

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

In re:

Case No. 16-06235

JAYUYA MEMORIAL, INC

Chapter 11

Debtors

---

**FIRST DISCLOSURE STATEMENT  
FOR PLAN OF REORGANIZATION DATED FEBRUARY 15, 2017**

Jesús Enrique Batista-Sánchez, Esq.

**The Batista Law Group, PSC**

Cond. Mid-Town Center  
420 Ave. Juan Ponce De León  
Suite 901  
San Juan, PR 00918  
(787) 620-2856

## **1. INTRODUCTION**

This is the disclosure statement (the “Disclosure Statement”) in the small business chapter 11 case of Jayuya Memorial, Inc. (the “Debtor”). This Disclosure Statement contains information about the Debtor and describes the Small Business Plan of Reorganization (the “Plan”) filed by the Debtor on February 10, 2017. 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.

The proposed distributions under the Plan are discussed at pages 6 through 10 of this Disclosure Statement. Unsecured creditors (i.e., Priority Unsecured Creditors and General Unsecured Creditors) are projected to receive a combined distribution of \$22,800.00 which equates to a 45.00% distribution on their projected Allowed Unsecured Claims. Distributions to General Unsecured Creditors will be made via 48 payments of \$300.00 commencing on the first day of the seventy fourth (74<sup>th</sup>) month following the Effective Date of the Plan.

### **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 or equity interests of the type you hold (i.e., what you will receive on your claim or equity interest if the plan is confirmed),
- Who can vote on or object to the Plan,
- What factors the Bankruptcy Court (the “Court”) will consider when deciding whether to confirm the Plan,
- Why the 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.*

On \_\_\_\_\_ a.m. a Hearing shall be held before the Honorable Edward A. Godoy at the United States Bankruptcy Court, District of Puerto Rico, José V. Toledo Federal Building & US Courthouse 300 Recinto Sur Street, Courtroom #\_\_\_\_, San Juan, Puerto Rico 00901 to determine whether to finally approve this Disclosure Statement and confirm the Plan (the “Confirmation Hearing”). The Court will fix the last day for the filing and serving of written objections to the disclosure statement and confirmation of the plan.

*2. Deadline For Voting to Accept or Reject the Plan.*

If you are entitled to vote to accept or reject the plan, vote on the enclosed ballot and return the ballot in the enclosed envelope to The Batista Law Group, PSC., Condominio Midtown 420 Ponce de Leon Ave., Suite 901, San Juan, PR 00918. See section IV. A. below for a discussion of voting eligibility requirements.

Your ballot must be received before \_\_\_\_\_ at 5:00 p.m EST. or it will not be counted.

*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 Debtor by \_\_\_\_\_.

*4. Identity of Person to Contact for More Information*

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

**The Batista Law Group, PSC**  
Jesús E. Batista Sánchez, Esq.  
Mid-Town Plaza  
420 Ponce De León, Ave.; Suite #901  
San Juan, Puerto Rico 00969  
Tel: (787) 620-2856  
Fax: (787) 625-0259  
Email: [jesus.batista@batistalawgroup.com](mailto:jesus.batista@batistalawgroup.com)

**C. Disclaimer**

***The Court has conditionally 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 \_\_\_\_\_.*

## **II. BACKGROUND**

### **A. Description and History of the Debtors' Business**

The Debtor, Jayuya Memorial, Inc. ("Jayuya Memorial"), is a Small Business Debtor. Jayuya Memorial is managed and operated by its President (Juan Morales). Jayuya Memorial is a mortuary services company which offers funerary services. Jayuya Memorial owns the personal property (i.e., vehicles, account receivable, and Inventory and other miscellaneous personal property) utilized in its operation, but leases the underlying real property where the mortuary operates.

### **B. Insiders of the Debtors**

The "insiders" of the Debtor, as such a term is defined in §101(31) of the United States Bankruptcy Code (the "Code"), is Mr. Juan Morales Gonzalez ("Mr. Morales"). Mr. Morales owns the controlling stake of the Debtor's shares.

### **C. Management of the Debtors Before and During the Bankruptcy**

During the two years prior to the date on which the bankruptcy petition was filed, the officer, director, manager or person in control of the Debtor (collectively the "Manager") was Mr. Juan Morales Gonzalez. Similarly, the Manager of the Debtor during the Debtor's chapter 11 case have also been Mr. Morales.

Equally, after the Effective Date, the director, officer, and voting trustees of the Debtor, any affiliate of the Debtor participating in a joint Plan with the Debtor, or successor of the Debtor under the Plan (collectively the "Post Confirmation Manager"), will also be Mr. Morales. The responsibilities and compensation of these Post Confirmation Managers are described in Section III. D. below of this Disclosure Statement.

### **D. Events Leading to Chapter 11 Filing**

The Bankruptcy Petition in this case was filed to stay a pending collection action and a garnishment from the Internal Revenue Services (the "IRS"). The claim in question arises from a pre-petition tax lien.

Due to the general decline in the economy of the Commonwealth of Puerto Rico, Jayuya Memorial has been unable to meet the exacting demands of the IRS as well as other creditors. Accordingly, Jayuya Memorial sought bankruptcy protection with the intent to reorganize the IRS claim as well as the claim of other creditors in line with the Debtor's present financial capacity.

### **E. Significant Events During the Bankruptcy Case**

On August 5, 2016, the Petition Date, the Debtor filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code. Since that time, the Debtor has operated its financial affairs as Debtor and Debtor in Possession.

The Debtor has closed all pre-petition bank accounts. All Monthly Operating Reports, through the month ending December 31, 2016, have been filed. *See*, Dockets #23, 32, 38, 43 and 45. Upon information and belief, Quarterly Fees payable to the United States Trustee have been paid.

The 341 Meeting of Creditors was held on September 12, 2016, at 1:00 PM. Since, on September 23, 2016 (Dk. #21) this Court entered an Order approving Jesus E. Batista Sanchez, Esq., as Counsel of Record.

#### **F. Projected Recovery of Avoidable Transfers.**

The Debtor has not yet completed his investigation with regard to prepetition transactions. If you received a payment or other transfer within 90 days of the bankruptcy, or other transfer avoidable under the Code, the Debtor may seek to avoid such transfer.

#### **G. Claims Objections**

Except to the extent that a claim is already allowed pursuant to a final non-appealable order, the Debtor reserves the right to object 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. Any objection to a proof of claim (i.e., "Claim Objections") will be filed on or before the 45<sup>th</sup> day prior to the date scheduled for the Hearing on Confirmation. *See*, Dk. 29.

