that is a holder of an allowed general unsecured claim.
38. "Voluntary Petition" shall mean the Voluntary Petition for Relief filed by the debtor on the Petition Date.

ARTICLE II
DESIGNATION OF CLASSES OF CLAIMS AND INTERESTS
AND TREATMENT OF CLASSES

A. DESIGNATION OF CLAIMS

The plan divides the creditors into six (6) classes. The classes of creditors are as follow:

CLASS 1 ADMINISTRATIVE EXPENSES

CLASS 1- Administrative expenses. These are claims under section 507 (a) (2) of the Bankruptcy Code, accrued pursuant to Section 503 (b) and court cost as defined in the Bankruptcy Code for which application for or allowance or a claim if filed prior to the effective date, as the same are allowed, approved and ordered paid by the Court. It is estimated that claims on this claims will be approximately \$10,000.00. These will be paid as they become due.

This class is not impaired.

CLASS 2 - SECURED CREDITOR Nationstar Mortgage LLC

CLASS 4- Nationstar Mortgage LLC is a secured creditor in the total amount of \$47,860.92 (claim #8). This amount is in consideration of a mortgage note that encumbers debtors' real property located at Orlando, Florida. Payments to this secured creditor are up to date.

Debtors will continue making direct payments to this secured creditor.

This class is not impaired.

CLASS 3 SECURED CREDITOR SUCESION ENRIQUE SANCHEZ RECIO

Class 3 Sucesion Enrique Sanchez Recio has filed claim number 7 for the total amount of \$1,423,004.00. This amount is in consideration of a mortgage note that encumbers a real property located at Bo Algarrobo in Guayama, Puerto Rico..

This class will be paid in full upon sale of the property..

This class is not impaired.

CLASS 4 SECURED CREDITOR VIVES CONSTRUCTION

Secured creditor Vives Construction has been scheduled as a secured creditor in the amount of \$992,320.86 This amount is in consideration of an attachment that was filed over a real property located at Bo. Machete in Guayama, Puerto Rico.

This creditor will be paid in full upon sale of the property.

This class is not impaired.

CLASS 5-SECURED CREDITOR CRIM

Secured creditor CRIM has filed a claim in the amount of 93339.54 of which \$66,009.53 is secured. This creditor will be paid in full upon sale of the properties. The unsecured portion of the claim will be paid in full.

This class is not impaired.

CLASS 6 - SECURED CREDITOR BANCO POPULAR DE PUERTO RICO

Creditor Banco Popular has filed a claim in the total amount of \$1,527,597.06. This claim is in consideration of a loan issued to a corporation Consorcio. Debtors are co-debtors to this loan, Debtors propose to pay this creditor the amount of \$700,000. 00 as the estimated amount for which debtors are liable within one year with proceeds from the sale of properties.

CLASS 7- GENERAL UNSECURED CREDITORS

Class 7 General Unsecured Creditors

This Class is composed of unsecured claims as finally allowed by this Honorable Court. It is estimated that claims in this class will be an amount close to \$182,041.90 This Class will be paid one hundred percent (100%) plus 4.25% interest of their claims in 5 yearly installments as properties are sold

This class is impaired.

B. TREATMENT FOR CLASSES OF CLAIMS AND INTEREST

CLASS 1 ADMINISTRATIVE EXPENSES

CLASS 1- Administrative expenses. These are claims under section 507 (a) (2) of the Bankruptcy Code, accrued pursuant to Section 503 (b) and court cost as defined in the Bankruptcy Code for which application for or allowance or a claim if filed prior to the effective date, as the same are allowed, approved and ordered paid by the Court. It is estimated that claims on this claims will be approximately \$10,000.00. These will be paid as they become due.

This class is not impaired.

CLASS 2 - SECURED CREDITOR Nationstar Mortgage LLC

CLASS 2- Nationstar Mortgage LLC is a secured creditor in the total amount of \$47,860.92 (claim #8). This amount is in consideration of a mortgage note that encumbers debtors' real property located at Orlando, Florida. Payments to this secured creditor are up to date.

Debtors will continue making direct payments to this secured creditor.

This class is not impaired.

