

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

In re:

SANDWICH D' LIGHT RINCON PR, LLC

Debtor

Case No. **16-01213-ESL11**

Chapter 11

SMALL BUSINESS

DISCLOSURE STATEMENT DATED SEPTEMBER 19, 2016

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I. INTRODUCTION.

This is the Disclosure Statement (the “Disclosure Statement”) in the Chapter 11 case of **SANDWICH D’ LIGHT RINCON PR, LLC** (the “Debtor”). This Disclosure Statement contains information about the Debtor and describes “DEBTOR’S PLAN OF REORGANIZATION DATED September 19, 2016 (the “Plan”). A full copy of the Plan is attached to this Disclosure Statement as Exhibit A. ***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.***

Attached as appendixes and exhibits to this Disclosure Statement are copies of the following documents:

- (a) The Chapter 11 Plan of Reorganization (the “Plan”) ***Exhibit A.***
- (b) The Liquidation Analysis, which sets forth estimated recoveries in a Chapter 7 liquidation as compared to a Chapter 11 reorganization. ***Exhibit B.***
- (c) The Projected Cash Flows for the five years comprising the plan. ***Exhibit C.***
- (d) The Claims Reconciliation and Plan Payments. ***Exhibit D.***
- (e) Summary of the Monthly Operating Reports. ***Exhibit E.***
- (f) Debtor’s most recent Monthly Operating Report. ***Exhibit F.***
- (g) Ballots for the acceptance or rejection of the Plan of Reorganization. ***Exhibit G.***

No representations concerning the debtor, including the Debtor’s future operations or the value of property, are authorized other than as set forth in this statement. Any representation, warranty, agreement or inducement other than as contained in this statement, made to secure acceptance or rejection of the Plan by Debtor’s creditors should not be relied upon in voting on the Plan.

The information contained herein has not been subject to certified audit for the foregoing reason: the Debtor is unable to warrant or represent that the information contained herein is without any inaccuracy, although great efforts have been made to be accurate.

The proposed distributions under the Plan are discussed at pages 8-14 of this Disclosure Statement.

A. Purpose of This Document.

This Disclosure Statement describes:

- The Debtor and significant events during the bankruptcy case,
- How the Plan proposes to treat claims 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 Debtor believes the Plan is feasible, and how the treatment of your claim or equity interest under the Plan compares to what you would receive on your claim or equity interest in liquidation, and
- The effect of confirmation of the Plan.

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

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

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

1. Time and Place of the Hearing to finally approve this Disclosure Statement and Confirm the Plan.

The hearing at which the Court will determine whether to finally approve this Disclosure Statement and confirm the Plan will take place at Hon. Enrique S. Lamoutte’s Courtroom, at 300 Recinto Sur Street, Second Floor Courtroom No. 2, San Juan, Puerto Rico 00901 at the date and time to be set by the Court.

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 if by regular mail to Almeida & Dávila, PSC at PO BOX 191757, San Juan, PR 00919-1757; by phone to (787) 722-2500; if by fax to (787) 777-1376, or if by email in PDF format to info@almeidadavila.com. See Section IV.A below for a discussion of voting eligibility requirements. Your ballot must be received by 5 days before the confirmation hearing or any other time fixed by the Court, or it will not be counted, unless the Bankruptcy Court so orders. Debtor recommends a vote for “ACCEPTANCE” of the Plan.

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

Objections to this Disclosure Statement or to the confirmation of the Plan must be filed with the Court and served upon the US Trustee, the Debtor and any other party in interest by the time fixed by the Court.

4. Identity of Person to Contact for More Information.

If you want additional information about the Plan, you should contact Almeida & Dávila, PSC, attorney for the Debtor by mail at PO BOX 191757, San Juan, PR 00919-1757, or if by email to info@almeidadavila.com.

C. Disclaimer.

The Court has not approved this 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 has approved 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. Objections to the adequacy of this Disclosure Statement may be filed until the date fixed by the Court for such matter.

II. BACKGROUND

A. Description and History of the Debtor and their Business.

Debtor is a Corporation organized pursuant to the laws of the Commonwealth of Puerto Rico dedicated to operate a coffee and sandwich shop located at Rincon PR. Debtor filed the instant petition in order to provide a feasible plan of reorganization to pay creditors pursuant to the Bankruptcy Code. Debtor filed the bankruptcy voluntary petition under Chapter 11 seeking protection from the Court in order to reorganize its finances. Debtor was threatened by the Puerto Rico Treasury Department with closing its business on grounds of a sales tax claim. It came to the determination that the relief of bankruptcy was necessary for the Corporation to rehabilitate its present financial situation. The Debtor filed the Bankruptcy Petition on February 19, 2016. Debtor's case is a "Small Business Case" as defined in 11 USC § 101 (51C) since Debtor is "small business Debtor" pursuant to the definition in 11 USC § 101 (51D).