#### **H. Current and Historical Financial Conditions**

The identity of the estate's assets are listed in **Exhibit B**. As of the Petition Date, the Debtor's Assets and Liabilities reflected assets with a book value in the amount of \$63,382.40 and Liabilities in the amount of \$123,061.00.

The Debtor's assets include: (i) Account Receivables, with a book value in the amount of \$13,279.00; (b) inventory, with a book value in the amount of \$25,485.00; (c) cash on hand in the amount of \$1,324.00; (d) vehicles with a book value of \$22,000.00 and other personal property.

The Debtors liabilities primarily correspond to the unsecured claims in the approximate amount of \$123,000.00.

The Debtors most recent financial statements issued before the bankruptcy are set forth in **Exhibit C**.

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

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

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

## B. Unclassified Claims

Certain types of claims are automatically entitled to a 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 Debtors' 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 Debtors 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 Debtors' estimated administrative expenses and their proposed treatment under the Plan:

<b><u>Type</u></b>	<b><u>Estimated Amount Owed</u></b>	<b><u>Proposed Treatment</u></b>
Expenses Arising in the Ordinary Course of Business After the Petition Date	Less than \$1,000.00	Paid in full on the effective date of the Plan, or according to terms of obligation if later.
The Value of Goods Received in the Ordinary Course of Business Within 20 Days Before the Petition Date	\$0.00	Paid in full on the effective date of the Plan, or according to terms of obligation if later.
Professional Fees, as approved by the Court.	\$10,000.00	Paid in full on the effective date of the Plan, 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.
Clerk's Office Fees	\$0.00	Paid in full on the effective date of the Plan
Other administrative expenses	\$0.00	Paid in full on the effective date of the Plan or according to separate written agreement

Office of the U.S. Trustee Fees	\$0.00	Paid in full on the effective date of the Plan
<b>Total</b>	<b>\$10,000.00</b>	

## 2. Priority Tax Claims

Priority tax claims are unsecured income, employment, and other taxes described by § 507(a)(8) of the Code. Unless the holder of such a § 507(a)(8) priority tax claim agrees otherwise, it must receive the present value of such claim, in regular installments paid over a period not exceeding 5 years from the order of relief.

The following chart lists the Debtors' estimated § 507(a)(8) priority tax claims and their proposed treatment under the Plan:

<u>Description</u>	<u>Estimated Amount Owed</u>	<u>Date of Assessment</u>	<u>Treatment</u>
Internal Revenue Services	\$1,395.63	2014-2015	Pmt Interval: 12 Payments Amount of Pmt: \$118.31 Begin Date: 2 <sup>nd</sup> Month End Date: 13 <sup>th</sup> Month Interest Rate: 3.25% Total Payout Amount: \$1,419.72
Departamento de Hacienda – Puerto Rico	\$3,474.47	2009 to 2013	Pmt Interval: 60 Payments Amount of Pmt: \$63.00 Begin Date: 2 <sup>nd</sup> Month End Date: 60 <sup>th</sup> Month Interest Rate: 3.25% Total Payout Amount: \$3,780.00
CRIM	\$706.05	2014-2015	Pmt Interval: 12 Payments Amount of Pmt: \$60.00 Begin Date: 2 <sup>nd</sup> Month End Date: 13 <sup>th</sup> Month Interest Rate: 3.25% Total Payout Amount: \$720.00
State Insurance Fund	\$1,425.06	2012-2015	Pmt Interval: 12 Payments Amount of Pmt: \$120.85 Begin Date: 2 <sup>nd</sup> Month End Date: 13 <sup>th</sup> Month Interest Rate: 3.25% Total Payout Amount: \$1,450.20
Department of Labor	\$236.51	2015	Pmt Interval: 1 Payments Amount of Pmt: \$236.51 Begin Date: 2 <sup>nd</sup> Month End Date: 2nd Month Interest Rate: 0.00% Total Payout Amount: \$236.51

Municipio de Jayuya	\$1,170.00	2012-2015	Pmt Interval:	12 Payments
			Amount of Pmt:	\$99.22
			Begin Date:	2 <sup>nd</sup> Month
			End Date:	13 <sup>th</sup> Month
			Interest Rate:	3.25%
			Total Payout Amount:	\$1,190.64

### C. Classes of Claims and Equity Interests

The following are the classes set forth in the Plan, and the proposed treatment that they will receive under the Plan:

#### 1. *Classes of Secured Claims*

Allowed Secured Claims are claims secured by property of the Debtors' bankruptcy estate (or that are subject to setoff) to the extent allowed as secured claims under § 506 of the Code. If the value of the collateral or setoffs securing the creditor's claim is less than the amount of the creditor's allowed claim, the deficiency will be classified as a Class 2 General Unsecured Claim, unless the creditor's claim is secured only by collateral which is the Debtor's primary residence.

<u>Class</u>	<u>Description</u>	<u>Insider</u>	<u>Impairment</u>	<u>Treatment</u>
1.	<b><u>The Allowed Class 1 Claims of Internal Revenue Services.</u></b> Class 1 consists of the Allowed Secured Claim, if any, of the Internal Revenue Services ("IRS"). IRS has filed Prof of Claim #1 in the amount of \$15,436.27 of which \$14,013.03 is claimed as secured. It is anticipated that the IRS' Allowed Class 1 Claim will be in the amount of \$14,013.03.	No	Yes	The Plan anticipates a 100.00% distribution on Allowed Class 1 Claims. The Allowed Class 1 Claim will be satisfied via 60 monthly payments in the amount of \$336.69. Payments to commence on the first date of the thirteenth month following the effective date of the plan and continue thereafter until month #72. The Allowed Class 1 Claims will be paid with an interest rate of 3.25% per year.

#### 2. *Classes of Priority Unsecured Claims*

Certain priority claims that are referred to in §§ 507(a)(1), (4), (5), (6), and (7) of the Code are required to be placed in classes. The Code requires that each holder of such a claim



receive cash on the effective date of the Plan equal to the allowed amount of such claim. However, a class of holders of such claims may vote to accept different treatment.

The Debtor does not have any claims of the kind described under §§ 507(a)(1), (4), (5), (6), and (a)(7) of the Code.

