

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

IN RE:

**INMOBILIARIA LEGUISAMO INC.**  
Debtor

**CASE NO. 16-00123-EAG**

CHAPTER 11

***AMENDED DISCLOSURE STATEMENT***

**TO THE HONORABLE COURT:**

COMES NOW, debtor **INMOBILIARIA LEGUISAMO INC.**, represented by its President Mr. William Granell Perez and by the undersigned counsel who very respectfully submits the **Disclosure Statement** in this case:

**I. INTRODUCTION**

**INMOBILIARIA LEGUISAMO INC.**, debtor in the case of caption, provides the Disclosure Statement to all of his known creditors and other parties in interest in order to disclose that information deemed by Debtor to be material, important and necessary for the creditors and other parties in interest so as they can reach an informed decision in exercising their right to vote for acceptance of the Plan of Reorganization (hereafter referred to as the "Plan").

Your rights may be affected. You should read the Plan and this Disclosure Statement carefully and discuss them with your attorney. If you do not have an attorney, you may wish to consult one.

**1.1 BANKRUPTCY CODE PROVISIONS FOR POST PETITION DISCLOSURE**

The post petition disclosure and solicitation is governed by the provisions of Section 1125 (a)(1) of the Bankruptcy Code requirements, that a debtor make post petition disclosure in

the form of a disclosure statement which provides "adequate information" to its creditors before a debtor or a party acting on its behalf may solicit acceptances of a Chapter 11 plan of reorganization.

Section 1125 (f) (1), allows for the court to "conditionally approve a disclosure statement subject to final approval after notice and a hearing"; (2) "acceptances and rejections of a plan may be solicited based on a conditionally approved disclosure statement as long as the debtor provides adequate information to each holder of a claim or interest that is solicited,....." and the (3) "hearing on the disclosure statement may be combined with a hearing on confirmation of a plan".

The Court may conditionally approve the Disclosure Statement as containing adequate information to enable parties affected by the Plan to make an informed judgment about its terms. The Court has not yet determined whether the Plan meets the legal requirements for confirmation, and the fact that the court may approve this 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 Disclosure Statement is subject to final approval at the hearing on confirmation of the Plan. Objection to the adequacy of this Disclosure Statement shall be filed in writing with the Court.

## **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 accountant, except where expressly stated otherwise. The debtor does not warrant or represent

that the information contained herein is without inaccuracy notwithstanding its efforts to disclose all matters with careful attention to accuracy and completeness.

Any representation concerning the debtor, and/or any other statement relative to it, different from, or as set forth in this Disclosure Statement, is not authorized by the Debtor. Any representations or inducements other than as contained in this statement should not be relied upon by a creditor in deciding how to vote on the Plan.

### **1.3 VOTING REQUIREMENTS**

Creditors are advised that they have the right to vote accepting or rejecting the Plan proposed by the debtor. In order for the Plan to be confirmed, the Bankruptcy Code requires for the Plan to be accepted by a class of creditors, the creditors composing such class, that hold at least two thirds in amount and more than one half in number of the allowed claims of such class which vote must accept the Plan.

Creditors are advised of the importance of the right to vote accepting or rejecting the Plan proposed by debtors, pursuant to Section 1141 (d) of the Bankruptcy Code, except as otherwise provided therein, the plan or in the order confirming the Plan, the confirmation of a plan discharges the Debtor from any debt that arose before the date of the confirmation and from any debt that is specified in Section 502(g), 502(h) or 502(I) of the code, this is whether or not the creditors have accepted the Plan or have filed their claims, or such claims are deemed filed or allowed under section 502 of the Bankruptcy Code. A class of claims or interests is impaired.

### **1.4 DEBTOR'S HISTORY**

The debtor, INMOBILIARIA LEGUISAMO INC., is a duly organized corporation under the laws of the Commonwealth of Puerto Rico, and it's President and Treasurer is Mr. William

Granell Perez, and the secretary is Mr. Maxiwilly Granell Perez; each hold 50% of the shares of the corporation. The corporation owns a commercial building at Barrio Leguisamo, Road 352, Km 4.6, Mayaguez, Puerto Rico, that is presently rented for \$1,500.00 monthly, as Leguisamo Pharmacy. (See: Schedule A-Real Property and SOFA 18). The pharmacy is not own by the debtor corporation nor does it have any intervention in the business operation of the same. The property is encumbered by a commercial loan with creditor **TRIANGLE REO PR CORP** in the amount of the value of the collateral (\$ 212,000.00). The total loan amount of creditor **\$2,363,806.92 (Total payoff balance)**. The loan is secured only to the property value amount. The debtor sought bankruptcy relief in light of a pending foreclosure public sale of the real property by creditor Triangle REO PR Corp. to manage its debt.