CLASS 3 SECURED CREDITOR SUCESION ENRIQUE SANCHEZ RECIO

Class 3 Sucesion Enrique Sanchez Recio has filed claim number 7 for the total amount of \$1,423,004.00. This amount is in consideration of a mortgage note that encumbers a real property located at Bo Algarrobo in Guayama, Puerto Rico..

This class will be paid in full upon sale of the property..

This class is not impaired.

CLASS 4 SECURED CREDITOR VIVES CONSTRUCTION

Secured creditor Vives Construction has been scheduled as a secured creditor in the amount of \$992,320.86 This amount is in consideration of an attachment that was filed over a real property located at Bo. Machete in Guayama, Puerto Rico.

This creditor will be paid in full upon sale of the property.

This class is not impaired.

CLASS 5-SECURED CREDITOR CRIM

Secured creditor CRIM has filed a claim in the amount od 93339.54 of which \$66,009.53 is secured. This creditor will be paid in full upon sale of the properties. The unsecured portion of the claim will be paid in full.

This class is not impaired.

CLASS 6 - SECURED CREDITOR BANCO POPULAR DE PUERTO RICO

Creditor Banco Popular has filed a claim in the total amount of \$1,527,597.06. This claim is in consideration of a loan issued to a corporation Consorcio. Debtors are co-debtors to this loan, Debtors propose to pay this creditor the amount of \$700,000. 00 as the estimated amount for which debtors are liable within one year with proceeds from the sale of properties.

CLASS 7 – GENERAL UNSECURED CREDITORS

Class 7 General Unsecured Creditors

This Class is composed of unsecured claims as finally allowed by this Honorable Court. It is estimated that claims in this class will be an amount close to \$182,041.90

This Class will be paid one hundred percent (100%) plus 4.25% interest of their claims in 5 yearly installments as properties are sold

This class is impaired.

ARTICLE IV

**PAYMENTS PROVISIONS UNDER THE PLAN
(IMPAIRMENT OF EXISTING CLAIMS AND INTERESTS)**

As provided by 11 USC 1124, a class of claims or interests is impaired under a plan unless, with respect to each claim or interest of such class, the plan:

- (3) Leaves unaltered the legal, equitable, and contractual rights to which such claim or interest entitles the holder of such claim or interest; or
- (4) Notwithstanding any contractual provision or applicable law that entitles the holder of such claim or interest to demand or receive accelerated payment of such claim or interest after the occurrence of such default
 - (E) Cures any such default that occurred before or after the commencement of the case under this title, other than a default specified in section 365(b)(2) of this title
 - (F) Reinstate any maturity of such claim or interest as such maturity existed before such default

- (G) Compensates the holder of such claim or interest for any damages incurred as a result of any reasonable reliance by such holder on such contractual provision or such applicable law; and
- (H) Does not otherwise alter the legal, equitable or contractual right to which such claim or interest entitles the holder of such claim or interest.

ARTICLE V
VOTING ON THE PLAN AND COMPLIANCE WITH 11 USDC SEC. 1129

Unimpaired Claims: Claims in class 1, 2, 3, 4, 5 are deemed unimpaired by this Plan in accordance with section 1124 of the Bankruptcy Code. By virtue of such status, such classes either are deemed to have accepted the plan in accordance with section 1126(f) of the Bankruptcy Code or are not otherwise required to have their votes to accept or reject the Plan solicited.

Impaired Voting Claims: For voting purposes, claims in Class 5 are impaired and debtors will solicit the votes of such class with respect to the acceptance or rejection of the Plan pursuant to the Provisions of 11 USC section 1126.

ARTICLE VI
DISCHARGE OF CLAIMS

Except as otherwise provided for in this Plan or in the Order of Confirmation, the rights granted by the Plan and the payments and distributions to be made, shall be in complete exchange for, and in full satisfaction, discharge and release of, all existing debts and claims of any kind, nature or description whatsoever against the debtors. On the Consummation Date, all existing claims shall be deemed to be exchanged, satisfied and

discharged and released in full; and all holders of claims shall be deemed to be exchanged, satisfied, discharged and released in full; and all holders of claims shall be precluded from asserting any other or future claim based upon any act or omission, transaction or other activity of any kind or nature that occurred prior to the Consummation Date, whether or not such holder filed a proof of claim. However, a discharge order will not be entered until all payments under the plan have been made in accordance with 11 USC sec. 1141 (d)(5).

