

United States Bankruptcy Court

District of Puerto Rico

In re

Consolidated Estate of
Fantasy Jewlery Traiding Inc¹. and
Joyería Venecia Inc.

Case No. 15-09021 (MCF)

Small Business Case Under
Chapter 11

Debtor

CONSOLIDATED DISCLOSURE STATEMENT, APRIL 6, 2017

¹ For purposes of clarity, the correct name of this entity, as registered in the Department of State of Puerto Rico, is "FANTASY JEWELRY TRADING INC." We will, however, refer to this entity throughout this document in accordance with the case caption in this bankruptcy matter.

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I. INTRODUCTION

This is the CONSOLIDATED DISCLOSURE STATEMENT (the “CONSOLIDATED DISCLOSURE STATEMENT”) in the small Business chapter 11 case of the substantively consolidated estates of Fantasy Jewelry Inc. and Joyería Venecia Inc. (the “Debtors”). This CONSOLIDATED DISCLOSURE STATEMENT contains information about the Debtors and describes the Reorganization Plan (the “Plan”) filed by the Debtors on April 6, 2017. A full copy of the Plan is attached to this CONSOLIDATED DISCLOSURE STATEMENT as Exhibit A. *Your rights may be affected. You should read the Plan and this CONSOLIDATED 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 8 - 12 of this CONSOLIDATED DISCLOSURE STATEMENT. There are no secured claims. Priority claims will receive 100% of their allowed claims and general unsecured creditors will also receive a distribution of 100% of their allowed claims.

A. Purpose of This Document

This CONSOLIDATED 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 CONSOLIDATED DISCLOSURE STATEMENT. This CONSOLIDATED DISCLOSURE STATEMENT describes the Plan, but it is the Plan itself that will, if confirmed, establish your rights.

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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 finally approve this CONSOLIDATED DISCLOSURE STATEMENT and confirm the Plan has yet to be determined. You will be notified in writing once a date is set as per the master address list. Same will take place at the **United States Bankruptcy Court, District of Puerto Rico, Jose V Toledo Federal Building, 300 Recinto Sur Street, Old San Juan.**

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:

**Paul Hammer, Esq. at P.O. Box 9023596
Old San Juan, Puerto Rico 00902.**

See Section IV.A. below for a discussion of voting eligibility requirements.

Your ballot must be received by May 6, 2017 or it will not be counted.

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

Objections to this CONSOLIDATED DISCLOSURE STATEMENT or to the confirmation of the Plan must be filed with the Court within the pertinent deadline as set by the Bankruptcy Code or the Court. Please confer with your counsel to ensure timeliness. All objections must be served upon:

**Paul Hammer, Esq. at P.O. Box 9023596,
Old San Juan, Puerto Rico 00902.**

4. Identity of Person to Contact for More Information

If you want additional information about the Plan, you should contact:

Paul Hammer, Esq. (Debtor's counsel); 787-977-5050; phammer@estrellallc.com

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C. Disclaimer

Information provided in this Consolidated Disclosure Statement has been provided by Debtor's management to the best of his understanding and belief, however it has not been audited by a Certified Public Accountant as to its content or reasonableness. The Court has conditionally approved this CONSOLIDATED DISCLOSURE STATEMENT as containing adequate information to enable parties affected by the Plan to make an informed judgement about its terms. The Court has not yet determined whether the Plan meets the legal requirements for confirmation, and the fact that the Court has approved this CONSOLIDATED DISCLOSURE STATEMENT does not constitute an endorsement of the Plan by the Court, or a recommendation that it be accepted. The Court's approval of this CONSOLIDATED DISCLOSURE STATEMENT is subject to final approval at the hearing on confirmation of the Plan. Objections to the adequacy of this CONSOLIDATED DISCLOSURE STATEMENT may be filed until with the Court within the pertinent deadline as set by the Bankruptcy Code or the Court. Please confer with your counsel to ensure timeliness.

II. BACKGROUND

A. Description and History of the Debtor's Business

The Debtors are domestic corporations organized under the Laws of the Commonwealth of Puerto Rico. Joyería Venecia Inc. was organized on October 17, 1994 and Fantasy Jewelry March 24, 2003; both entities have been dedicated to retail sales of jewelry products. Joyería Venecia is located at Rio Hondo Mall Bayamon, Puerto Rico and Fantasy Jewlery Trading, Inc. was located in Plaza del Norte Mall, Hatillo, Puerto Rico, until it closed on October 31, 2016.

B. Insiders of the Debtor

The President of both corporations, Mr. Rolando Rojas, is the only insider related to these estates. During two years prior to the filing of the case Mr. Rojas was paid an average \$1,500.00 per month as compensation for his management services. During the pendency of the consolidated case, the same compensation is being paid.

