

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

IN RE:

ALFREDO L. FIGUEROA SEPULVEDA

ALIENA V. SUAREZ FRANCESCHI

Debtors

CASE NO. 16-05664 (EAG)

CHAPTER 11

DISCLOSURE STATEMENT

OF

**ALFREDO L. FIGUEROA SEPULVEDA
ALIENA V. SUAREZ FRANCESCHI**

s/ CHARLES A. CUPRILL-HERNÁNDEZ

USDC-PR 114312

Charles A. Cuprill, P.S.C., Law Offices

356 Fortaleza Street - Second Floor

San Juan, PR 00901

Tel.: 787-977-0515

Fax: 787-977-0518

E-Mail: ccuprill@cuprill.com

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I. INTRODUCTION

Pursuant to Section 1125 of the United States Bankruptcy Code, 11 U.S.C. §101, *et seq.* (the "Bankruptcy Code"), Alfredo L. Figueroa Sepulveda and his spouse Aliena V. Suarez Franceschi, debtors and debtors-in-possession in the above captioned case ("Debtors"), provide their disclosure statement (the "Disclosure Statement") to all of Debtors' known creditors. The purpose of the Disclosure Statement is to provide such information as Debtors believe may be deemed necessary for Debtors' creditors to make an informed decision in exercising their rights to vote on Debtors' Plan of Reorganization (the "Plan"), dated as of the date of the Disclosure Statement. The Plan is being filed with the Bankruptcy Court simultaneously herewith.

Debtors recommend that you vote to accept the Plan. Each creditor must, however, review the Plan and the Disclosure Statement carefully, including all exhibits in their entirety, and determine whether or not to accept or reject the Plan based upon that creditor's independent judgment and evaluation. The description of the Plan in the Disclosure Statement is in summary form and is qualified by reference to the actual terms and conditions of the Plan, which should be reviewed carefully before making a decision to accept or reject the Plan. Capitalized terms not otherwise defined herein have the same meaning as set forth in the Plan; other terms shall have the meaning ascribed to them in the Bankruptcy Code.

The information contained in the Disclosure Statement has been provided by Debtors based upon their knowledge of Debtors' records and affairs. Except as otherwise expressly indicated, the information provided in the Disclosure Statement has not been subject to an audit or independent review.

Although great efforts have been made to be accurate, Debtors, their counsel and other professional advisors do not warrant the accuracy of the information contained herein.

The Disclosure Statement has not yet been approved by the Bankruptcy Court as providing information deemed adequate to permit Debtors' creditors to make an informed judgment in exercising their right to vote for or against the Plan.

No representations concerning Debtors, including the value of their assets, or the aggregate dollar amount of claims which may be allowed are authorized other than as set forth in the Disclosure Statement. Any representations, warranties or agreements made to secure acceptance or rejection of the Plan by Debtors' creditors that differ from those contained in the Disclosure Statement should not be relied upon in voting on the Plan.

Debtors believe that the Plan provides the quickest recovery and will maximize the return to creditors on their Claims. **ACCORDINGLY, DEBTORS URGE ALL CREDITORS TO VOTE IN FAVOR OF THE PLAN.**

II. SUMMARY OF THE PLAN

The Plan specifies the manner in which the Claims are to be treated. Allowed Administrative Expense Claims and Allowed Priority Tax Claims are not classified for purposes of voting under the Plan, but the Plan does provide for the treatment of such Claims. The table below provides a summary of the treatment of those claims and of the various Classes of Claims against Debtors. To the extent that the terms of the Disclosure Statement vary from those of the Plan, the terms of the Plan will control.