The order of confirmation of this Plan shall constitute an injunction against the pursuit of any claim or equity interest, whether or not a proof of claim or proof of interest based on any such debt, liability, or interest is filed or deemed filed under 11 USC section 501, such claim is allowed under 11 USC section 502 or the holder of such claim has accepted this Plan in the manner set forth herein.

ARTICLE VII OBJECTIONS TO CLAIMS

The debtors, at their option or upon order of the Bankruptcy Code, if requested, may file an objection to any claim as to its validity or amount within 30 days before the confirmation date and may substitute for the Debtor as the objecting party to any pending claim objections. Objections not filed by the date of confirmation shall be deemed waived. If an objection is made, payment to such claimants will be made only after the entry of a final order by the Court allowing such claim and in accordance with the provisions of the Plan governing such class to which such claims belong.

The claim of any creditor whose claim has been scheduled as disputed but who has not filed a proof of claim shall be disallowed by confirmation of the Plan, unless written objection to the disallowance is filed prior to the confirmation hearing.

ARTICLE VIII
EXECUTORY CONTRACTS

Debtor assumes all unexpired leases and executory contracts to which they are a party and which have not been expressly rejected pursuant to 11 USC section 365 (a).

ARTICLE IX
MEANS OF EXECUTION OF THE PLAN

Upon confirmation of the plan, the Debtor shall have sufficient funds to make payments then due under this Plan. The funds will be obtained from the sale of properties and collection on account receivables..

On the Confirmation Date of the Plan, the estate assets shall be and become the general responsibility of the reorganized debtor ("Reorganized debtor"), which shall thereafter have the responsibility for the management and control and administration thereof.

ARTICLE X
PROVISIONS FOR THE MODIFICATION OF THE PLAN

The debtor may propose amendments or modifications of this Plan at any time prior to its confirmation pursuant to 11 USC 1127. After confirmation of the Plan, the Reorganized Debtor may, with the approval of the Court and as long as it does not adversely affect the interests of the creditors, remedy any defect or omission, in such manner as may be necessary to carry out the purposes and effects of the same.

ARTICLE XI
CLOSING OF THE CASE

At such time at which all payments under the plan have been made, this case shall be closed. In order for the case to be closed, Debtor shall file an application for final decree showing that the case has been fully administered and the Plan has been completed in

accordance with the provisions of 11 USC sec. 1141 (d)(5). A discharge will not be granted until all payments under the plan have been made in accordance with 11 USC sec. 1141 (d)(5). The Court may conduct a hearing upon application thereof and after notice to all creditors and parties in interest. Thereafter, an order approving the Debtors' report and closing the case shall be entered.

ARTICLE XII RETENTION OF JURISDICTION

The Bankruptcy Court shall retain jurisdiction over this case as is conferred upon it by law, rule or statute, or by this Plan, to enable the Debtors to consummate any and all proceedings which they may bring before or after entry of the order of confirmation, in order to carry out the provisions of this Plan.

5 OTHER MISCELLANEOUS PROVISIONS

5.1 EXECUTORY CONTRACTS

Debtors assumes all unexpired leases and executory contracts to which it is a party and which have not been expressly rejected pursuant to 11 USC section 365 (a).

5.2 MEANS OF EXECUTION OF THE PLAN

Upon confirmation of the plan, the Debtor shall have sufficient funds to make payments then due under this Plan. The funds will be obtained from the sale of certain properties and collection on account receivables.

On the Confirmation Date of the Plan, the estate assets shall be and become the general responsibility of the reorganized debtor ("Reorganized debtor"), which shall

thereafter have the responsibility for the management and control and administration thereof.

5.3 PROVISIONS FOR THE MODIFICATION OF THE PLAN

The debtor may propose amendments or modifications of this Plan at any time prior to its confirmation pursuant to 11 USC 1127. After confirmation of the Plan, the Reorganized Debtor may, with the approval of the Court and as long as it does not adversely affect the interests of the creditors, remedy any defect or omission, in such manner as may be necessary to carry out the purposes and effects of the same.