The debtor's financial situation has deteriorated during the last few years since the construction industry is stagnant. The debtor corporation is dedicated to rent equipment. Its present income comes from rental of the premises and equipment.

#### **1.5 EVENTS LEADING TO BANKRUPTCY**

The debtor was forced to seek protection under Chapter 11 of the Bankruptcy Code, first and foremost since; the corporation was not able to comply with the lien payments to its creditor Triangle REO PR Corp. and to stop the foreclosure of the property.

#### **1.6 DATE THE PETITION WAS FILED**

The Bankruptcy petition for debtor was filed on January 13, 2016, under the provisions of Chapter 11 of the Bankruptcy Code. Since the filing the debtor has remained as Debtor in Possession in full compliance with the duties under the Code and the guidelines of the US Trustee.

## **1.7 BANKRUPTCY PROCEEDINGS**

### **I. Voluntary Petition, Schedules, and Amendments;**

On January 13, 2016, the debtor filed the bankruptcy petition along with the Voluntary Petition, Schedules, Statement of Financial Affairs, List of Creditors, and Corporate Resolution (dk-1 and dk-2). On April 22, 2016, the debtor filed an Amended Schedule G: Non-Individual-Executory Contracts and Unexpired Leases, **Schedules A/B Item 55** - indicate nature and extent of debtor's interest in real property listed.; **Schedule G, Item 1** - Change answer to YES and list co-debtors: HG Management, Inc., William Granel Perez and wife, and, Maxemwilly Granel Perez and wife; **Schedule H**, Change Answer to Yes, and list lease agreement with Farmacia Leguisamo, **Statement of Financial Affairs**, Item 1 to provide missing gross income for 2015; Item 11 provide date and amount of payment to attorney; Item 16 - Change answer to NO; Item 27 - to indicate dollar amount and basis of inventory; SOFA 30.3 to change answer to Yes. On **April 23, 2016** the debtor filed **Amended Schedule D** to delete in item 2.1 the claim in the name of Antilles Cement.

### **II. Employment of Professionals:**

On April 27, 2016 debtor filed its' application to employ Attorney, Nydia Gonzalez Ortiz, Esq., and the firm of Santiago & Gonzalez Law, LLC, as attorney for Debtor (dk-30, 31). The Court approved the employment application on May 18, 2016 (dk-44). On June 2, 2016 the debtor filed an Application to Employ Professional Appraiser, Rafael G. Arcaya Cruzado as requested by the Court. In the future the debtor would be employed the professional services of a realtor and would be submitting the application of employment.

**III. Assumption and Rejection of Executory Contracts and Unexpired Leases:**

The debtor has not filed any motions to assume any executory contract or unexpired leases.

**IV. Critical Vendors:**

The debtor has not denominated any vendor as a critical vendor in this case and has not filed any motions to request the court to allow it to pay any vendor in lieu of services.

**V. Other Matters:**

The debtor has filed Monthly Operating Reports and is current with the payment of quarterly fees to the United States Trustee. The debtor has paid on time the Municipal taxes, property taxes and all required documents of Federal, State and Municipal Tax liabilities.

**1.8 FINANCIAL INFORMATION**

The identity and fair market value of the estate's assets are listed in Schedule A (Real Property) (dk-1), amended on April 22, 2016 (dk-25). The debtor's personal assets are listed in Amended Schedule B, with the proper values as amended on January 14, 2014 (dk-25). (*See Exhibit - Schedule Summary of Assets and Liabilities*).

The Monthly Operating reports are available on the Bankruptcy Court's filed, reflect the debtor's post petition finances. These reports have been considered to establish the basis for payments under the plan up to the sale of all assets.

The debtor request that the creditors review the documents and financial statements in order to make a conscious decision when voting for or against the proposed plan of reorganization.