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DESCRIPTION OF CLAIM	CLASS	ESTIMATED AMOUNT OF ALLOWED CLAIM	TREATMENT AND ESTIMATED RECOVERY UNDER THE PLAN
<p> Holders of Allowed Administrative Expense Claims (Estimated)</p>	<p>N/A</p>	<p>\$41,950.00</p>	<p>Unimpaired.</p> <p>Estimated Recovery: 100%</p> <p>Except as otherwise agreed to by Debtors and the Holder of an Allowed Administrative Expense Claim, each such Holder shall be paid in full by Debtors in the regular course of Debtor’s business or as authorized by the Court, on or before the Effective Date of the Plan (the “Effective Date”).</p> <p>Payments to Professionals will be made as approved by the Bankruptcy Court. US Trustee Quarterly Fees will continue to be paid when due, with any outstanding balance to be paid on or before the Effective Date of the Plan (the “Effective Date”).</p>
<p> Holders of Allowed Priority Tax Claims (Secured and Unsecured)</p>	<p>N/A</p>	<p>\$3,643.84</p>	<p>Unimpaired.</p> <p>Estimated Recovery: 100%</p> <p>Holders of Allowed Priority Tax Claims, Secured and Unsecured, consisting of the allowed claims of Centro de Recaudación de Ingresos Municipales (“CRIM”) and the State Insurance Fund, Corp., shall be paid by Debtors in full, on the Effective Date.</p>

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DESCRIPTION OF CLAIM	CLASS	ESTIMATED AMOUNT OF ALLOWED CLAIM	TREATMENT AND ESTIMATED RECOVERY UNDER THE PLAN
The Claim of Triangle Cayman Asset Company (“TCA”)	Class 1	\$1,025,924.76	<p>Impaired.</p> <p>Estimated Recovery: 100%</p> <p>TCA’s Claim, secured by Debtors’ Shopping Center known as Plaza Real, at Coto Laurel Ward, Road No. 511, Ponce Puerto Rico (the “Shopping Center”), with an estimated value of \$2,200,000, shall be paid in full through three hundred and sixty (360) consecutive monthly installments of \$5.665.00 , including principal and interest at 5.25% per annum, commencing on the Effective Date and continuing on the thirtieth (30th) day of the subsequent 359 months.</p> <p>TCA will retain unaltered its security interest over the Shopping Center until the full payment of its secured claim.</p>
The Claim of Arsenio Edmundo Suarez Franceschi	Class 2	\$40,000.00	<p>Impaired.</p> <p>Estimated Recovery: 100%</p> <p>The Claim of Arsenio Edmundo Suarez will be paid from the proceeds of the sale of a property at Dr. Veve Avenue, No. 25, Ponce, Puerto Rico, owned by the Estate of Elena A. Franceschi Torres, in which Co-Debtor Aliena V. Suarez Franceschi holds a 50% interest (the “Dr. Veve Property”). The Dr. Veve Property is expected to be sold by January 2017 for the net amount of \$133,875¹, of which Co-Debtor Aliena V. Suarez. Franceschi is to receive \$66,938 and therefrom Mr. Suarez claim will be satisfied.</p>

¹ Net of the Option Deposit paid of \$23,625 (gross selling price is \$157,500)

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DESCRIPTION OF CLAIM	CLASS	ESTIMATED AMOUNT OF ALLOWED CLAIM	TREATMENT AND ESTIMATED RECOVERY UNDER THE PLAN
The Claim of Banco Popular de Puerto Rico (“BPPR”)	Class 3	\$498,214.80	<p>Unimpaired.</p> <p>Estimated Recovery: 100%</p> <p>BPPR’s claim consisting of a mortgage loan secured by Debtors’ residence at El Monte Development, Ponce, P.R. with an estimated value of \$425,000, will continue to be paid pursuant to the terms of the mortgage through monthly payments of \$1,900.00, including principal and interest at 2.5% per annum, until its full payment. BPPR will retain unaltered the mortgage on this property until the full payment of its claim.</p>
Holders of Allowed General Unsecured Claims	Class 4	\$939,090.03	<p>Impaired.</p> <p>Estimated Recovery: 100%</p> <p>Holders of Allowed General Unsecured Claims will be paid in full satisfaction of their claims 100% thereof through 72 equal consecutive monthly installments of approximately \$973,000 commencing on the Effective Date and continuing on the thirtieth (30th) day of the subsequent 71 months.</p>

For a more detailed description of the treatment of the foregoing classes of Claims see, “Treatment of Claims Under the Plan”.