C. Management of the Debtor Before and During the Bankruptcy

Since their inception, Mr. Rojas has managed the corporations and continues to do so during the pendency of the case. After the effective date of the order confirming the Plan, Mr. Rojas will continue to manage the corporations with the assistance of counsel and financial advisors engaged during the case.

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D. Events Leading to Chapter 11 Filing

During 2015, the Puerto Rico Treasury Department notified the Debtors on an estimated sales and use (IVU) tax deficiency of an aggregate exceeding \$1,514,000. Despite efforts by Mr. Rojas and his accountant to resolve these claims, the Treasury informed Mr. Rojas his stores would be shut down if immediate payment was not made. Since the Puerto Rico Treasury had closed other businesses for alleged tax debt, Mr. Rojas consulted counsel and concluded that he had no choice but file a petition for reorganization under Chapter 11 of the US Bankruptcy Code in order to be able to contest the alleged claim and continue operating. Both corporations filed for relief under Chapter 11 on November 13, 2015.

E. Significant Events During the Bankruptcy Case

During the pendency of the case, and until the date of this Consolidated Disclosure Statement, the following events have occurred:

1. The Initial Debtor Interviews of both cases were done on December 15, 2015.
2. Counsel requested substantive consolidation of the cases on 11/13/2015 and again in January 28, 2016 (dkt # 4 and 34). The substantive consolidation was approved by the Court on February 24, 2016 (dkt #49).
3. The 341 Creditors meeting was held on December 18, 2015 and closed on February 9, 2016 (dkt#40).
4. The Status hearing was held on January 20, 2016.
5. Counsel for Debtors Paul Hammer, Esq. was approved by the Court on January 8, 2016. (dkt#21)
6. Financial Advisors for Debtors, Monge Robertín & Asociados and Jose M Monge Robertín, CPA, CIRA, CGMA were approved by the Court on August 9, 2016. (dkt#92).
7. Debtors filed for assumption of the retail lease of Rio Hondo.
8. The Hatillo, Puerto Rico store of Fantasy Jewlery Trading, Inc. was closed on October 31, 2016, operations were consolidated at the Joyería Venecia store in Rio Hondo Mall, Bayamón with eight employees.
9. Objections were filed to various proof of claims, including POC 7 and 8 by the Puerto Rico Treasury. The Treasury claims have been amended to reduce substantially the original claims, however the amended claims continue to include estimates and to ignore tax filings and amended certifications on the actual debt. Debtor was left with no other choice but to file its Disclosure Statement and Plan to resolve these issues finally with court intervention.

Recovery of Avoidable Transfers

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The Debtor has not identified any, nor intend to pursue, any preference, fraudulent conveyance, or other avoidance actions.

F. Claim 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 the 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 consolidated estate's assets were as follows as of the filing date (November 13, 2015):

Cash in bank	\$28,711
Inventory	181,000
Equipment and store furniture	59,150
Utility deposits	<u>3,100</u>
Total assets	<u>\$271,961</u>

Assets are recorded at historical cost values or market, whichever is lower in accordance with Generally Accepted US Accounting Principles.

The Debtor's most recent financial statements were filed in the Department of State for the year ending December 31, 2015. **Exhibit C.**

A summary of the Debtor's periodic operating reports filed since the commencement of the Debtor's bankruptcy case is set forth in **Exhibit D.**

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

A. What is the Purpose of the Plan of Reorganization?

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

B. Unclassified Claims

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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 Amount Owed	Proposed Treatment
Expenses Arising in the Ordinary Course of Business After the Petition Date	\$35,000	Paid in full on the effective date of the Plan, or according to terms of obligation if later
The Value of Goods Received in the Ordinary Course of Business Within 20 Days Before the Petition Date	-	Paid in full on the effective date of the Plan, or according to terms of obligation if later
Professional Fees, as approved by the Court.	\$92,000	Part of these fees have already been approved by the Court and paid by the Debtor. Fees approved by the Court are due upon approval, however any remainder will be paid in full on the effective date of the Plan, or according to a separate written agreement, or according to court order if such fees have not been approved by the Court on the effective date of the Plan.
Clerk’s Office Fees	\$250	Paid in full on the effective date of the Plan

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Other administrative expenses	-	Paid in full on the effective date of the Plan or according to separate written agreement
Office of the US Trustee Fees	\$2,925	Paid in full as billable and up to the date of the issuance of the Final Decree.
TOTAL	\$130,175	

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	Proof of Claim	Treatment
INTERNAL REVENUE SERVICE-	\$8,202.59	POC 1-2 and 2-2	Pmt Interval: Monthly Payment: \$694.71 Begin: 30 days after effective date Term: 12 months Interest Rate: 4%
PUERTO RICO DEPARTMENT OF TREASURY	\$0.00	POC 7-2 and 8-2	As to POC 7-2, and POC 8-2, \$0 is expected to be allowed as per Objections filed at Docket Nos. 134 and 136, and any possible, subsequent supplements to same, pending as of the date of the filing of this document.