5.4 CLOSING OF THE CASE

At such time as the case has been substantially consummated, this case shall be closed. In order for the case to be closed, Debtor shall file an application for final decree showing that the case has been fully administered and the Plan has been substantially consummated. The Court may conduct a hearing upon application thereof and after notice to all creditors and parties in interest. Thereafter, an order approving the Debtors' report and closing the case shall be entered.

5.5 RETENTION OF JURISDICTION

The Bankruptcy Court shall retain jurisdiction over this case as is conferred upon it by law, rule or statute, or by this Plan, to enable the Debtors to consummate any and all proceedings which they may bring before or after entry of the order of confirmation, in order to carry out the provisions of this Plan.

This is the Disclosure Statement and Plan of Reorganization hereby proposed to creditors and parties in interest filed with the Honorable Bankruptcy Court on this same

date. Parties are encouraged to review these documents in order to formulate and informed decision on debtors' whereabouts and conditions. A hearing to consider the approval of this Disclosure Statement and Confirmation of the Plan will be scheduled Honorable Court, with Notice of said hearing served to all parties as per the master address list.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 6th day of October 2016.

/s/ Enrique Rodriguez Narvaez

/s/ Myrna I. Rivera Ortiz

ENRIQUE RODRIGUEZ NARVAEZ

MYRNA IRIS RIVERA ORTIZ

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the foregoing document has been filed using the CM/ECF electronic filing system which will give notice to all CM/ECF participants; and hand delivered to the United States Trustee and by First Class Mail to all creditors and parties in interest as per the master address list.

Respectfully submitted, in San Juan, Puerto Rico, this 6th day of October 2016.

**WANDA I. LUNA MARTINEZ
PMB 389 PO BOX 194000
SAN JUAN, PR 00919-4000
TEL. (787) 998-2356 FAX (787)200-8837
quiebra@gmail.com**

**/s/ Wanda I. Luna Martinez
WANDA I. LUNA MARTINEZ
USDC-PR 206307**

EXHIBIT

1

ENRIQUE RODRIGUEZ NARVAEZ AND MYRNA I. RIVERA ORTIZ
15-06277 (EAG)
SUMMARY OF OPERATING REPORTS

MONTH	CASH BEGINNING	INCOME	EXPENSES	PROFIT/LOSS
AUGUST	6056.82	2351.00	4277.72	-1876.72
SEPTEMBER	4180.10	4849.76	7033.81	-2184.05
OCTOBER	1996.05	3320.07	4256.55	-936.48
NOVEMBER	1059.57	2150.00	2,413.34	-263.34
DECEMBER	796.23	4132.00	4335.29	-253.29
JANUARY	542.94	2116.00	2388.29	-272.29
FEBRUARY	270.65	10051.04	3422.02	6629.02
MARCH	6899.67	5583.52	6448.71	865.19
APRIL	6034.48	13599.76	3162.49	10437.27
MAY	16471.75	3599.76	5042.79	-1443.03
JUNE	15028.72	8599.76	5997.28	2602.48
JULY	17631.20	3599.76	4307.98	-708.22
AUG	16922.28	8744.43	3975.04	4769.39

EXHIBIT

2

ENRIQUE RODRIGUEZ NARVAEZ AND MYRNA I. RIVERA ORTIZ
15-06277 (EAG)
PROJECTIONS

REVENUES

All revenues will come from the sale of properties and account receivables. As of this date debtors already have an option to sell property and is negotiating another sale. From the revenues received, debtors will be able to pay all secured and unsecured creditors in a period from three to five years.

EXPENSES:

Debtors expenses are covered by the income they receive monthly from social security benefits and from rental.

EXHIBIT

3

ENRIQUE RODRIGUEZ NARVAEZ
MYRNA I. RIVERA ORTIZ
15-06277 (EAG)
DEBTORS IN POSSESSION

ASSUMPTIONS AND BASIS FOR PREPARATION FOR THE
LIQUIDATION ANALYSIS

One requirement for the confirmation of a plan under Chapter 11 of the Bankruptcy Code, 11 USC sec. 1101 et seq., is that with respect to each impaired class of claims, each claim holder of such class has accepted the plan or will receive or retain under the plan on account of such allowed claim, a value as of the effective date of the plan, that is not less than the amount such claim holder would receive or retain if the debtors were liquidated under Chapter 7 of the Bankruptcy Code, 11 USC sec. 701 et seq. In order to provide the value as of the effective date of the plan under a Chapter 7 scenario, debtors provide a detailed liquidation analysis.