The Disclosure Statement has been prepared by Debtors to provide creditors with adequate information so that they can make an informed judgment about the Plan. Each creditor should read the Disclosure Statement and the Plan in their entirety before voting on the Plan. No solicitation of votes on the Plan may be made except pursuant to the Disclosure Statement and no person has been

authorized to utilize any information concerning Debtors' assets other than the information contained herein for purposes of solicitation.

III. INFORMATION ABOUT THE REORGANIZATION PROCESS

3.1 Purpose of a Disclosure Statement

This Disclosure Statement includes background information about Debtors and identifies the classes into which creditors have been placed by the Plan. The Disclosure Statement describes the proposed treatment of each of those classes if the Plan is confirmed. In addition, it contains information concerning the prospects in the event of confirmation or, in the alternative, the prospects if confirmation is denied or the proposed Plan does not become effective.

Upon its approval by the Bankruptcy Court, the Disclosure Statement and the Exhibits thereto will have been found to contain, in accordance with the provisions of the Bankruptcy Code, adequate information of a kind and in sufficient detail to enable a reasonable, hypothetical investor, typical of a holder of an impaired claim or an interest to make an informed judgment about the Plan. Approval of the Disclosure Statement, however, does not constitute a recommendation by the Bankruptcy Court either for or against the Plan.

3.2 Voting Procedure

All creditors entitled to vote on the Plan may cast their votes for or against the Plan by completing, dating, signing and causing the Ballot Forms accompanying the Disclosure Statement as **EXHIBITS A-1, A-2, and A-3** to be returned to the following address:

**Alfredo L. Figueroa Sepulveda and Aliena V. Suarez Franceschi
c/o Charles A. Cuprill-Hernández, P.S.C., Law Offices
356 Fortaleza Street – Second Floor
San Juan, PR 00901**

The Ballots must be received **on or before 4:00 P.M. (Eastern Standard Time) on _____, 2017**, to be counted in the voting. Ballots received after this time will not be counted in the voting unless the Bankruptcy Court so orders. Those not marked as accepted or rejected will be deemed as an acceptance of the Plan.

Debtors recommend a vote for "ACCEPTANCE" of the Plan.

3.3 Ballots

Pursuant to the provisions of the Bankruptcy Code, only classes of claims which are "impaired" under the terms and provisions of the plan are entitled to vote to accept or reject the same.

Members of **Classes 1, 2, and 4** are impaired under the Plan and entitled to vote. Members of impaired Classes will be asked to vote for acceptance or rejection of the Plan. **Class 3** is unimpaired under the Plan, and not entitled to vote. A party who holds claims in more than one impaired Class should complete a Ballot for each Class with respect to the applicable portion of the claim included in each Class.

3.4 The Confirmation Hearing

Pursuant to Section 1128 of the Bankruptcy Code, the Bankruptcy Court has scheduled a hearing on confirmation of the Plan to commence on _____, **2017** at _____ .M., or as soon thereafter as the parties can be heard. The Confirmation Hearing will be held before the Honorable Edward A. Godoy, United States Bankruptcy Judge, in the United States Courthouse, Southwestern Divisional Office,

MCS Building, Second Floor, 880 Tito Castro Avenue, Ponce, Puerto Rico, or before any other Bankruptcy Judge that may be designated to hold the same at such place as may be indicated in the future. At the Confirmation Hearing, the Bankruptcy Court will consider whether the Plan satisfies the various requirements of the Bankruptcy Code, including whether it is feasible and in the best interests of holders of claims. The Bankruptcy Court will also receive and consider a Report of Plan Voting prepared by Debtors, summarizing the votes for acceptance or rejection of the Plan by parties entitled to vote.

The Confirmation Hearing may be adjourned from time to time without further notice except for the announcement of the adjourned date made at the Confirmation Hearing or at any subsequent adjourned Confirmation Hearing.