**II ASSETS AND LIABILITIES**

Debtor's assets are listed in the Schedule A and B filed with the Court and as amended on April 22, 2016 (dk-25). Value of the real property: \$212,000.00 as per appraisal prepared by Rafael Arcaya Cruzado, Professional Appraiser on May 4, 2016. Amount of the claim that is secured: \$212,000.00; Amount of the claim that is unsecured: \$2,151,806.90. The personal property of debtor value in the amount of \$15,000.00.

### **2.1.1 REAL PROPERTY**

(1) Debtor owns a commercial building located at Barrio Leguisamo, Road 352, Km 4.6, Mayaguez, Puerto Rico, on a lot of land of 3.62 “cuerdas”, valued at \$212,000.00. This property is encumbered by lien with **TRIANGLE REO PR CORP** for the value of the collateral. No equity despite value assigned in. Best offer is below debt at present.

### **2.1.2 PERSONAL PROPERTY**

Personal property for the debtor was detailed in the Amended Schedule B, filed with the Court on April 22, 2016 in the amount of \$15,000.00. This property consists of equipment (louder).

## **2.2 LIABILITIES AS OF PETITION DATE**

Debtor's creditors as of the time of the petition were listed as follows:

### **2.2.1 Secured Creditors:**

(1) **DEPARTMENT OF TREASURY** - secured claim listed in Schedule D in the amount of \$998.57, claim has not been filed. This claim will be paid in full no later than 60 days as of the effective date.

- (2) **TRIANGLE REO PR CORP** - This is a commercial loan and debtor owes the amount of the collateral value for \$212,000.00 and the remaining would be unsecured. The collateral for this debt is real property at Barrio Leguisamo, Road 352, Km 4.6, Mayaguez, Puerto Rico, which houses a commercial building, that is presently rented as Leguisamo Pharmacy. The property is encumbered by a secured loan with creditor, Triangle REO PR Corp., in the amount of \$212,000.00.

### **2.2.2 General unsecured Creditors:**

Debtor did not schedule unsecured debts in Schedule F.

The amount of the claim unsecured filed by Triangle REO PR Corp is: \$2,151,806.90 of which \$ 212,000.00 is secured.

### **2.2.3 Priorities**

The debtor scheduled total priority claim in the amount of \$487.25 to wit:

- (1) **CRIM** - was scheduled in the amount of \$487.25 for property taxes 2011 to 2014. as of this date no claim has been filed by CRIM as priority. The debtor will pay the total amount of the priority claims pro-rata no later than five (5) years from the filing of the petition.

## **III. PENDING LITIGATION**

The Debtor is not a party to litigation in State Court, the Federal District Court, or in any Administrative Agency at the present time, with the exception of a foreclosure preceding that was stayed in State Court with the bankruptcy filing in this case.



#### **IV. LIQUIDATION ANALYSIS**

One of the requirements for the confirmation of a plan under Chapter 11 of the Code is that with respect to each impaired class of claims, each claim holder 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 debtor were liquidated under Chapter 7 of the Code, on such date. For the purpose of determining a liquidation value, the scheduled value of the property, has been determined at market value and adjusted using the experience of liquidation of assets under bankruptcy cases. The estimated amount payable to unsecured creditors if a Chapter 7 were filed would be an estimated dividend for unsecured creditors equal to 0% if a Chapter 7 were filed.

#### **V. SUMMARY OF THE PLAN**

##### **CLASSIFICATION AND TREATMENT OF CLAIMS**

##### **A. DESIGNATION OF CLASSES OF CLAIMS AND INTERESTS**

The Plan divides the creditors into four (4) classes in accordance with the dispositions of 11 U.S.C. 1122 and 1123. Creditors and other parties in interest are urged to read and consider the Plan in full inasmuch as it represents a proposed legally binding agreement with the Debtor and any other party involved. The classes of creditors are as follow:

##### **5.1 CLASS 1 - ADMINISTRATIVE EXPENSES**

This class is compose of the Allowed Administrative Expense Priority Claims, as provided under Section 503 of the Code, including, but not limited to, fees to the United States Trustee, fees and expenses of the Debtor, as may be allowed by the Bankruptcy court upon

application therefore and after notice and hearing in accordance with the Bankruptcy Code and Rules, and any unpaid taxes, fees, and court cost accrued since the petition date. Estimated in the amount of \$ 8,000.00.