For the purposes of determine a liquidation value, debtors have estimated the realizable value in a Chapter 7 scenario of the actual value of existing real properties, cash and personal property. The estimated realizable values have been deducted for purposes of the liquidation analysis using the experience of liquidation of assets under a Chapter 7.

A. REAL PROPERTY

Property located at Carlota Norte in Bo. Machete, Guayama, Pr composed of 14,771 cuerdas

For the purpose of determining the liquidation value of this property debtors considered the value of \$1,000,000 as scheduled. This property is encumbered by a first mortgage in the amount of \$400,000. For this real property and considered as realizable in a Chapter 7 scenario 100% for that estimated value determined for the real property. Notwithstanding, this real property value has been reduced by the mortgage.

Property located in Palm Coast, Florida

For the purpose of determining the liquidation value of this property debtors considered the value of \$155,000 as scheduled. This property is encumbered by a first mortgage with a balance in the amount of \$52,000. For this real property and considered as realizable in a Chapter 7 scenario 100% for that estimated value determined for the real property. Notwithstanding, this real property value has been reduced by the mortgage.

Lot of land located at Bo Branderi, Guayama, composed of 66 cuerdas.

For the purpose of determining the liquidation value of this property debtors considered the value of \$1,700,000 as scheduled. This property is free and clear of liens.

For this real property and considered as realizable in a Chapter 7 scenario 100% for that estimated value determined for the real property.

Parcela Numero Uno -A located in Bo Algarrobo, Guayama, composed of 25.029 cuerdas

For the purpose of determining the liquidation value of this property debtors considered the value of \$900,000 as scheduled. This property is free and clear of liens. For this real property and considered as realizable in a Chapter 7 scenario 100% for that estimated value determined for the real property.

Parcela Numero Uno-B located at Bo Algarrobo, Guayama, PR, composed of 29.7490 cuerdas

For the purpose of determining the liquidation value of this property debtors considered the value of \$900,000 as scheduled. This property is free and clear of liens. For this real property and considered as realizable in a Chapter 7 scenario 100% for that estimated value determined for the real property. Notwithstanding, this real property value has been reduced by the exemption claimed.

Property located at Bo Algarrobo, Guayama, PR composed of 66.13254 cuerdas

For the purpose of determining the liquidation value of this property debtors considered the value of \$2,500,000 as scheduled. This property is encumbered by a first mortgage with a balance in the amount of \$1,100,00. For this real property and considered as realizable in a Chapter 7 scenario 100% for that estimated value determined for the real property. Notwithstanding, this real property value has been reduced by the mortgage.

Lot in Bo Caimital, Guayama, PR composed of 2500 meters

For the purpose of determining the liquidation value of this property debtors considered the value of \$150,000 as scheduled. For this real property and considered as realizable in a Chapter 7 scenario 100% for that estimated value determined for the real property.

Time share in Westgate Lakes, Florida an apartment with exclusive use for two weeks a year

For the purpose of determining the liquidation value of this property debtors considered the value of \$20,000 as scheduled. For this real property and considered as realizable in a Chapter 7 scenario 100% for that estimated value determined for the real property.

B. VEHICLES

Debtors have several vehicles as detailed in the schedules. For purposes of determining a realizable value of this vehicle, debtors estimated as realizable value in a Chapter 7 scenario 35% of the estimated fair market value. Notwithstanding, the value has been reduced due to the exemption claimed.

C. CASH

For purpose of determining a liquidation value of the cash, debtor has estimated a realizable value of 100%.

D. CLOTHING

For purpose of determining a liquidation value of the clothing debtors considered the scheduled value of \$900. Debtors estimate as realizable value 0%. Also the realizable value is reduced by the exemption claimed and the total amount that will be left is of no meaningful value to the estate.