At the Confirmation Hearing, with respect to the Plan, the Bankruptcy Court will (i) determine whether the requisite votes have been obtained for each Class, (ii) hear and determine objections, if any, to the Plan and to the confirmation of the Plan, that have not been previously disposed of, (iii) determine whether the Plan meets the confirmation requirements of the Bankruptcy Code, and (iv) determine whether to confirm the Plan.

Any objection to confirmation of the Plan must be in writing, filed and served as required by the Bankruptcy Court pursuant to the order approving the Disclosure Statement (**Exhibit B**) on Debtors, the United States Trustee and all parties having appeared in the case and requested to be served with pleadings filed in the case.

3.5 Acceptances Necessary to Confirm the Plan

The vote of each holder of an impaired claim is important, since at the Confirmation Hearing and as condition to the confirmation of the Plan on a

consensual basis, the Bankruptcy Court must determine, among other things, whether each impaired Class has accepted the Plan. Under Section 1126 of the Bankruptcy Code, an impaired Class is deemed to have accepted the Plan if at least 2/3 in amount and more than 1/2 in number of the Allowed Claims of the Class members who actually cast ballots to accept or reject the Plan, accept the Plan. Further, unless there is acceptance of the Plan by all members of an impaired Class, the Bankruptcy Court must also determine that under the Plan, the Class members will receive property of a value, as of the Effective Date, that is not less than the amount that such Class members would receive or retain if Debtors were liquidated under Chapter 7 of the Bankruptcy Code on the Effective Date.

3.6 Confirmation of the Plan Without the Necessary Acceptances

If a Class or Classes of impaired Claims does not or do not accept the Plan, Debtors will request confirmation of the Plan under the "cram down" provisions of Section 1129(b) of the Bankruptcy Code, which permit confirmation, notwithstanding non-acceptance by one or more impaired classes, if the Bankruptcy Court finds that the Plan does not discriminate unfairly against and is fair and equitable as to each non-accepting Class, as long as at least one class of impaired creditors votes to accept the Plan. Section 1129(b) of the Bankruptcy Code requires among other things, that claimants must either receive the full value of their claims and if they receive less, that no Class with junior liquidation priority may receive anything. **THESE CALCULATIONS ARE BASED ONLY ON THE CLAIMS AMOUNTS AND NUMBER OF CREDITORS WHO ACTUALLY VOTE. ANY BALLOT THAT IS VALIDLY EXECUTED THAT DOES NOT CLEARLY INDICATE REJECTION OF THE PLAN, SHALL BE DEEMED TO CONSTITUTE A**

VOTE FOR ACCEPTANCE OF THE PLAN. THE VOTE OF EACH CREDITOR IS IMPORTANT.

IV. GENERAL INFORMATION

4.1 Description of the Debtors, Historical Overview, and Events

Preceding the Chapter 11 Filing

Debtors, Alfredo L. Figueroa Sepúlveda and Aliena V. Suarez Franceschi are the owners of the Shopping Center, which is administered by Mr. Figueroa. His wife, Aliena V. Suarez Franceschi is a housewife who has devoted her life to raising their children. At present, both receive Social Security benefits.

The economic downturn and recession which Puerto Rico has faced during the last ten (10) years has adversely impacted numerous economic sectors and entities, including Debtors' real estate business. As a result, the Shopping Center income has declined due to reduction in tenants.

Moreover, as a result of the acquisition of Banco Bilbao Vizcaya Argentaria by Oriental Bank ("Oriental"), Debtors' line of credit was cancelled and termed out, increasing Debtors' monthly payments from \$6,943.00 to \$9,855.00. As a result, Debtors had difficulties in complying with their secured obligations to Oriental in the ordinary course of business. On July 24, 2015, Oriental filed a collection of money and foreclosure action with the Court of First Instance of Puerto Rico, Ponce Section, Case No. CD 2015-0641, which eventually caused Debtors to file their Chapter 11 petition to protect their Shopping Center from foreclosure. Oriental sold its loan to TCA who was substituted as plaintiff in said case.