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PUERTO RICO DEPARTMENT OF LABOR	\$2.45		As to POC 9-1, \$0.00 is expected to be allowed as per Objection filed at Docket No. 148 and granted at Docket No. 164. As to POC 10-1, \$2.45 is claimed as priority and \$0.10 is claimed as secured, however the claim has no collateral and it admits in another section that it is not secured. No objection was filed on this claim due to its immateriality. The \$0.10 was classified as unsecured. The priority portion will be paid 100% as follows: Payment Interval: One-time Amount: \$2.45 Begin: 30 days after effective date Term: NA Interest Rate: NA

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:

1. Classes of Secured Claims

Allowed Secured Claims are claims secured by property of the Debtor's

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bankruptcy estate (or that are subject to setoff) to the extent allowed as secured claims under §506 of the Code. **There are no secured claims in this consolidated case.**

2. Classes of Priority Unsecured Claims

Certain priority claims that are referred to in §§507(a)(1), (4), (5), (6), and (7) of the Code are required to be placed in classes. The Code requires that each holder of such a claim receive cash on the effective date of the Plan equal to the allowed amount of such claim. **There are no other unsecured priority claims in this consolidated case. Tax priority claims are treated as unclassified claims.**

3. Classes of General Unsecured Claims

General unsecured claims are not secured by property of the estate and are not entitled to priority under §507(a) of the Code.

CLASS TREATMENTS

The following chart identifies the Plan’s proposed treatment of Class 3 through 5, which contain general unsecured claims against the Debtor (Class 1 and 2 are not applicable in this case):

Class #	Description	Impairment	Treatment
Class 3	General Unsecured	Impaired	Frequency: Single payment Date: 30 days after the effective date of the plan Percent Distribution: 100% Aggregate amount: \$2,190.45

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Class 4	General Unsecured-Stipulation with Banco Popular	Impaired	Stipulation filed and granted at Dockets No. 63 and 64. Under this stipulation, the parties agree that the loan was provided to Joyeria La Esmeralda, Inc. but was guaranteed by Joyeria Venecia, Inc. The agreement provides that La Esmeralda will continue to pay its loan and no distribution will be provided from this plan, unless La Esmeralda defaults on the payments to the loan.
Class 5	General Unsecured-executory contract- Rio Hondo Mall store lease with DDR Norte, LLC, SE	Unimpaired	This leased was assumed at Docket No. 39 and granted at Docket No. 54 on March 9, 2016. Under the lease agreement, monthly rents are based on minimum expected annual sales figures not to exceed \$6,741.33 in year 10 (2018). There are no arrears to cure in this contract.

4. Classes of Equity Interest Holders

Equity interest holders are parties who hold an ownership interest (i.e., equity interest) in the Debtor. In a corporation, entities holding preferred or common stock are equity interest holders. In a partnership, equity interest holders include both general and limited partners. In a limited liability company (“LLC”), the equity interest holders are the members. Finally, with respect to an individual who is a debtor, the Debtor is the equity interest holder.

The following chart sets forth the Plan’s proposed treatment of the class of equity interest holders:

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Class #	Description	Impairment	Treatment
6	Equity interest holder	Impaired	Shareholder will receive no distribution under the plan, but will retain shares.

D. Means of Implementing the Plan

1. Source of Payments

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

- a) Income from operations of the remaining store.
- b) Sale of any excess equipment or store furniture.
- c) Cash available at the effective date of the Plan.

2. Post-confirmation Management

The Post-Confirmation Manager will continue to be Mr. Rojas and his compensation will continue to be the same until the Plan has been fully paid.

E. Risk Factors

The proposed Plan has the following risks:

The principal risks that may affect the Debtor is the financial condition of the Commonwealth of Puerto Rico which has been submitted by the U.S. Congress under PROMESA to a fiscal board and will need to increase its tax collections, and reduce expenses, balance its budget and restructure its long-term debts. Consequently, a growing migration reduces the middle class and can affect sales to these discretionary products.

F. Executory Contracts and Unexpired Leases

The single executory contract, an operating lease for facilities in Rio Hondo Mall was assumed at Docket No.39 and granted on March 9, 2016, Docket No. 54.

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.

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The following are the anticipated tax consequences of the Plan:

(1) **Tax consequences to the Debtor of the Plan-** Debtor corporations will be able to use carryforward losses after offsetting the reduction of debt. Under the Puerto Rico Tax Code income from the reduction of debt is not taxable. Otherwise the Debtors will be subject to all taxes imposed at Commonwealth and municipal level. Since the Debtors have no US source income, no Federal Corporate Income Taxes are contemplated.