E. JEWELRY

For purpose of determining a liquidation value of debtors' scheduled jewelry, debtors considered the scheduled value. Debtors estimate as realizable value 0% of the scheduled value. This value has been reduced by the exemption claimed.

F. FURNITURE

For purpose of determining a liquidation value of the furniture, debtors considered the scheduled value. Debtors estimate as realizable value 20% of the scheduled value. This value has been reduced by the exemption claimed.

G. INTEREST IN CORPORATIONS

Debtors have listed interest in one corporation in which they were shareholders. Though this corporation is not working at the present time, it has an account receivable and the shares are valued at \$100,000. Therefore, the estimated realizable value is 100%.

H. BOAT

Debtors have listed a 1985 Bertram boat of 45.6 feet. For purpose of determining the liquidation value, debtors have considered the schedule value of \$95,000. Debtors estimate as realizable value under a Chapter 7 scenario 35% of the scheduled value.

I. ACCOUNT RECEIVABLES

Debtors have listed several account receivables. For purpose of determining a liquidation value of the furniture, debtors considered the scheduled value. Debtors estimate as realizable value 80% of the scheduled value.

LIQUIDATION VALUE ANALYSIS
ENRIQUE RODRIGUEZ NARVAEZ AND MYRNA I. RIVERA ORTIZ
15-06277 (EAG)

ASSET	ACTUAL OR SCHEDULED VALUE	ESTIMATED LIQUIDATION FACTOR	REALIZABLE VALUE	LIENS	EXEMPTIONS	ADM. EXPENSES	LIQUIDATION VALUE
Property located at Carlota Norte in Bo. Machete Guayama, PR composed of 14,771 cuerdas	\$1,000,000	100	\$1,000,000	400,000		102958	497042
Property located in Palm Coast, Florida	\$155,000	100	155,000	52000		18740	84260
Lot of land located at Bo Branderi Guayama, composed of 66 cuerdas	\$1,700,000	100	1,700,000	0		131720	1508280
Lot of land located at Bo Branderi Guayama, composed of 66 cuerdas	\$1,100,000	100	\$1,100,000	887000		111807	101193
Parcela Numero Uno - A located in Bo Algarrobo, Guayama, composed of 25.029 cuerdas	900,000	100	900,000	0		88841	811159
Parcela Numero Uno-B located at Bo Algarrobo, Guayama, PR, composed of 29,7490 cuerdas	900,000	100	900,000	0	45950	87543	766507
Property located at Bo Algarrobo, Guayama composed of 66.13254 cuerdas	2,500,000	100	2,500,000	1100000		178198	1221802
Time share in Westgate Lakes Florida an apartment with exclusive use for two weeks a year	20,000	100	20,000	0		3771	16229
Lot in Bo Caimital, Guayama 2500 meters	150,000	100	150,000	0		17766	132234

2003 Ford Pick-up F-150	3000	35	1050	0	200	850
2004 KIA Rio	2000	35	700	0	200	500
2005 Honda Odyssey	6000	35	2100	0	200	1900
2007 FJ Cruiser	14,000	35	4,900	0	200	0
2002 Toyota Sequoia	7,0000	35	2450	0	200	0
1985 Bertram 46,6 feet	95000	35	33250	0	1500	31750
*Acct Receivable Ariel Miranda	300,000	80	240000	0	1500	238500
Acct Receivable Enrique Rodriguez Rivera	70,000	100	70000	0	1500	68500
Acct Receivable James Carter	100,000	80	80000	0	1500	78500
Acct Phillip McGraw	825,000	80	660000	0	2500	657500
**Acct US Government	300,000	Und.	Undetermined	0	-	-
Furniture	2000	0	0	0	2000	200
Clothing	900	0	0	0	900	200
Jewelry	900	20	180	0	900	200
Shares in Consorcio Agua Para Todos	100,000	100	100000	100000	250	0
***CD with BPPR	100,000	100	100000	0	250	99750
Cash	275	100	275	275	0	0

ESTIMATED DIVIDEND FOR UNSECURED CLAIMS IN A CHAPTER 7 SCENARIO 100%

DIVIDEND THROUGH PLAN OF REORGANIZATION 100% plus 4.25% interest