4.2 Debtors' Post-Petition Endeavors.

As a result of the filing by Debtors of their Chapter 11 petition, they received the benefits of 11 U.S.C. § 362(a), which stayed all collection actions and judicial proceedings against them, thus preventing the foreclosure of the Shopping Center, providing Debtors the opportunity to file a plan of reorganization (the "Plan") and a Disclosure Statement, without the pressures that drove them into Chapter 11, as envisioned by the Bankruptcy Code.

The United States Trustee convened the first meeting of creditors pursuant to Section 341 of the Bankruptcy Code in Debtors' case on August 22, 2016. The Section 341 meeting was closed.

Debtors sought and obtained the Bankruptcy Court's approval to retain Charles A. Cuprill, PSC Law Offices, as their bankruptcy counsel and CPA Luis R. Carrasquillo & Co., P.S.C., as its financial advisor on all matters pertaining to Debtors' reorganization.

V. CLAIMS AGAINST DEBTORS AND THEIR ASSETS

5.1 Claims Against Debtors

Claims against Debtors that are Allowed Claims, as defined in the Plan, will be entitled to Distribution pursuant thereto, as indicated in pages 5 to 7 hereof.

The Plan provides that only the holders of Allowed Claims, that is; holders of Claims not in dispute, not contingent, not unliquidated in amount and not subject to objection or estimation, are entitled to receive distribution thereunder.

Until a claim becomes an Allowed Claim, distribution will not be made to the holder of such claim. Debtors are including as **Exhibit C** hereto a Summary of Claims and Plan Payments.

VI. DESCRIPTION OF THE PLAN

The following is a summary of the significant provisions of the Plan and is qualified in its entirety by said provisions. In the event and to the extent that the description of the Plan contained in the Disclosure Statement is inconsistent with any provisions of the Plan, the provisions of the Plan shall control and take precedence. All creditors are urged to carefully read the Plan.

6.1 Unclassified Claims

In accordance with Section 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims and Priority Tax Claims are not classified in the Plan. A description of the unclassified claims and the claims in each class, as well as the estimated principal amounts of each as of the Effective Date and their treatment, are set forth in the Plan and summarized in page 5 to 7 hereof. Administrative Expense Claims are generally the ordinary and necessary costs of administering and operating during a Chapter 11 case.

6.2 Administrative Expense Claims

Except as otherwise agreed to by Debtors and the holder of any Allowed Administrative Expense Claim, each such holder shall be paid in full in cash in the regular course of business or as authorized by the Court on or before the Effective Date. If Debtors disputes any portion of an Administrative Expense Claim, they shall pay such Claim within thirty (30) days after the entry of a Final Order with respect to the allowance of such disputed Administrative Expense Claim. Debtors will reserve the necessary funds to meet these payments.

6.3 Professional Fee Claims

The professionals retained by Debtors in Debtor's Chapter 11 case have and will incur fees and expenses from the date of their retention through the Effective Date of the Plan. It is impossible to predict the amount of additional professional administrative expense fees that will be incurred through the Effective Date of the Plan. As of the filing of this Disclosure Statement, Debtors have advanced \$12,500.00 in fees and expenses to Debtors' professionals. Debtors estimate that additional Allowed Professionals Fee Claims will aggregate from \$40,000.00 to \$50,000.00 for unpaid services rendered and expenses incurred by their professionals up to the Confirmation of the Plan. All amounts paid to professionals through the Confirmation Date, including interim fees and expenses are subject to final Bankruptcy Court approval. Debtors reserve the right to contest the allowance of any professional fees.

6.4 Priority Tax Claims

Priority Tax Claims, are Claims entitled to priority pursuant to Section 507(a)(8) of the Bankruptcy Code. Such Priority Tax Claims consist of taxes due to "Centro de Recaudación de Ingresos Municipales" ("CRIM") and the State Insurance Fund, Corp. which are to be paid in full as described in page 5 hereof. Debtors are including as **Exhibit D** hereto a Summary of their Priority Tax Claims and their Plan payments. These claims will be paid on the Effective Date.