B. Property of the Debtor.

a. Real Property of the Debtor

Debtor does not own real properties.

b. Personal Property of the Debtor

Debtor owns personal properties in the aggregate estimated amount of **\$22,522**. The same were listed by debtor in Schedule B of the bankruptcy voluntary petition and are categorized as follows:

Property Description	Item No. in Schedule B	Value
Cash on Hand	1	\$0
Checking Account held at Banco Popular Acct. no. xxxx6472	3	\$2,916
Security Deposit with the PR Electric Power Authority	7	100
Inventory General Merchandise, Food and Products	22	\$5,257
Machinery, Equipment and Vehicles	50	\$14,250
TOTAL		\$22,522

For a more detailed description of the personal property of the Debtor refer to Schedule B of the Voluntary Petition.

C. Pending Litigation.

Debtor does not have pending litigation.

D. Insiders of the Debtor.

Debtor does not have insider claims.

E. Events Leading to Chapter 11 Filing.

Debtor's main reason for filing the voluntary petition was to protect itself from creditor Puerto Rico Treasury Department and continue operations. Debtor was threatened by the Puerto Rico Treasury Department with closing its business on grounds of a sales tax claim. The corporation came to the determination that the relief of bankruptcy was necessary for it to rehabilitate from its present financial situation. Debtor felt its only possibility to resolve the situation was the filing of the instant bankruptcy in order to protect its business.

F. Significant Events during the Bankruptcy Case

Professionals Approved by the Court

Since February, 2016, and as approved by the Court on March 21, 2016, Debtor's attorney has been and continues to be Almeida & Dávila P.S.C.

In addition, on April 4, 2016, this Honorable Court approved the application for employment of the C.P.A. Albert Tamarez to assist the Debtor in the financial aspects of this

case. Mr. Tamarez is currently preparing Debtor's monthly operating reports and has prepared the Analysis and Financial Projections enclosed herein.

Debtor has been filing Monthly Operating Reports with the Bankruptcy Court reflecting Debtor' income and disbursements, as well as other items during the period of February 2016 to June 2016. The Monthly Operating Reports can be inspected by parties in interest at the Office of the Clerk of the Bankruptcy Court, and through the Court's CM/ECF system. Also a Forecast of Cash Flows and Disbursements is attached in **Exhibit C**.

Adversary Proceedings

At present, there are no adversary proceedings pending before the Bankruptcy Court.

I. Claims Objections

Except to the extent that a claim is already allowed pursuant to a final non-appealable order, the Debtor reserve their right to object to claims. Therefore, even if your claim is allowed for voting purposes, you may not be entitled to a distribution if an objection to your claim is later upheld. The procedures for resolving disputed claims are set forth in Article V of the Plan.

J. Current and Historical Financial Conditions

The identity and fair market value of the estate's assets are evidenced in **Exhibits B and C**. The Debtor's Projected Cash Flow is set forth in **Exhibit C**.

The most recent post-petition operating report filed since the commencement of the Debtor' bankruptcy case is set forth in **Exhibit F**.

Since the filing of the instant bankruptcy, Debtor' income and expenses for the last six months have been as follows:

<i>Date</i>	<i>Beginning Cash Balance</i>	<i>Income</i>	<i>Expenses</i>	<i>Ending Cash Balance</i>	<i>Docket No.</i>
February 2016	\$308	\$10,411	\$9,629	\$1,090	26
March 2016	\$1,090	\$33,632	\$28,589	\$6,133	33
April 2016	\$6,133	\$30,757	\$28,043	\$8,847	34
May 2016	\$8,846	\$26,017	\$29,917	\$4,946	38
June 2016	\$4,946	\$29,672	\$29,434	\$5,174	39
July 2016	\$5,174	\$28,877	\$30,648	\$3,403	40

Debtor' expects its monthly disposable income to be approximately \$1,601 monthly through the life of the plan; this plus funds accumulated by the Debtor as available income will allow Debtor to comply with the proposed payments of \$6,744 for the first year, \$8,244 for the second year and \$6,744 for years three through five. See *Exhibit C for the details of these payments*. The funds accumulated by the Debtor as available income in its most recent operating report will be used by the Debtor to provide for the payment of administrative expenses and other expenses of the Debtor in addition to fund the proposed payment plan.