### 3. *Class of General Unsecured Claims*

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

In this Case, Unsecured Claims are classified in Class 2. The following chart identifies the Plan's proposed treatment of the class of claims which contain general unsecured claims against the Debtor:

<u><b>Class</b></u>	<u><b>Description</b></u>	<u><b>Insider</b></u>	<u><b>Impairment</b></u>	<u><b>Treatment</b></u>
<b>2.</b>	<b><u>The Allowed Class 2 Claims of General Unsecured Creditors.</u></b> Class 2 General Unsecured Claims consists of all unsecured claims allowed under § 502 of the Code. This Class consists of the pre-petition unsecured claims against the Debtor, to the extent Allowed, if any. It is anticipated that the Claims Allowed pursuant to Class 2 will be in the amount of \$28,928.00. See, <u>Chart of Claims</u> , attached as <b><u>Exhibit F</u></b> .	No	Yes	Holders of Allowed Class 2 Claims will receive a distribution \$14,400.00 This distribution is projected to equal a 50.00% distribution on the Allowed Class 2 Claims. These claims will be paid via 48 monthly payments in the amount of \$300.00. Payments on the Class 2 Claims will commence on the first day of the 74 <sup>th</sup> month following the Effective Date of the Plan and continue, on a monthly basis, through the last day of the 120 <sup>th</sup> month following the Effective Date of the Plan.

### 4. *Class of Equity Interest Holders*

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

In this Case, the Debtor's Equity is classified in Class #3. The following chart sets forth the Plan's proposed treatment of the class of equity interest holders:

<u><b>Class</b></u>	<u><b>Description</b></u>	<u><b>Impairment</b></u>	<u><b>Treatment</b></u>
3	Debtors' Equity (Ownership) Interest over Property of the Estate	No	The Debtor will retain its Ownership Interest.

#### **D. Means of Implementing the Plan**

##### *1. Source of Payments*

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

The Plan establishes that the Plan will be funded from the cash-flows generated by the Reorganized Debtor. The Debtor's cash-flows consist of the business income generated by the Debtor's business. The Debtor will contribute its cash flows to fund the Plan commencing on the Effective Date of the Plan and continue to contribute through the date that Holders of Allowed Class 1 and 2 Claims receive the payments specified for in the Plan.

##### *2. Post-confirmation Management*

The Post-Confirmation Managers of the Debtor shall be Mr. Juan L. Morales Gonzalez.

#### **E. Risk Factors**

The proposed Plan has the following risks:

1. *Income Risk Factor:* Although the Debtor believes the Reorganized Debtor will be able to generate sufficient income subsequent to the Effective Date of the Plan to make the payments contemplated by the Plan, there is a risk that the business income that is projected will be insufficient to make payments to Creditors.

#### **F. Executory Contracts and Unexpired Leases**

The Plan, in **Exhibit B-1** is any, 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. **Exhibit B-1** also lists how the Debtor will cure and compensate the other party to such contract or lease for any such defaults.

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.

All executory contracts and unexpired leases that are not listed in **Exhibit B-1** and specifically assumed therein will be deemed rejected under the Plan. 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.

***The Deadline for Filing a Proof of Claim Based on a Claim Arising from the Rejection of a Lease or Contract Is 60 Days from the Rejection of Such Agreement or any other later date set by the Court.*** Any claim based on the rejection of a contract or lease will be barred if the proof of claim is not timely filed, unless the Court orders otherwise.

#### *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.***

### **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, but are not limited to, the requirements that: (a) the Plan must be proposed in good faith; (b) at least one impaired class of claims must accept the plan, without counting votes of insiders; (c) the Plan must distribute to each creditor and equity interest holder 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 (d) 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 Classes 1 and 2 are impaired and that holders of claims in Classes 1 and 2 are therefore entitled to vote to accept or reject the Plan. The Plan Proponent believes that the Equity Class, which is Class 3, is unimpaired and that holders of claims in Class 3, therefore, do not have the right 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 and/or such claim has been objected to; 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 December 12, 2016.***

## ***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 expenses.

***Even If You Are Not Entitled to Vote on the Plan, You Have a Right to Object to the Confirmation of the Plan and to the Adequacy of the 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 Section IV - B.2.

### *1. Votes Necessary for a Class to Accept the Plan*

A class of claims accepts the Plan if both of the following occur: (1) the holders of more than one-half (1/2) of the allowed claims in the class, who vote, cast their votes to accept the Plan, and (2) the holders of at least two-thirds (2/3) in dollar amount of the allowed claims in the class, who vote, cast their votes to accept the Plan.

A class of equity 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 non-accepting 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 D**.

This analysis of the Debtor’s assets and liabilities reveals that the “forced-sale value” of the Debtor’s assets (i.e., value that could be generated by a Chapter 7 Trustee if assets needed to be sold liquidation in a 90-day window) amount to approximately \$23,745.15. A hypothetical

Chapter 7 liquidation would also lead to sale/liquidation expenses of close to \$3,124.52; leaving a balance of less than \$20,620.64 for a Chapter 7 Trustee to administer and distribute to unsecured creditors.

In this Case, however, unsecured creditors are expected to receive a distribution which exceeds \$22,800.00 or 45% of their Allowed Unsecured Claims. Accordingly, the projected distribution to unsecured creditors equals or exceeds the amount unsecured creditors would receive in a hypothetical Chapter 7 Liquidation. As such, the distribution to unsecured creditors in this Case meets and exceeds the so called Liquidation Value Test.

#### **D. Feasibility**

The Court must also 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.

##### *1. Ability to Initially Fund Plan*

The Plan Proponent believes that the Debtor will have enough cash on hand on the effective date of the Plan to pay all the claims and expenses that are entitled to be paid on that date. The Debtor estimates that at the time of an Order of Confirmation, the debtor will have sufficient in liquid assets to fund the Plan. A Table showing the projected amount of cash on hand on the effective date of the Plan, and the sources of that cash are attached to this disclosure statement as **Exhibit E**.

##### *2. Ability to Make Future Plan Payments and Operate Without Further Reorganization*

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

The Plan Proponent has provided a Cash Flow Projection for the duration of the Plan (2 Years), which is attached as **Exhibit E**.

Here, the Debtor's post confirmation projected cash-flows demonstrate the sustained ability to continue to make payment on the unsecured debt reorganized through the Plan in addition to all other operational payments and expenses of the Debtor. From the projected Effective Date of the Plan (June 2017) through December of 2021 (i.e., 5-years), the Debtor projects positive cash-flows which evidence the feasibility of the Debtor's 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 OF DEBTOR**

1. Discharge. To the fullest extent permitted by applicable law, and except as otherwise provided in the Plan, the operative documents implementing the Plan, or the Confirmation Order: (a) on the Effective Date the Confirmation Order shall operate as a discharge under 11 U.S.C. § 1140(d)(1) of the Bankruptcy Code, and as a release of any and all Claims, Debts, Liens, Security Interests, and encumbrances of and against the Reorganized Debtor and all Property that arose before Confirmation, including without limitation, any Claim of a kind specified in §§ 502(g), 502(h), or 502(i) of the Bankruptcy Code, and all principal and interest, whether accrued before, on, or after the Petition Date, regardless of whether (i) a Proof of Claim has been filed or deemed filed, (ii) such Claim has been Allowed pursuant to § 502 of the Bankruptcy Code, or (iii) the Holder of such Claim has voted on the Plan or has voted to reject the Plan; and (b) from and after the Effective Date (i) all Holders of Claims shall be barred and enjoined from asserting against the Reorganized Debtor and his property any Claims, Debts, Liens, Security Interests, and encumbrances of and against all Property of the Estate, and (iii) the Debtor shall be fully and finally discharged of any liability or obligation on a Disallowed Claim or an Interest. Except as otherwise specifically provided herein, nothing in the Plan shall be deemed to waive, limit, or restrict in any manner the discharge granted upon Confirmation of the Plan pursuant to § 1141 of the Bankruptcy Code.