6.5 Classes of Claims

As of the Petition Date, Debtors had secured debts with TCA and BPPR, unsecured claims with Mr. Arsenio Edmundo Suarez Franceschi, and General Unsecured Claims, as more particularly described below and in pages 5-7 hereof. The Plan classifies the various claims against Debtors. A description of all classes of

Claims and the estimated principal amount of each Class as of the Effective Date, and its treatment are set forth below. The Classes of Claims set forth in the Plan are as follows:

Class 1 – Consists of TCA’s Secured Claim.

Class 2 – Consists of Arsenio Edmundo Suarez Franceschi’s Claim.

Class 3– Consists of BPPR’s Secured Claim.

Class 4 – Consists of Holders of Allowed General Unsecured Claims.

6.6 Treatment of Claims.

Class 1 – TCA’s Secured Claim.

(a) Impairment and Voting- Class 1 is impaired under the Plan and is entitled to vote to accept or reject the Plan.

(b) Distribution- TCA’s Claim, secured by Debtors’ Shopping Center known as Plaza Real Anón, at Road No. 511, Coto Laurel Ward, Ponce Puerto Rico, (the “Shopping Center”) with an estimated value of \$2,200,000, shall be paid in full through three hundred and sixty (360) consecutive monthly installments of \$5,665.00, including principal and interest at 5.25% per annum, commencing on the Effective Date and continuing on the thirtieth (30th) day of the subsequent 359 months.

TCA will retain unaltered its security interest over the Shopping Center, until the full payment of its claim.

Class 2 – Arsenio Edmundo Suarez Franceschi’s Claim.

(a) Impairment and Voting- Class 2 claim for \$40,000.00 is impaired under the Plan and is entitled to vote to accept or reject the Plan.

(b) Distribution- Class 2 claim will be paid from the proceeds of the sale of a residence and lot at Dr. Veve Avenue, No. 25, Ponce Puerto Rico, property of the estate of Estate of Elena A. Franceschi Torres (the "Dr. Veve Property") in which Co-Debtor Aliena Suarez Franceschi holds a 50% interest. This property is expected to be sold by January 2017, for the net amount of \$133,875². From this amount, Co-Debtor Aliena Suarez Franceschi is to receive \$66,938.00 and therefrom Class 2 claim will be paid in full.

Class 3 – BPPR’s Secured Claim

(a) Impairment and Voting - Class 3 is unimpaired under the Plan and is not entitled to vote to accept or reject the Plan.

(b) Distribution -Class 3 claim consisting of a mortgage loan secured by Debtor’s residence at El Monte Development, Ponce, P.R., with an estimated value of \$425,000 will continue to be paid pursuant to the terms of the mortgage through monthly payments of \$1,900.00, including principal and interest at 2.5% per annum, until its full payment. BPPR will retain its mortgage unaltered until the full payment of its claim.

Class 4 – Holders of Allowed General Unsecured Claims-Non Insiders or Affiliates

(a) Impairment and Voting - Class 4 is impaired under the Plan and is entitled to vote to accept or reject the Plan.

(b) Distribution – Holders of Allowed General Unsecured Claims will be paid in full, through 72 equal consecutive monthly installments of approximately

² Net of the Option paid of \$23,625 (gross selling price is \$157,500)

\$973, commencing on the Effective Date of the Plan and continuing on the thirtieth (30th) day of the subsequent 71 months.

6.7 Means for Implementation of the Plan

The Plan contemplates the sale of the Dr. Veve Property, expected to be sold by January 2017 for the net amount of \$133,875^[1], from which Co-Debtor Aliena Suarez Franceschi shall receive \$66,938.00 and therefrom Arsenio Suarez Franceschi's claim for \$40,000 will be paid, with the remaining proceeds to fund the Plan.

The Plan contemplates for Debtors' to continue with their leasing operations at the Shopping Center, averaging \$15,000 in monthly rent.

Claims will be paid with available funds arising from Debtors' rental income, the sale of the Dr. Veve Property and Debtors' available cash balance on the Effective Date.

6.8 Executory Contracts

Executory contracts and unexpired leases, as listed in Debtors' Schedule G to their Chapter 11 petition and those where Debtors are the landlord, which have not expired by their own terms or have been rejected on or prior to the Confirmation Date shall be deemed assumed on the Effective Date and the entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of such rejection pursuant to Sections 365(a) and 1123(b)(2) of the Bankruptcy Code.