(2) **General tax consequences on creditors of any discharge-** Under this plan all creditors are being paid in full for their allowable claims, and therefore will need to recognize these payments as other income if upon the filing of the bankruptcy or previously, they had written off these account balances.

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 votes to accept the Plan; and the Plan must be feasible. These requirements are not 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 for voting purposes and (2) impaired.

In this case, the Plan Proponent believes that classes 3 and 4 are impaired and that only holders of claims in each of these classes are entitled to vote to accept or reject the Plan.

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

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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 Federal Rules of Bankruptcy Procedure.

The deadline for filing a proof of claim in this case was March 17, 2016 for regular claims and May 15, 2016 for government claims.

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.

2. Who is **Not** Entitled to Vote

The holders of the following six types of claims and equity interest are *not* entitled to vote:

- Holders of claims and equity interest 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 CONSOLIDATED DISCLOSURE STATEMENT.

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3. 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 holds claims in multiple classes, is entitled to accept or reject a Plan in each capacity, and should cast one ballot for each claim.

B. Votes Necessary to Confirm the Plan

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

1. Votes Necessary for a Class to Accept the Plan

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

2. Treatment of Non-accepting 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 “cram down” 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

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holders who do not accept the Plan will receive at least as much under the Plan as such claim and equity interest holders would receive in a Chapter 7 liquidation. A liquidation analysis is attached to this CONSOLIDATED DISCLOSURE STATEMENT as **Exhibit E**. Under this analysis, a liquidation would permit full payment of all priority and administrative claims and 77.9% to unsecured creditors, while allowing for nothing to be paid to equity security holders. Also, a liquidation scenario would require the closing of the remaining store, the loss of the existing jobs, the loss by creditors of their client and the loss for the government on sales tax, property and income taxes. Such a distribution would likely take about two years while the offer of this Plan will provide 100% distribution to all creditors within not later than one year.

D. Feasibility

The Court must find that confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtor or any successor to the Debtor, unless such liquidation or reorganization is proposed in the Plan. Operating reports show that the Debtor has been able to cover post-petition operating expenses and accumulated sufficient working capital to continue operations and pay its plan. The attached cash flow projection and Modified Break Even Point Analysis also shows feasibility in the plan.

1. Ability to Initially Fund Plan

The Plan Proponent believes that the Debtor will have enough cash on hand on the effective date of the Plan to pay all the claims and expenses that are entitled to be paid on that date. Tables showing the amount of cash on hand on the effective date of the Plan, and the sources of that cash are attached to this CONSOLIDATED DISCLOSURE STATEMENT as **Exhibit F**.

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

The Plan Proponent must also show that it will have enough cash over the life of the Plan to make the required Plan payments.

The Plan Proponent has provided projected financial information. Those projections are listed in **Exhibit G**. The Modified Break Even Analysis is included in **EXHIBIT I**.

The Plan Proponent's financial projections and break even analysis show that the Debtor will have sufficient aggregate annual average cash flow, after paying operating expenses and post-confirmation taxes, to comply with the Plan.

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You Should Consult with Your Accountant or other Financial Advisor If You Have Any Questions Pertaining to These Projections.

V. EFFECT OF CONFIRMATION OF PLAN

A. DISCHARGE OF DEBTOR

Discharge. On the effective date of the Plan, the Debtor shall be discharged from any debt that arose before confirmation of the Plan, subject to the occurrence of the effective date, to the extent specified in §1141(d)(1)(A) of the Code, except that the Debtor shall not be discharged of any debt (i) imposed by the Plan, (ii) of a kind specified in §1141(d)(6)(A) if a timely complaint was filed in accordance with Rule 4007(c) of the Federal Rules of Bankruptcy Procedure, or (iii) of a kind specified in §1141(d)(6)(B). After the effective date of the Plan your claims against the Debtor will be limited to the debts described in clauses (i) through (iii) of the preceding sentence.

B. Modification of Plan

The Plan Proponent may modify the Plan at any time before confirmation of the Plan. However, the Court may require a new CONSOLIDATED DISCLOSURE STATEMENT and/or re-voting on the Plan.

The Plan Proponent 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.

C. Final Decree

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

VI. OTHER PLAN PROVISIONS

No other provisions are considered necessary.

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UNSWORN STATEMENT

I, ROLANDO ROJAS, Debtor's President, do hereby state under the pains and penalties of perjury that the information included in the foregoing Consolidated Disclosure Statement, is true and accurate to the best of my knowledge and belief, and that the same has been proposed in good faith and in compliance with all applicable provisions of the Bankruptcy Code.

Dated: April 6, 2017

Counsel for the Debtor

S/Mr. Rolando Rojas
President of Debtor in Possession
Bayamon, Puerto Rico 00717

S/Paul J. Hammer, Esq.
USDC-PR 228306
P.O. Box 9023509
San Juan, Puerto Rico 00902

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TABLE OF EXHIBITS

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