## **5.2 CLASS 2 - PRIORITY CLAIMS**

The debtor scheduled total priority claim of creditor CRIM in the amount of \$ 487.25.

## **5.3 CLASS 3 - SECURED CREDITORS**

This class is composed of the Allowed secured claims in the amount of \$2,363,806.92.

(1) **DEPARTMENT OF TREASURY**, secured claim listed in schedule D in the amount of \$998.57, claim has not been filed by creditor

(2) **TRIANGLE REO PR CORP**, secured claim, Mortgage loan, in the amount of \$212,000.00, filed claim No. 1 on May 18, 2016 in the amount of \$2,363,806.92.

This lien is over a property, commercial building located at Barrio Leguisamo, Road 352, Km 4.6, Mayaguez, Puerto Rico, on a lot of land of 3.62 “cuerdas”, with a value of \$ 212,000.00, according to a recent appraisal prepared by Rafael Arcaya Cruzado, Professional Appraiser, on May 4, 2016. This claim is subject to a settlement agreement among the parties. The debtor will commence to make adequate protection payments to this creditor in the amount of \$ 1,500.00 monthly to be credited to the principal amount of the claim an workout a repayment plan. The debtor is submitting Business Projections for the months of June to December 2017 to support the adequacy and feasibility of the \$1,500.00 payment to Triangle REO’s.

- (3) **CRIM**, secured creditor, real property taxes, filed secured claim No. 2 on 06/20/2016 in the amount of \$6,406.80.

#### **5.4 CLASS 4 UNSECURED CREDITORS**

- (1) **TRIANGLE REO PR CORP**, unsecured portion of claim No. 1 filed on May 18, 2016, in the amount of \$2,151,806.90.
- (2) **CRIM**, unsecured portion of claim No. 2 filed on 06/20/2016, in the amount of \$465.41.

### **B. TREATMENT OF CLASSES**

#### **5.1.1 CLASS 1 - ADMINISTRATIVE EXPENSES**

This shall consist of Allowed Expense Priority Claims, as provided under Section 503 of the code, including but not limited to the fees to the United States Trustee, fees and expenses of the Debtor's counsel and any other retained professionals, as may be allowed by the Bankruptcy Court upon application therefore and after notice and hearing in accordance with the Bankruptcy Code and Rules, any unpaid taxes or fees accrued since petition date and court costs accrued since the petition date. The Debtor estimates the liability for this class by the effective date will be in the amount of **\$ 8,000.00**.

Any amounts owed under this class will be paid in full on or before the Effective Date, unless agreed to a less favorable treatment between the Debtor and the holder of the claim. This class is **not impaired**.

#### **5.2.1 CLASS 2 - PRIORITY CLAIMS**

The debtor will pay the total amount of the priority claims pro-rata no later than five (5) years from the filing of the petition. This class is not impaired.

### **5.3.1 CLASS 3 SECURED CREDITORS**

This class is composed of the secured claims. Debtor estimates that the liability of this class by the effective date will not exceed the amount of \$212,998.57.

1. **DEPARTMENT OF TREASURY**, secured claim listed in Schedule D in the amount of \$998.57, has no filed claim. This claim will be paid in full no later than sixty (60) months from the confirmation of the plan. This class is not impaired.
2. **TRIANGLE REO PR CORP** - secured claim, matured loan with a debt of \$2,363,806.92. The property encumbered by Triangle REO PR CORP is located at Ward Leguisamo, Carr 352, km 4.7, Mayaguez, lot no 41,410, registered at the Property Registry of Mayaguez. The Debtor will sell the real property located at Ward Leguisamo, Carr 352, km 4.7, Interior, Mayaguez, within the next 30 months. The debtor will be paid the secured portion of this claim, that is \$212,000.00 (as the value of recent appraisal). This class is not impaired.
3. **CRIM** - The secured portion of claim No. 2 in the amount of \$6,406.80, will be paid pro rata during the life of the plan.