III. SUMMARY OF THE PLAN OF REORGANIZATION

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. Effective Date of the Plan.

The effective date of this Plan shall be the thirtieth (30th) day following the date of the entry of the order of confirmation. But if a stay of the confirmation order is in effect on that date, the effective date will be the first business day after that date on which no stay of the confirmation order is in effect provided that the confirmation order has not been vacated. The effective date shall be the date on which there shall be made all initial payments under the plan.

C. Unclassified Claims.

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

1. Administrative Expenses.

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

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

a) Additional professional fees of approximately \$5,000 for attorneys and \$1,908 for accountants, will be paid on the first year or as approved by this Honorable Court, or according to 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;

b) Office of the U.S. Trustee Fees will be paid quarterly fees when due or on the effective date of the Plan in the amount of \$1,950.

c) As part of the administrative expenses there are taxes to be paid to Puerto Rico Treasury Department regarding Debtor's 2014 Income Tax Return in the amount of \$839. These administrative expenses will be paid as follows: \$839, the first year.

A total approximate amount of \$9,697 in administrative expenses, or costs of administering the Debtor's chapter 11 case which are allowed under § 507(a) (2) of the Code, are to be paid on the first year. Administrative claims in this Plan are not impaired. The main source for the payments of the claims included in this class is Debtor's income.

Creditors with allowed administrative claims are not impaired therefore, do not have the right to vote.

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 of 60 months from the order of relief. Debtor has a § 507(a) (8) priority tax claims in the instant case.

The Debtor has Priority Tax Claims which consist of two claims; Puerto Rico Treasury Department (PR Treasury) with claim no. 2 for \$26,649 and Municipio de Rincón with a claim in the amount of \$4,433. These two creditors will be paid in sixty monthly installments of \$562 (\$482

for PR Treasury and \$80 for Municipio de Rincón), including principal and interest of 3.25% annually for a total amount of \$6,744 annually and \$33,720 for the sixty months of the plan, unless the holder of such claims agree with the Debtor to a different treatment.

D. 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. A reconciliation of all claims and the proposed plan payments is included as *Exhibit D*.

1. Classes of Secured Claims

Allowed Secured Claims are claims secured by property of the Debtor's bankruptcy estate (or that are subject to setoff) to the extent allowed as secured claims under § 506 of the Code. Following are all classes containing Debtor's secured prepetition claims and their proposed treatment under the Plan. **There are not secured claims in this case.**

2. Classes of Priority Unsecured Claims.

Certain priority claims that are referred to in §§ 507(a) 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. However, a class of holders of such claims may vote to accept different treatment.

As proposed in the Plan of Reorganization, in this case each holder of a priority tax claim will be paid monthly cash payments over a term not to exceed 60 months from the date of the effective date of the plan with interest at 3.25%.

Debtor has two priority claims in the instant case. Both will be paid within the sixty months of the plan to the extent allowed as priority claims under § 507 of the Code.

Priority tax claims shall be paid in an amount equal to the allowed amount of such Claim, plus 3.25% interest, unless the holder of such Claim agrees with the Debtor to a different treatment. Debtor's priority tax claims as allowed and ordered paid by the Court are not impaired under the Plan.

The Debtor has Priority Tax Claims which consist of two claims; Puerto Rico Treasury Department (PR Treasury) with claim no. 2 for \$26,649 and Municipio de Rincón with a claim in the amount of \$4,433. These two creditors will be paid in sixty monthly installments of \$562 (\$482 for PR Treasury and \$80 for Municipio de Rincón), including principal and interest of 3.25%

annually for a total amount of \$6,744 annually and a total of \$33,720 for the sixty months of the plan, unless the holder of such claims agree with the Debtor to a different treatment.

3. *Classes of Nonpriority 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. There is no §1122(b) convenience class in Debtor' Plan.

Following are all classes containing Debtor's unsecured pre-petition claims and their proposed treatment under the Plan:

Class 1 – General Unsecured Nonpriority Claims.

Class 1 includes the Claims of General Unsecured Creditors not classified in this Plan, as allowed, approved and ordered paid by the Court, under §502 of the Code, currently estimated by Debtor in \$17,120. Creditors included in this class will be paid 8.76% of its claim or \$1,500 of allowed unsecured claims.

Creditors in this class will be paid in one payment of \$1,500, on the effective date of the plan, unless the holder of such claims agree with the Debtor to a different treatment.

See **Exhibit B**, **Exhibit C** and **Exhibit D** to this Disclosure Statement.