If the rejection of any executory contract or unexpired leases results in a claim for damages by the other party or Debtor to such contracts or leases, any

^[1] Net of the Option Deposit of \$23,625 (gross selling price is \$157,500)

claim for such damages, if not evidenced by a filed proof of claim, shall be forever barred and will not be enforceable against the Estate, or its properties, its agents, successors, or assigns, unless a proof of claim is filed with the Bankruptcy Court and served upon counsel for Debtor on or before forty-five (45) days following the Confirmation Date. Debtor retains the right to further object to any rejection damages claims filed in accordance with this Section.

VII. LIQUIDATION AND FINANCIAL ANALYSIS

7.1 Best Interest of Creditors and Comparison with Chapter 7 Liquidation

In the event Debtors' Chapter 11 case is converted to Chapter 7 of the Bankruptcy Code, a Chapter 7 trustee will be appointed for Debtors' Estate to liquidate the Estate's assets pursuant to the provisions of the Bankruptcy Code, after attending to the immediate issues of securing the same.

The Chapter 7 Trustee will then appoint and hire real estate brokers, appraisers, and other professionals to liquidate the Estate, mainly composed of real estate. Therefore, Creditors recovery may be affected by an extended period of time, specially considering that Debtors' Estate is mostly composed of real estate and that the real estate market in Puerto Rico is been facing a crisis during the past years.

A Liquidation Analysis with respect to Debtors' assets as of October 31, 2016, is attached as **Exhibit E** hereto (the "Liquidation Analysis").

The Liquidation Analysis reveals that in the event of a liquidation of Debtors' assets, there would be a substantial loss to Debtors' Estate, taking into account the Chapter 7 costs of administration and the expected value of the Estate's assets in a liquidation scenario. It also reflects what in Chapter 11 the respective creditors are

expected to receive under the Plan versus what is projected they would receive in Chapter 7, underscoring the benefits of the confirmation of the Plan and its effectiveness. Pursuant to the Liquidation Analysis, General Unsecured Creditors would only receive 53% of their claims versus a 100% payment under the Plan. Therefore, confirmation of the Plan will ensure that holders of Administrative Expense Claims, Allowed Priority Claims, Secured Creditors, and Allowed General Unsecured Claims, will receive prompt and full payment of their claims, on a timely basis.

The Liquidation Analysis contains estimates and assumptions that, although developed and considered reasonable by Debtors, are inherently subject to significant economic uncertainties and contingencies beyond its control.

7.2 Feasibility of the Plan

A) Funds and Assets Sufficient for Payments Required under the Plan

As of the Petition Date, Debtors owned assets and had liabilities, as more particularly described in their amended Schedules and Statement of Financial Affairs, which Debtors filed with the Bankruptcy Court. Debtors have also prepared and filed with the Bankruptcy Court monthly operating reports summarizing their post-petition financial performance. **Exhibit F** hereto consists of Debtor's October 2016 Operating Report filed with the Bankruptcy Court. Debtors' monthly operating reports, Schedules and Statement of Financial Affairs are available for public inspection at the office of the Clerk of the Bankruptcy Court, during regular business hours. **Exhibit G** hereto consists of Debtors' Summary of Operating Reports filed with the Bankruptcy Court.

a) Real Property

As of the Petition Date, Debtors were the owners in fee simple of the Shopping Center with an estimated \$2,200,000 value and their residence at El Monte Development, Ponce P.R. with an estimated \$425,000., value as more fully described in Debtors’ Schedule A, available for public inspection at the office of the Clerk of the Bankruptcy Court during regular business hours.

b) Personal Property

As of the Petition Date, Debtors’ Schedules listed Debtors’ personal property consisting of cash, bank accounts, collections, jewelry, account receivables, and others, with an aggregate value of \$112,910.00. A detail of Debtors’ personal property can be found in Debtors’ Schedule B, available for public inspection at the office of the Clerk of the Bankruptcy Court during regular business hours.