*The debtor submitted the following offers to the creditor Triangle REO PR Corp., related with INMOBILIARIA LEGUISAMO INC:*

- (1) *The debtor proposes to pay and / or sell for \$ 180,000.00, covering the full payment of this property.*

- (2) *The debtor will maintain Adequate Protection Payment to the creditor sincof \$ 1,500 per month until the entire sale process is completed.*
- (3) *Time frame of thirty (30) months from the effective date to make the sale.*
- (4) *Once approved, it is necessary to send a letter of intent to the debtor to request payment.*
- (5) *That each transaction be carried out separately (sell or refinance).*
- (6) ***As of August 30, 2017 the debtor paid an adequate protection of \$18,000.00.***

**The debtor submitted the following offer to the creditor Triangle REO PR Corp., related with HG MANAGEMENT INC.:**

- (1) *The debtor proposes to pay and / or sell for \$ 180,000.00 covering the full payment of this property (relief all debts)*
- (2) *Adequate Protection Payment of \$ 1,500 per month until the entire sale process is completed.*
- (3) *30 months to make the sale.*
- (4) *Once approved, it is necessary to send a letter of intent to the debtor to request payment.*
- (5) *That each transaction be carried out separately (sell or refinance)*

*Upon the sale of the property and payment to the creditor, Triangle REO PR Corp., will release all liens on the property.*

- (6) ***As of August 30, 2017 the debtor paid an adequate protection of \$18,000.00.***

To this day, Triangle REO is evaluating these offers and we are waiting for an answer to file Stipulation.

#### **5.4.1 CLASS 4 - UNSECURED CREDITORS**

1. **TRIANGLE REO PR CORP** -Unsecured portion of claim No. 1 in the amount of \$2,151,806.92. This claim will receive no distribution as per liquidation value is zero. This class is impaired. See Exhibit - Liquidation Analysis Summary.
2. **CRIM**, unsecured portion of claim No. 2, filed on 06/20/2016, in the amount of \$465.41. The debtor will be paid pro-rata payment monthly during the life of the plan five (5) years. This class is impaired.

## **VI IMPAIRMENT OF EXISTING CLAIMS INTERESTS**

Pursuant to 11 U.S.C. 1124, a class of claims or interests is impaired under a plan unless, with respect to each claim or interest of such a 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 a default.
  - (A) cures any such default that occurred before or after the commencement of the case under this title, other than a default of a kind specified in section 365(b)(2) of this title;
  - (B) reinstates the 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 provisions or such applicable law; and

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

## **VII PAYMENT TO PRIORITIES UNDER SECTION 507(a)(8) OF THE CODE**

All unsecured priority governmental claims pursuant to Section 507(a)(8) of the Code, and Section 1129(a)(9)(C)(ii), as the same are allowed, approved and ordered to be paid by the Court, will receive on account of its allowed claim, deferred cash payments, over a period ending not later than 5 years after the date of the order for relief.

## **VIII LEASES AND EXECUTORY CONTRACTS**

The debtor has a lease agreement with Leguisamo Pharmacy (rented a commercial building). The pharmacy is not own by the debtor corporation.

### **8.1 Assumption of Designated Executory Contracts and Unexpired Leases.**

Pursuant to Sections 1123(b)(2) and 365(a) of the Bankruptcy code, the entry of the confirmation Order by the Bankruptcy Court shall constitute approval of the assumption, as of the effective date, of all executory contracts and unexpired leases (including all insurance policies of the Debtor) that are (i) designated in as “To Be assumed Pursuant to the Plan”, and/or (ii) that are the subject of a motion to assume which is pending at the time of the Confirmation Date. On the Effective Date or as promptly as possible thereafter, the Debtor shall cure any defaults under such assumed executory contracts or unexpired leases to the extent required by Section 365 of the Bankruptcy Code. In addition, to the extent the Debtor has rights of setoff against any of the parties to these leases and contracts; the debtor reserves the right to cure any defaults under such leases and contracts by exercising this right of setoff.

### **8.2 Rejection of Executory Contracts and Unexpired Leases.**

Pursuant to Sections 1123(b)(2) and 365(a) of the Bankruptcy code, the entry of the Confirmation order by the Bankruptcy Court will constitute approval of the rejection, as of the Effective Date, of each executory contract and/or unexpired lease to which the Debtor is a party that (I) has not expired by its own terms on or prior to the confirmation date, and has not been assumed or rejected with the approval of the Bankruptcy Court on or prior to the confirmation Date, or (iii) that is not designated in as being an executory contract or unexpired lease to be assumed at the time of confirmation of this Plan, or (iv) that is subject to a pending motion to reject filed within the bankruptcy proceeding.