### **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 re-voting on the Plan. The Plan Proponent may also seek to modify the Plan at any time after confirmation only if (1) the Plan has not been substantially consummated and (2) the Court authorizes the proposed modifications after notice and a hearing.

Upon request of the Debtors, 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.

Respectfully Submitted,

/s/ Jayuya Memorial, Inc..  
Mr. Juan L. Morales Gonzalez as  
President

Jesús E. Batista Sánchez, Esq.  
**The Batista Law Group, PSC**  
420 Ave. Ponce de León; Suite 901  
San Juan, PR 00918  
Tel. 787-620-2856  
Fax. 787-625-0259



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

In re:

Case No. 16-06235

JAYUYA MEMORIAL, INC

Chapter 11

Debtors

---

**FIRST PLAN OF REORGANIZATION DATED FEBRUARY 15, 2017**

Jesús Enrique Batista-Sánchez, Esq.  
**The Batista Law Group, PSC**  
Cond. Mid-Town Center  
420 Ave. Juan Ponce De León  
Suite 901  
San Juan, PR 00918  
(787) 620-2856

## ARTICLE I SUMMARY

This Plan of Reorganization (the “Plan”) under chapter 11 of the Bankruptcy Code (the “Code”) proposes to pay creditors of JAYUYA MEMORIAL, Inc. (the “Debtor”) from cash flows generated from the operation of the Debtor.

This Plan provides for one (1) class of secured claims, one (1) class of unsecured claims and one (1) class of equity security holders. Additionally, the Plan provides treatment for unsecured priority tax claims which have not been classified. Unsecured creditors (i.e., priority unsecured creditors and general unsecured creditors) holding allowed claims will receive distributions, which the proponent of this Plan has valued at approximately \$22,400.00 or an estimated 66.00% distribution. In addition, this Plan also provides for the payment of administrative claims.

The following chart lists the §507(a)(8) priority tax claims which have been filed against the Debtor and the Debtor’s Estate. If deemed Allowed Claims, as filed, the following chart lists the proposed treatment under the Plan for these claims:

<b><u>Description</u></b>	<b><u>Estimated Amount Owed</u></b>	<b><u>Date of Assessment</u></b>	<b><u>Treatment</u></b>
Internal Revenue Services	\$1,395.63	2014-2015	Pmt Interval: 12 Payments Amount of Pmt: \$118.31 Begin Date: 2 <sup>nd</sup> Month End Date: 13 <sup>th</sup> Month Interest Rate: 3.25% Total Payout Amount: \$1,419.72
Departamento de Hacienda – Puerto Rico	\$3,474.47	2009 to 2013	Pmt Interval: 60 Payments Amount of Pmt: \$63.00 Begin Date: 2 <sup>nd</sup> Month End Date: 60 <sup>th</sup> Month Interest Rate: 3.25% Total Payout Amount: \$3,780.00
CRIM	\$706.05	2014-2015	Pmt Interval: 12 Payments Amount of Pmt: \$60.00 Begin Date: 2 <sup>nd</sup> Month End Date: 13 <sup>th</sup> Month Interest Rate: 3.25% Total Payout Amount: \$720.00
State Insurance Fund	\$1,425.06	2012-2015	Pmt Interval: 12 Payments Amount of Pmt: \$120.85 Begin Date: 2 <sup>nd</sup> Month End Date: 13 <sup>th</sup> Month Interest Rate: 3.25% Total Payout Amount: \$1,450.20

Department of Labor	\$236.51	2015	Pmt Interval:	1 Payments
			Amount of Pmt:	\$236.51
			Begin Date:	2 <sup>nd</sup> Month
			End Date:	2 <sup>nd</sup> Month
			Interest Rate:	0.00%
			Total Payout Amount:	\$236.51
Municipio de Jayuya	\$1,170.00	2012-2015	Pmt Interval:	12 Payments
			Amount of Pmt:	\$99.22
			Begin Date:	2 <sup>nd</sup> Month
			End Date:	13 <sup>th</sup> Month
			Interest Rate:	3.25%
			Total Payout Amount:	\$1,190.64

All creditors and equity security holders should refer to Articles II through VI of this Plan for information regarding the precise treatment of their claim. A disclosure statement that provides more detailed information regarding this Plan and the rights of creditors and equity security holders has been circulated with this Plan. **Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one. If you do not have an attorney, you may wish to consult one.**

## ARTICLE II CLASSIFICATION OF CLAIMS AND INTERESTS

- 2.01 Class 1.      **The Allowed Class 1 Claims of Internal Revenue Services.** Class 1 consists of the Allowed Secured Claim, if any, of the Internal Revenue Services (“IRS”). IRS has filed Prof of Claim #1 in the amount of \$15,436.27 of which \$14,013.03 is claimed as secured. It is anticipated that the IRS’ Allowed Class 1 Claim will be in the amount of \$14,013.03.
- 2.02 Class 2.      **The Allowed Class 2 Claims of General Unsecured Creditors.** Class 2 General Unsecured Claims consists of all unsecured claims allowed under § 502 of the Code. This Class consists of the pre-petition unsecured claims against the Debtor, to the extent Allowed, if any. It is anticipated that the Claims Allowed pursuant to Class 2 will be in the amount of \$28,928.00. *See, Chart of Claims*, attached as **Exhibit F**.
- 2.02 Class 3.      **The Debtor’s Equity.** Class 3 consists of the Debtor’s interest in the assets of the Estate.

## ARTICLE III TREATMENT OF ADMINISTRATIVE EXPENSE CLAIMS,

### **U.S. TRUSTEES FEES, AND PRIORITY TAX CLAIMS**

3.01 Unclassified Claims. Except as otherwise expressly provided for herein, the Debtor shall pay Ordinary Course Administrative Claims according to the existing terms in effect between the Debtor and the Holders of such Ordinary Course Administrative Expense Claims.