Creditors with disputed, contingent and/or unliquidated claims, at the effective date, will receive distribution, if any, if their claim is filed no later than ninety days after the effective date of the Plan and the same is allowed by the Court. Creditors with disputed, contingent and/or unliquidated claims were notified of their status by the Debtor.

Class 1 as allowed and ordered paid by the Court is impaired under the Plan, and therefore has a right to vote.

4. *Disputed Claims.*

A disputed claim is a claim that has not been allowed or disallowed, by a final non-appealable order, and as to which either: (i) a proof of claim has been filed or deemed filed, and the Debtor or another party in interest has filed an objection; or (ii) no proof of claim has been filed, and the Debtor has scheduled such claim as disputed, contingent, or unliquidated.

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 the Debtor have notified such creditors and such creditors has filed a timely proof of claim.

The Debtor will have the power and authority to settle and compromise a disputed claim with court approval and compliance with Rule 9019 of the Federal Rules of Bankruptcy Procedure.

The following Scheduled Claims are listed as Disputed, Contingent, and Unliquidated in this case:

1. There are no Disputed, Contingent, and Unliquidated claims in this case.

THE FOREGOING IS A BRIEF SUMMARY OF IMPORTANT DISPOSITIONS OF THE PLAN. CREDITORS ARE URGED TO READ THE PLAN IN FULL. THEY ARE FURTHER URGED TO CONSULT WITH COUNSEL, OR WITH EACH OTHER IN ORDER TO FULLY UNDERSTAND THE PLAN. THE PLAN IS COMPLEX INASMUCH AS IT REPRESENTS A PROPOSED LEGALLY BINDING AGREEMENT BY DEBTOR AND AN INTELLIGENT JUDGEMENT CONCERNING SUCH PLAN CANNOT BE MADE WIHTOUT UNDERSTANDING IT.

D. Means of Implementing the Plan.

1. Source of Payments.

The Debtor will be able to execute this plan through the Debtor' income for the 60 months beginning on the effective date of the plan, which includes business income in the amount of \$27,000. The plan proponent has provided projected financial information. Those projections are listed in **Exhibit C**.

2. Post-confirmation Management.

After Confirmation the Debtor will continue to manage its own affairs.

E. Risk Factors.

The proposed Plan has a low risk because Debtor has business income. Attached as **Exhibit C** are the Financial Projections of the Plan under the assumptions detailed herein. These include projected statement of operations and payment plans for all claims. While it cannot be foreseen with absolute certainty that the cash flow projections which accompany this Disclosure Statement will be met, Debtor has no reason to believe that the contrary will be the case. Debtor understands that the Plan is confirmable for the benefit of its creditors.

The Projected Cash Flows for 60 months take into account the following assumptions:

1. Debtor will continue receiving business income projected at an average monthly amount of \$27,000. **See Exhibit C.**

2. Debtor will pay an amount of \$562 for the five years of the plan regarding the priority claims and one payment of \$1,500 in the effective date of the plan regarding the unsecured claims. **See Exhibit C.**
3. The projections also reflect the assumption that Debtor's expenses will continue the same during the sixty months of the life of the plan. **See Exhibit C.**

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

F. Executory Contracts and Unexpired Leases

The Plan lists all executory contracts and unexpired leases that the Debtor will assume under the Plan. Assumption means that the Debtor has elected to continue to perform the obligations under such contracts and unexpired leases, and to cure defaults of the type that must be cured under the Code, if any. The Plan also lists how the Debtor will cure and compensate the other party to such contract or lease for any such defaults.

There are no executory contracts and unexpired leases to which the debtor Sandwich D' Light Rincón PR, LLC is a party. However there is an executory contract and unexpired lease in which the Debtor's president Jessica Figueroa is the current lessee, which was listed in the Schedule G of the Voluntary Petition. The contract type is a lease agreement of a commercial property located at Vista Mar Plaza I Carr PR 115 Km 12.0, in Rincón, PR, where debtor operates its business. The debtor paid this contract because its business operates in this rented facility. The period of the contract is three years, from September 26, 2014 through September 26, 2017.

If you object to the assumption of your unexpired lease or executory contract, the proposed cure of any defaults, or the adequacy of assurance of performance, you must file and serve your objection to the Plan within the deadline for objecting to the confirmation of the Plan, unless the Court has set an earlier time.

Consult your adviser or attorney for more specific information about particular contracts or leases.

If you object to the rejection of your contract or lease, you must file and serve your objection to the Plan within the deadline for objecting to the confirmation of the Plan.