Any executory contract or unexpired lease (other than insurance policies) previously rejected by the debtor, or with respect to which a motion to reject is pending, but as to which an order by the Court approving such rejection has not yet been entered, shall be deemed rejected on the Effective Date, subject to the terms of the motion to reject, if such was filed, and the entry of the Confirmation order by the Bankruptcy court will constitute approval of such rejection as requested by the Debtor, pursuant to Sections 365(a) and 1123(b)(2) of the Bankruptcy Code.

**8.3 Executory Contracts and Unexpired Leases Which Were Assumed or Rejected to date.**

In 1.7 (III) and (V), hereof sets forth in detail the unexpired leases and executory contracts which were assumed or rejected throughout the bankruptcy proceeding, and those as to which a motion to assume or reject is pending.

**8.4 Rejection Damage Claims**

If the rejection of an executory contract or unexpired lease by the Debtor pursuant to Section 8.2 hereof results in a claim for damages to the other party or parties to such contract or lease, and claim for such damages, if not heretofore evidenced by a filed proof of claim, it shall



be forever barred and shall not be enforceable against the Debtor's Estate, or its respective properties or agents, successors or assigns, unless a proof of claim is filed with the Bankruptcy court and served upon counsel for the Debtor on or before the earlier of, thirty (30) days after Confirmation Date, if the Confirmation Order constitutes approval of the rejection. Unless otherwise by the Court or provided in the Plan, all such claims for which proofs of claim are timely filed will be treated in the corresponding Class 4, or Class 5, General Unsecured Claims subject to the provisions of the Plan and to Section 502(b)(6) of the Bankruptcy code, to the extent applicable, the debtor shall have the right to object to any such rejection damage claims filed in accordance with this Section.

#### **8.5 Post Petition Allowed Claim**

Any post petition allowed claim, concerning rejected leases, shall be treated as a Class 1 administrative claim.

#### **8.6 Post Petition Agreements Unaffected By Plan**

Except as otherwise expressly provided herein, nothing contained in the Plan shall alter, amend or supercede any agreements or contracts entered into by the Debtor after the Petition Date that were otherwise valid, effective and enforceable against the debtor as of the confirmation Date.

### **XI PROOF OF CLAIMS NOT FILED**

The Plan provides that where a proof of claim has not been filed, the allowed claim shall be in the amount appearing in the schedules filed by the Debtor, provided however, that the scheduled amount is not shown as unliquidated, contingent or disputed, in which case no amount will be allowed unless such creditor has filed a timely proof of claim. To the extent no debt was listed by the debtor in its Schedules, no amount will be provided for claimants who have not filed

proof of claims. This disclosure statement states and describes the classes and expected payment under the plan.

#### **X OBJECTIONS TO CLAIMS**

The Debtor, at its option or upon order of the Bankruptcy Court, if requested to do so, may file an objection to any claim as to its validity or amount within thirty (30) days before the Confirmation Date. Objections not filed within such time periods shall be deemed waived unless reasonable justification exists. 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 belongs.

#### **XI CONDITIONS PRECEDENT TO CONSUMMATION**

Before consummation of the Plan takes place, the Order of Confirmation shall have become a final order. In the event the conditions stated in the Plan are not satisfied, this Plan shall be null and void and the rights of all holders of claims and interests, and of the Debtor shall be restored as of the date immediately preceding the confirmation date.

#### **XII NON ACCEPTANCE OF THE PLAN**

If all applicable requirements of 11 U.S.C. § 1129(a), other than subsection (a)(8), are met with respect of the Plan, the Debtor hereby request that the Court confirm this Plan notwithstanding the requirements of said section, if it does not discriminate unfairly and is fair and equitable with respect to each class of claims or interest that is impaired under and has not accepted this Plan.

#### **XIII MEANS OF EXECUTION OF THE PLAN AND MANAGEMENT OF DEBTOR**

On the effective date of the Plan, the operation and management of Debtor's affairs, collection of moneys and distribution to creditors, will be under the control and supervision of

the Debtor, who will assume the same role she has assumed throughout this reorganization process.