3.02 Administrative Expense Claims. All Administrative Expense Claims that are not Ordinary Course Administrative Expenses Claims, including Professional Fee Claims, shall be paid 15 days after the later of (i) the Effective Date, (ii) the date such Administrative Expense Claim becomes an Allowed Administrative Expense Claim, or (iii) the date such Administrative Expense Claim becomes payable pursuant to any agreement between the Debtor or the Reorganized Debtor and the holder of such Administrative Expense Claim.

3.03 Priority Tax Claims.

**Description:** Priority Tax Claims consist of the Priority Tax Claims which are deemed allowed in this Case. The Debtor believes that six creditors hold claims that may qualify as Priority Tax Claims. First, the Internal Revenue Services (“IRS”) filed Proof of Claim #1, of which \$1,395.63 constitutes a priority tax claim. Second, the Department of treasury filed Proof of Claim #5 in the amount of \$3,474.47, which constitutes a priority tax claim. Third, CRIM filed Proof of Claim #2 in the amount of \$706.05 which constitutes a priority tax claim. Fourth, State Insurance Fund filed Proof of Claim #4 in the amount of \$1,425.06, which constitutes a priority tax claim. Fifth, Department of Labor was scheduled with an amount of \$236.51, which constitutes a priority tax claim. Sixth, Municipio de Jayuya was scheduled as holding a priority tax claim in the amount of \$1,170.00.

**Treatment:** The Priority Tax Claims will be paid in full (100%) via monthly payments to commence on the first date of the second month following the effective date to the plan. More specifically, the Priority Tax Claims will be paid as follows: (a) IRS, twelve (12) monthly payments in the amount of \$118.31; (b) Hacienda, sixty (60) monthly payments in the amount of \$63.00; (c) CRIM, twelve (12) monthly payments in the amount of \$60.00; (d) State Insurance Fund, twelve (12) monthly payments in the amount of \$120.85; (e) Dpt. Of Labor, 1 payment in the amount of \$236.51; (f) Municipio de Jayuya, twelve (12) monthly payments in the amount of \$99.22.

3.04 United States Trustee Fees. All fees required to be paid by 28 U.S.C. §1930(a)(6) (U.S. Trustee Fees) will accrue and be timely paid until the case is closed, dismissed, or converted to another chapter of the Code. Any U.S. Trustee Fees owed on or before the effective date of this Plan will be paid on the effective date.

**ARTICLE IV**  
**TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN**

4.01 Claims and interests shall be treated as follows under this Plan:

<u><b>Class</b></u>	<u><b>Description</b></u>	<u><b>Insider</b></u>	<u><b>Impairment</b></u>	<u><b>Treatment</b></u>
<b>1.</b>	<b><u>The Allowed Class 1 Claims of Internal Revenue Services.</u></b> Class 1 consists of the Allowed Secured Claim, if any, of the Internal Revenue Services (“IRS”). IRS has filed Prof of Claim #1 in the amount of \$15,436.27 of which \$14,013.03 is claimed as secured. It is anticipated that the IRS’ Allowed Class 1 Claim will be in the amount of \$14,013.03.	No	Yes	The Plan anticipates a 100.00% distribution on Allowed Class 1 Claims. The Allowed Class 1 Claim will be satisfied via 60 monthly payments in the amount of \$336.69. Payments to commence on the first date of the thirteenth month following the effective date of the plan and continue thereafter until month #72. The Allowed Class 1 Claims will be paid with an interest rate of 3.25% per year.
<b>2.</b>	<b><u>The Allowed Class 2 Claims of General Unsecured Creditors.</u></b> Class 2 General Unsecured Claims consists of all unsecured claims allowed under § 502 of the Code. This Class consists of the pre-petition unsecured claims against the Debtor, to the extent Allowed, if any. It is anticipated that the Claims Allowed pursuant to Class 2 will be in the amount of \$28,928.00. <i>See, Chart of Claims</i> , attached as <b><u>Exhibit F</u></b> .	No	Yes	Holders of Allowed Class 2 Claims will receive a distribution \$14,400.00 This distribution is projected to equal a 50.00% distribution on the Allowed Class 2 Claims. These claims will be paid via 48 monthly payments in the amount of \$300.00. Payments on the Class 2 Claims will commence on the first day of the 74 <sup>th</sup> month following the Effective Date of the Plan and continue, on a monthly basis, through the last day of the 120 <sup>th</sup> month following the Effective Date of the Plan.
<b>2</b>	Debtors’ Equity (Ownership) Interest over Property of the Estate	Yes	No	The Debtor will retain its Ownership Interest.

**ARTICLE V**  
**ALLOWANCE AND DISALLOWANCE OF CLAIMS**

5.01 Disputed Claim. 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.

5.02 Delay of Distribution on a Disputed Claim. No distribution will be made on account of a disputed claim unless such claim is allowed by a final non-appealable order.

5.03 Settlement of Disputed Claims. 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.

## **ARTICLE VI**

### **PROVISIONS FOR EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

#### 6.01 Assumed Executory Contracts and Unexpired Leases.

(a) The Debtor assumes the executory contracts and/or unexpired Leases, listed in the attached **Exhibit 6.1 if any**, effective upon the Effective Date of this Plan as provided in Article VII.

(b) The Debtor will be conclusively deemed to have rejected all executory contracts and/or unexpired leases not expressly assumed under section 6.01(a) above or specifically enumerated or listed in the attached **Exhibit 6.1**, or before the date of the order confirming this Plan, upon the Effective Date of this Plan. A proof of a claim arising from the rejection of an executory contract or unexpired lease under this section must be filed no later than 60 days after the date of the order confirming this Plan.

## **ARTICLE VII**

### **MEANS FOR IMPLEMENTATION OF THE PLAN**

#### *1. Source of Payments*

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

The Plan establishes that the Plan will be funded from the cash-flows generated by the Reorganized Debtor. It generally consists of the business income from the operation of Jayuya Memorial, Inc. The Debtor will contribute its cash flow to fund the Plan commencing on the Effective Date of the Plan and continue to contribute such income through the date that Holders of Allowed Class 1 Claims, as well as the holders of Allowed Priority Tax Claims, receive the payments specified for in the Plan.

#### *2. Post-confirmation Management*

The Post-Confirmation Managers of the Debtor shall be: Mr. Juan Morales Gonzalez, its President.

## **ARTICLE VIII**

### **GENERAL PROVISIONS**

8.01 Definitions and Rules of Construction. The definitions and rules of construction set forth in §§ 101 and 102 of the Code shall apply when terms defined or construed in the Code are used in this Plan.