G. Tax Consequences of Plan.

Creditors and Equity Interest Holders Concerned with How the Plan May Affect Their Tax Liability Should Consult with Their Own Accountants, Attorneys, And/Or Advisors.

The following are the anticipated tax consequences of the Plan:

The tax consequences of the Plan to the Debtor would be to have to recognize income for any debt that is discharged by the plan inasmuch as the expenses related to such debt were taken as a tax deduction in prior years.

The general tax consequences for creditors would be that they in turn would get a tax deduction for any amounts they are not able to collect to the extent they reported such amounts as income in prior years, and if they take this deduction and later recover any amounts, such amounts would have to be reported as income.

In any event, 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.

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 of at least as much as the creditor or equity interest holder would receive in a chapter 7 liquidation case, unless the creditor or equity interest holder votes to accept the Plan; and the Plan must be feasible. These requirements are 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 or allowed for voting purposes and (2) impaired.

In this case, the Plan Proponent believes that class 1 is impaired and that holders of claims in these classes are therefore 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 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 June 27, 2016 for all creditors, except governmental units, and August 22, 2016 for all governmental units. For the amended Schedule F with the purpose of disputing certain creditors, the deadline for filing a proof of claim is 90 days after the entry of the order of confirmation of Debtor's Plan of Reorganization.

The deadline for filing objections to claims is 30 days before the Confirmation Hearing, or 30 days after the filing of the proof of claim, whichever is later.

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

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

3. Who is Not Entitled to Vote?

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

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

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

4. Who Can Vote in More Than One Class.

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

B. Votes Necessary to Confirm the Plan.

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

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

2. Treatment of Nonaccepting Classes.

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

You should consult your own attorney if a "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 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 Disclosure Statement as ***Exhibit B.***

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.

The Plan Proponent has provided projected financial information. Those projections are listed in ***Exhibit C***.

The Plan Proponent's financial projections show that the Debtor will have an aggregate annual average cash flow in the first year, after paying operating expenses and plan payments, of \$6,446.

The assumptions taken into account for the financial projections of the Debtor are that:

1. Debtor will continue receiving monthly business income at an average of \$27,000.
2. Debtor's expenses (about \$25,399 before plan payments) will remain the same during the sixty months of the life of the plan.

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 and Release of Debtor.

The Debtor is a corporation and § 1141(a) and § 1141(d) are applicable, except as provided in subsections 1141(d)(2) and 1141(d)(3) the provisions of a confirmed plan bind the debtor, any entity issuing securities under the plan, any entity acquiring property under the plan, and any creditor, equity security holder, or general partner in the debtor, whether or not the claim or interest of such creditor, equity security holder, or general partner is impaired under the plan and whether or not such creditor, equity security holder, or general partner has accepted the plan. The Debtor will not be discharged from any debt excepted from discharge under § 523 of the Code, except as provided in Rule 4007(c) of the Federal Rules of Bankruptcy Procedure.

Discharge of Claims. Except as otherwise expressly provided herein, by the Bankruptcy Code or in the Confirmation Order, the rights granted by this Plan and the payments and distributions made hereunder shall be in complete exchange for and in full and final satisfaction, settlement, release and discharge of all existing debts and Claims of any kind, nature or description whatsoever against the Debtor or the Debtor in Possession, or the Reorganized Debtor, or any of their assets or properties; and on the Consummation Date, all existing Claims against the Debtor or Debtor in Possession shall be, and shall be deemed to be, exchanged,

satisfied, discharged and released in full; and all holders of Claims shall be precluded from asserting against the Debtor and the Reorganized Debtor, or their assets or properties any other or further 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; whether or not such Claim is allowed, and whether or not the holder of such Claim has accepted the Plan.

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 Disclosure Statement and/or revoting on the Plan.

Upon request of the Debtor, the United States trustee, or the holder of an allowed unsecured claim, the Plan may be modified at any time after confirmation of the Plan but before the completion of payments under the Plan, to (1) increase or reduce the amount of payments under the Plan on claims of a particular class, (2) extend or reduce the time period for such payments, or (3) alter the amount of distribution to a creditor whose claim is provided for by the Plan to the extent necessary to take account of any payment of the claim made other than under the Plan.

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.

In San Juan, Puerto Rico, this 19th day of September, 2016.

/S JESSICA FIGUEROA SCHARAR .
JESSICA FIGUEROA SCHARAR
SANDWICH D' LIGHT RINCON PR,
LLC

I HEREBY CERTIFY that on this date, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system which will send notification of such filing to all CM/ECF participants including the U.S. Trustee.

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 19th day of September, 2016.

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