Debtor's **current Administrator is Mr. William Granell Perez**, and receives a minimum salary and expense allowance payments for travel and gasoline.

The funds to execute the plan will be obtained from revenue of the business operations.

Debtor is confident in that the reorganization is attainable through strict cost control.

#### **XIV PROVISIONS FOR THE MODIFICATION OF THE PLAN**

The debtor may propose amendments or modifications of the Plan at any time prior to its confirmation, upon notice to creditors and parties in interests. After confirmation of the Plan, the debtor may, with the approval of the Court and as long as it does not adversely affect the interest of the creditors, remedy and defect or omissions, in such manners as may be necessary to carry out the purposes and effects of the same.

#### **XV 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, the 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 shall conduct a hearing upon application thereon and after notice to all creditors and parties in interest. Thereafter, an order approving the debtor's report and closing the case, shall be entered.

#### **XVI RELEASE AND DISCHARGE OF CLAIMS**

##### **Discharge:**

Except as otherwise expressly provided in section 1141 of the code or the Plan, the distributions made pursuant to and in accordance with the applicable terms and conditions of the Plan are in full and final satisfaction, settlement, release and discharge as against the Debtor of

any debt of the Debtor that arose before the Effective Date, and any debt of the debtor of a kind specified in section 502(g), 502(h), or 502(I) of the Code, and all Claims against the debtor or its Estate of any nature, including, without limitation, any interest accrued thereon from and after the Petition Date, whether or not (I) a proof of claim based on such debt, obligation or equity interest is filed or deemed filed under Section 501 of the Code, (ii) such Claim is Allowed under section 502 of the Code, or (iii) the holder of such Claim has accepted the Plan.

**Injunction Relating to the Plan:**

As of the effective date, all Persons are hereby permanently enjoined from commencing or continuing, in any manner or in any place, any action or other proceeding, whether directly, indirectly, derivatively or otherwise against the Debtor and/or its Estate, on account of, or respecting any Claims, debts, rights, Causes of action or liabilities discharged pursuant to the Plan, except to the extent expressly permitted under the Plan.

**Set offs:**

Except as otherwise provided in this Plan, nothing contained in this Plan shall constitute a waiver or release by the Estate of any rights of setoff the estate may have against any Person.

**XVIII OTHER PROVISIONS**

Confirmation of the Plan and the Order of confirmation will vest title of all property of the Estate in Debtor and will constitute final settlement of payment to all creditors.

All injunctions or stays provided for in the bankruptcy case at bar under sections 105 or 362 of the Bankruptcy Code (11U.S.C.), or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the effective Date.

All claims against Debtor of whatever nature, including any claim arising from the rejection of any executory contract, or any other action, shall be bound by the provisions of this Plan.

Any holder of a claim or interest who fails to file an objection in writing to the provisions of the Plan, which is filed with the court and served upon counsel for the debtor, not later than the date set for the confirmation of the plan, shall be deemed to have accepted its classification and to be bound by the Plan.

All actions taken by the Debtor with respect to any person shall not be construed to release, waive, discharge, compromise or in any other way satisfy any claim, except those subject to any agreement between the parties.

Upon completion of the requirements of the Plan and the order of confirmation, the Debtor and/or the claimant shall execute all corresponding documents and cooperate fully to reflect, release and/or reaffirm all the obligations herein provided.

**The Plan shall become effective upon the Effective Date of the Plan, which is thirty (30) days after the order confirming the plan, becomes a Final order.**

To the extent that any term of this Disclosure statement varies from the terms of the Plan, the terms of the Plan shall govern.

#### **XVIII RETENTION OF JURISDICTION**

The Bankruptcy court shall retain jurisdiction over this case as is conferred upon it by the law, rule or statute, or by the Plan. Enforcement of the plan by a creditor or party in interest will seek remedy in the State court. 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.

WHEREFORE, the debtor's submit the PLAN OF REORGANIZATION for the consideration of the creditors.

***Dated this 30<sup>th</sup> day of August 2017.***

***/s/William Granel Perez***  
President of Inmobiliaria Leguisamo

***/s/ Nydia González Ortiz, Esq.***  
USDC-PR 124006  
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