8.02 Effective Date of Plan. The effective date of this Plan is the first business day following the date that is fourteen days after the entry of the order of confirmation (the “Effective Date”). If, however, a stay of the confirmation order is in effect on that date, the effective date will be the first business day after the date on which the stay of the confirmation order expires or is otherwise terminated.

8.03 Severability. If any provision in this Plan is determined to be unenforceable, the determination will in no way limit or affect the enforceability and operative effect of any other provision of this Plan.

8.04 Binding Effect. The rights and obligations of any entity named or referred to in this Plan will be binding upon, and will inure to the benefit of the successors or assigns of such entity.

8.05 Captions. The headings contained in this Plan are for convenience of reference only and do not affect the meaning or interpretation of this Plan.

8.06 Controlling Effect. Unless a rule of law or procedure is supplied by federal law (including the Code or the Federal Rules of Bankruptcy Procedure), the laws of the Commonwealth of Puerto Rico governs this Plan and any agreements, documents, and instruments executed in connection with this Plan, except as otherwise provided in this Plan.

## **ARTICLE IX**

### **DISCHARGE AND INJUNCTION**

9.01. Discharge. To the fullest extent permitted by applicable law, and except as otherwise provided in the Plan, the operative documents implementing the Plan, or the Confirmation Order: (a) on the Effective Date the Confirmation Order shall operate as a discharge under 11 U.S.C. § 1140(d)(1) of the Bankruptcy Code, and as a release of any and all Claims, Debts, Liens, Security Interests, and encumbrances of and against the Reorganized Debtor and all Property that arose before Confirmation, including without limitation, any Claim of a kind specified in §§ 502(g), 502(h), or 502(i) of the Bankruptcy Code, and all principal and interest, whether accrued before, on, or after the Petition Date, regardless of whether (i) a Proof of Claim has been filed or deemed filed, (ii) such Claim has been Allowed pursuant to § 502 of the Bankruptcy Code, or (iii) the Holder of such Claim has voted on the Plan or has voted to reject the

Plan; and (b) from and after the Effective Date (i) all Holders of Claims shall be barred and enjoined from asserting against the Reorganized Debtor and his property any Claims, Debts, Liens, Security Interests, and encumbrances of and against all Property of the Estate, and (iii) the Debtor shall be fully and finally discharged of any liability or obligation on a Disallowed Claim or an Interest. Except as otherwise specifically provided herein, nothing in the Plan shall be deemed to waive, limit, or restrict in any manner the discharge granted upon Confirmation of the Plan pursuant to § 1141 of the Bankruptcy Code.

Respectfully Submitted,

/s/ Jayuya Memorial, Inc.  
Mr. Juan Morales Gonzalez, as  
President Of Jayuya Memoria, Inc.

Counsel for Debtor:  
/s./ Jesús E. Batista Sánchez  
Jesus E. Batista Sanchez, Esq.  
**The Batista Law Group, PSC**  
420 Ave. Ponce de León; Suite 901  
San Juan, PR 00918  
Tel. 787-620-2856  
Fax. 787-625-0259



**Fill in this information to identify the case:**

Debtor name JAYUYA MEMORIAL, INC

United States Bankruptcy Court for the: DISTRICT OF PUERTO RICO, SAN JUAN DIVISION

Case number (if known) 3:16-bk-6235

☐ Check if this is an amended filing

## Official Form 206A/B Schedule A/B: Assets - Real and Personal Property

12/15

Disclose all property, real and personal, which the debtor owns or in which the debtor has any other legal, equitable, or future interest. Include all property in which the debtor holds rights and powers exercisable for the debtor's own benefit. Also include assets and properties which have no book value, such as fully depreciated assets or assets that were not capitalized. In Schedule A/B, list any executory contracts or unexpired leases. Also list them on *Schedule G: Executory Contracts and Unexpired Leases* (Official Form 206G).

Be as complete and accurate as possible. If more space is needed, attach a separate sheet to this form. At the top of any pages added, write the debtor's name and case number (if known). Also identify the form and line number to which the additional information applies. If an additional sheet is attached, include the amounts from the attachment in the total for the pertinent part.

For Part 1 through Part 11, list each asset under the appropriate category or attach separate supporting schedules, such as a fixed asset schedule or depreciation schedule, that gives the details for each asset in a particular category. List each asset only once. In valuing the debtor's interest, do not deduct the value of secured claims. See the instructions to understand the terms used in this form.

### Part 1: Cash and cash equivalents

1. Does the debtor have any cash or cash equivalents?

- ☐ No. Go to Part 2.  
☒ Yes Fill in the information below.

All cash or cash equivalents owned or controlled by the debtor

Current value of debtor's interest

2. **Cash on hand** **\$1,324.00**

3. **Checking, savings, money market, or financial brokerage accounts (Identify all)**  
 Name of institution (bank or brokerage firm) Type of account Last 4 digits of account number

3.1. BANCO POPULAR DE PR CHECKING ACCOUNT 9087 \$-2.60

3.2. DEBTOR OWNS ACCOUNT WITH COOP. A/C JAYUYA CHECKING 3278 \$217.00

4. **Other cash equivalents (Identify all)**

5. **Total of Part 1.**

Add lines 2 through 4 (including amounts on any additional sheets). Copy the total to line 80.

**\$1,538.40**

### Part 2: Deposits and Prepayments

6. Does the debtor have any deposits or prepayments?

- ☒ No. Go to Part 3.  
☐ Yes Fill in the information below.

### Part 3: Accounts receivable

10. Does the debtor have any accounts receivable?

- ☐ No. Go to Part 4.  
☒ Yes Fill in the information below.

Debtor JAYUYA MEMORIAL, INC  
Name

Case number (If known) 3:16-bk-6235

11. **Accounts receivable**

11a. 90 days old or less: 11,482.00 - 0.00 = .... \$11,482.00  
face amount doubtful or uncollectible accounts

11a. 90 days old or less: 1,797.00 - 0.00 = .... \$1,797.00  
face amount doubtful or uncollectible accounts

12. **Total of Part 3.**

Current value on lines 11a + 11b = line 12. Copy the total to line 82.

\$13,279.00

**Part 4: Investments**

13. **Does the debtor own any investments?**

- ☒ No. Go to Part 5.  
☐ Yes Fill in the information below.

**Part 5: Inventory, excluding agriculture assets**

18. **Does the debtor own any inventory (excluding agriculture assets)?**

- ☐ No. Go to Part 6.  
☒ Yes Fill in the information below.