7.3 Pending Litigation and Other Liabilities

At the time of the filing of Debtors’ Chapter 11 petition, the following case was pending against Debtors, which was stayed by the provisions of Section 362(a) of the Bankruptcy Code:

NAME	NATURE	FORUM	STATUS
Triangle Cayman Asset Company vs Alfredo Figueroa Sepulveda J CD2015-0641	Collection of Monies and Foreclosure	Court of First Instance of Puerto Rico, Ponce Section	Stayed

VIII. BAR DATE AND DETERMINATION OF CLAIMS

8.1 Bar Date

On July 19, 2016, in the “Notice of Chapter 11 Bankruptcy Case, Meeting of Creditors and Deadlines” in Debtors’ case, the Bankruptcy Court fixed November

21, 2016, as the bar date for the filing of proofs of claim, except for Governmental Units, and January 16, 2017, for such filings by Governmental Units.

8.2 Determination of Claims

The Plan specifies procedures for objecting to claims. Debtors may object to Claims within thirty (30) days before the first date fixed by the Bankruptcy Court for the hearing on the confirmation of the Plan. No payments will be made under the Plan on account of Disputed Claims until their allowance by the Bankruptcy Court. The Plan provides that Distributions on Disputed Claims will be held in reserve until the Disputed Claims are allowed (at which time the reserves will be distributed and the Claims will be treated according to the terms of the Plan), or disallowed (at which time the reserves will be distributed on account of Allowed Claims pursuant to the terms of the Plan).

Any Claim which (a) are not listed as Allowed Claims on Debtors' Schedules, as amended; (b) are not evidenced by a valid, timely filed Proof of Claim; or (c) are not listed in the Plan or exhibits to the Plan as Allowed Claims, shall not receive any distribution of cash or property under the Plan until the same become Allowed Claims, and shall be disallowed and discharged if they are not Allowed by Order of the Bankruptcy Court.

IX. ALTERNATIVES TO THE PLAN

If the Plan is not confirmed and consummated, the alternatives include (a) Debtors' liquidation under Chapter 7 of the Bankruptcy Code, (b) dismissal of Debtors' Chapter 11 Case, or (c) the proposal of an alternative plan.

A. Liquidation Under Chapter 7

If a plan cannot be confirmed, the Case may be converted to Chapter 7 of the Bankruptcy Code, and a trustee would be elected or appointed to liquidate Debtors' assets for distribution to creditors in accordance with the priorities established by the Bankruptcy Code.

As set forth in the Liquidation Analysis attached as **Exhibit E** hereto, Debtors believe that conversion of the Case to Chapter 7 of the Bankruptcy Code would result in no timely distribution to creditors and will delay the distribution process to all classes of creditors, which are receiving under the Plan, in all classes, 100% of their claims.

Thus, Debtors believe that the interest of creditors and the goals of Chapter 11 are better served by the confirmation of the Plan.

B. Dismissal of the Case

Dismissal of the Case would likely create substantial problems for all parties involved, including a run to the courthouse, and the foreclosure by BSPR and FB of their loan on Debtors' realty, which would result, in an abandonment of the orderly and structured equitable payments provided for the Plan under the provisions of the Bankruptcy Code. Therefore, dismissal of the Case is not a viable alternative for creditors.

C. Alternative Plan of Reorganization

If the Plan is not confirmed, Debtors could attempt to formulate a different plan. Debtors believe that the Plan will provide the greatest and most expeditious return to creditors.

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X. TAX EFFECTS

Based on the provisions of the Puerto Rico Internal Revenue Code, Debtors expect that the implementation of the Plan will not have any tax effects thereon.

XI. CONCLUSION

Debtors submit that the Plan is fair and reasonable and in the best interest of the Estate and Creditors and offers the best possible recovery for Creditors under the circumstances. Debtors therefore, urge creditors to vote in favor of the Plan.

San Juan, Puerto Rico, this 1st of December 2016.


ALFREDO L. FIGUEROA SEPULVEDA


ALIENA V. SUAREZ FRANCESCHI