General description	Date of the last physical inventory	Net book value of debtor's interest (Where available)	Valuation method used for current value	Current value of debtor's interest
19. <b>Raw materials</b>				
20. <b>Work in progress</b>				
21. <b>Finished goods, including goods held for resale</b>				
22. <b>Other inventory or supplies</b>				
<b>INVENTORY</b>	<u>4/30/2016</u>	<u>\$25,485.00</u>		<u>\$25,485.00</u>

23. **Total of Part 5.**

Add lines 19 through 22. Copy the total to line 84.

\$25,485.00

24. **Is any of the property listed in Part 5 perishable?**

- ☒ No  
☐ Yes

25. **Has any of the property listed in Part 5 been purchased within 20 days before the bankruptcy was filed?**

- ☒ No  
☐ Yes. Book value \_\_\_\_\_ Valuation method \_\_\_\_\_ Current Value \_\_\_\_\_

26. **Has any of the property listed in Part 5 been appraised by a professional within the last year?**

- ☒ No  
☐ Yes

**Part 6: Farming and fishing-related assets (other than titled motor vehicles and land)**

27. **Does the debtor own or lease any farming and fishing-related assets (other than titled motor vehicles and land)?**

- ☒ No. Go to Part 7.

Debtor JAYUYA MEMORIAL, INC  
Name

Case number (If known) 3:16-bk-6235

☐ Yes Fill in the information below.

**Part 7: Office furniture, fixtures, and equipment; and collectibles**

38. Does the debtor own or lease any office furniture, fixtures, equipment, or collectibles?

☒ No. Go to Part 8.  
☐ Yes Fill in the information below.

**Part 8: Machinery, equipment, and vehicles**

46. Does the debtor own or lease any machinery, equipment, or vehicles?

☐ No. Go to Part 9.  
☒ Yes Fill in the information below.

	General description Include year, make, model, and identification numbers (i.e., VIN, HIN, or N-number)	Net book value of debtor's interest (Where available)	Valuation method used for current value	Current value of debtor's interest
47.	<b>Automobiles, vans, trucks, motorcycles, trailers, and titled farm vehicles</b>			
47.1.	<u>1989 LINCOLN TOWN</u>	<u>\$5,000.00</u>		<u>\$5,000.00</u>
47.2.	<u>2005 Chevrolet Express</u>	<u>\$5,000.00</u>		<u>\$5,000.00</u>
47.3.	<u>1998 Cadillac Catera</u> <u>COCHE FUNEBRE</u> <u>THIS VEHICLE DOES NOT WORK</u>	<u>\$5,000.00</u>		<u>\$5,000.00</u>
47.4.	<u>1989 GMC SIERRA</u>	<u>\$2,000.00</u>		<u>\$2,000.00</u>
47.5.	<u>1999 Cadillac DeVille Concours 4dr</u> <u>Sedan</u>	<u>\$1,500.00</u>		<u>\$1,500.00</u>
47.6.	<u>1996 Cadillac DeVille</u>	<u>\$3,500.00</u>		<u>\$3,500.00</u>
48.	<b>Watercraft, trailers, motors, and related accessories</b> Examples: Boats, trailers, motors, floating homes, personal watercraft, and fishing vessels			
49.	<b>Aircraft and accessories</b>			
50.	<b>Other machinery, fixtures, and equipment (excluding farm machinery and equipment)</b>			
	<u>2006 VENTO PHANTON</u>	<u>\$100.00</u>		<u>\$100.00</u>

51. **Total of Part 8.**

Add lines 47 through 50. Copy the total to line 87.

\$22,100.00

52. **Is a depreciation schedule available for any of the property listed in Part 8?**

☒ No  
☐ Yes

53. **Has any of the property listed in Part 8 been appraised by a professional within the last year?**

Debtor JAYUYA MEMORIAL, INC  
Name

Case number (If known) 3:16-bk-6235

- ☐ No  
☐ Yes

**Part 9: Real property**

54. Does the debtor own or lease any real property?

- ☐ No. Go to Part 10.  
☐ Yes Fill in the information below.

**Part 10: Intangibles and intellectual property**

59. Does the debtor have any interests in intangibles or intellectual property?

- ☐ No. Go to Part 11.  
☐ Yes Fill in the information below.

**Part 11: All other assets**

70. Does the debtor own any other assets that have not yet been reported on this form?

Include all interests in executory contracts and unexpired leases not previously reported on this form.

- ☐ No. Go to Part 12.  
☒ Yes Fill in the information below.

Current value of  
debtor's interest

71. **Notes receivable**  
Description (include name of obligor)

72. **Tax refunds and unused net operating losses (NOLs)**  
Description (for example, federal, state, local)

**PR TAX REFUND**

Tax year **2015**

**\$980.00**

73. **Interests in insurance policies or annuities**

74. **Causes of action against third parties (whether or not a lawsuit has been filed)**

75. **Other contingent and unliquidated claims or causes of action of every nature, including counterclaims of the debtor and rights to set off claims**

76. **Trusts, equitable or future interests in property**

77. **Other property of any kind not already listed** Examples: Season tickets, country club membership

78. **Total of Part 11.**

Add lines 71 through 77. Copy the total to line 90.

**\$980.00**

79. **Has any of the property listed in Part 11 been appraised by a professional within the last year?**

- ☒ No  
☐ Yes



Debtor **JAYUYA MEMORIAL, INC**  
Name

Case number (If known) **3:16-bk-6235**

**Part 12: Summary**

In Part 12 copy all of the totals from the earlier parts of the form

Type of property	Current value of personal property	Current value of real property
80. <b>Cash, cash equivalents, and financial assets.</b> <i>Copy line 5, Part 1</i>	<b>\$1,538.40</b>	
81. <b>Deposits and prepayments.</b> <i>Copy line 9, Part 2.</i>	<b>\$0.00</b>	
82. <b>Accounts receivable.</b> <i>Copy line 12, Part 3.</i>	<b>\$13,279.00</b>	
83. <b>Investments.</b> <i>Copy line 17, Part 4.</i>	<b>\$0.00</b>	
84. <b>Inventory.</b> <i>Copy line 23, Part 5.</i>	<b>\$25,485.00</b>	
85. <b>Farming and fishing-related assets.</b> <i>Copy line 33, Part 6.</i>	<b>\$0.00</b>	
86. <b>Office furniture, fixtures, and equipment; and collectibles.</b> <i>Copy line 43, Part 7.</i>	<b>\$0.00</b>	
87. <b>Machinery, equipment, and vehicles.</b> <i>Copy line 51, Part 8.</i>	<b>\$22,100.00</b>	
88. <b>Real property.</b> <i>Copy line 56, Part 9.....&gt;</i>		<b>\$0.00</b>
89. <b>Intangibles and intellectual property.</b> <i>Copy line 66, Part 10.</i>	<b>\$0.00</b>	
90. <b>All other assets.</b> <i>Copy line 78, Part 11.</i>	<b>+ \$980.00</b>	
91. <b>Total.</b> Add lines 80 through 90 for each column	<b>\$63,382.40</b>	<b>+ 91b. \$0.00</b>
92. <b>Total of all property on Schedule A/B.</b> Add lines 91a+91b=92		<b>\$63,382.40</b>

0  
1  
2  
3  
4  
5  
6  
7  
8  
9

Document	Page	30 of 50
1	1	1
2	2	2
3	3	3
4	4	4
5	5	5
6	6	6
7	7	7
8	8	8
9	9	9
10	10	10
11	11	11
12	12	12
13	13	13
14	14	14
15	15	15
16	16	16
17	17	17
18	18	18
19	19	19
20	20	20
21	21	21
22	22	22
23	23	23
24	24	24
25	25	25
26	26	26
27	27	27
28	28	28
29	29	29
30	30	30
31	31	31
32	32	32
33	33	33
34	34	34
35	35	35
36	36	36
37	37	37
38	38	38
39	39	39
40	40	40
41	41	41
42	42	42
43	43	43
44	44	44
45	45	45
46	46	46
47	47	47
48	48	48
49	49	49
50	50	50

☐ Check if this is an amended filing

12/15

☒ Yes. Fill in all of the information below.

Value of collateral that supports this claim

**\$25,485.00**

☐ Yes. Fill out *Schedule H: Codebtors* (Official Form 206H)☐ Disputed

**\$1,500.00**

Last 4 digits of  
account number for  
this entity



Fill in this information to identify the case:

Debtor name **JAYUYA MEMORIAL, INC**

United States Bankruptcy Court for the: **DISTRICT OF PUERTO RICO, SAN JUAN DIVISION**

Case number (if known) **3:16-bk-6235**

☐ Check if this is an amended filing

Official Form 206E/F

Schedule E/F: Creditors Who Have Unsecured Claims

12/15

Be as complete and accurate as possible. Use Part 1 for creditors with PRIORITY unsecured claims and Part 2 for creditors with NONPRIORITY unsecured claims. List the other party to any executory contracts or unexpired leases that could result in a claim. Also list executory contracts on *Schedule A/B: Assets - Real and Personal Property* (Official Form 206A/B) and on *Schedule G: Executory Contracts and Unexpired Leases* (Official Form 206G). Number the entries in Parts 1 and 2 in the boxes on the left. If more space is needed for Part 1 or Part 2, fill out and attach the Additional Page of that Part included in this form.

Part 1: List All Creditors with PRIORITY Unsecured Claims

1. Do any creditors have priority unsecured claims? (See 11 U.S.C. § 507).

☐ No. Go to Part 2.

☒ Yes. Go to line 2.

2. List in alphabetical order all creditors who have unsecured claims that are entitled to priority in whole or in part. If the debtor has more than 3 creditors with priority unsecured claims, fill out and attach the Additional Page of Part 1.

2.1 Priority creditor's name and mailing address

**DEPARTMENT OF LABOR**

**PO BOX 1020  
SAN JUAN, PR 00919-1020**

Date or dates debt was incurred  
**4/2012**

Last 4 digits of account number **0005**  
Specify Code subsection of PRIORITY  
unsecured claim: 11 U.S.C. § 507(a) (8)

As of the petition filing date, the claim is:

Check all that apply.

☐ Contingent

☐ Unliquidated

☐ Disputed

Basis for the claim:

Is the claim subject to offset?

☒ No

☐ Yes

Total claim

Priority amount

**\$236.51**

**\$236.51**

2.2 Priority creditor's name and mailing address

**INTERNAL REVENUE SERVICE  
DEPARTMENT OF TREASURY  
INTERNAL REVENUE SERVICE  
PHILADELPHIA, PA 19154**

Date or dates debt was incurred

Last 4 digits of account number  
Specify Code subsection of PRIORITY  
unsecured claim: 11 U.S.C. § 507(a) (8)

As of the petition filing date, the claim is:

Check all that apply.

☐ Contingent

☐ Unliquidated

☐ Disputed

Basis for the claim:

Is the claim subject to offset?

☒ No

☐ Yes

**\$12,000.00**

**\$12,000.00**



Debtor	Name	Case number (if known)	3:16-bk-6235
2.3	<b>Priority creditor's name and mailing address</b> <b>MUNICIPIO DE JAYUYA</b>  <b>PO Box 488</b> <b>Jayuya, PR 00664-0488</b>  Date or dates debt was incurred <b>2013</b>  Last 4 digits of account number <b>8630</b> Specify Code subsection of PRIORITY unsecured claim: 11 U.S.C. § 507(a) (8)	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  Basis for the claim:  Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$1,170.06</b> <b>\$1,170.06</b>
2.4	<b>Priority creditor's name and mailing address</b> <b>STATE INSURANCE FUND</b>  <b>PO Box 330949</b> <b>Ponce, PR 00733-0949</b>  Date or dates debt was incurred <b>2016</b>  Last 4 digits of account number <b>0325</b> Specify Code subsection of PRIORITY unsecured claim: 11 U.S.C. § 507(a) (8)	As of the petition filing date, the claim is: <i>Check all that apply.</i> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  Basis for the claim:  Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$1,425.06</b> <b>\$1,425.06</b>

**Part 2: List All Creditors with NONPRIORITY Unsecured Claims**

3. List in alphabetical order all of the creditors with nonpriority unsecured claims. If the debtor has more than 6 creditors with nonpriority unsecured claims, fill out and attach the Additional Page of Part 2.

			Amount of claim
3.1	<b>Nonpriority creditor's name and mailing address</b> <b>BANCO POPULAR DE PUERTO RICO</b>  <b>PO BOX 362708 DEPARTAMENTO DE QUIEBRAS</b> <b>SAN JUAN, PR 00936</b> Date(s) debt was incurred <b>UNKNOWN</b> Last 4 digits of account number <b>NOWN</b>	As of the petition filing date, the claim is: <i>Check all that apply.</i>  <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  Basis for the claim: __  Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$60,398.47</b>
3.2	<b>Nonpriority creditor's name and mailing address</b> <b>BANCO POPULAR DE PUERTO RICO</b>  <b>PO BOX 362708 DEPARTAMENTO DE QUIEBRAS</b> <b>SAN JUAN, PR 00936</b> Date(s) debt was incurred <b>12/03/2015</b> Last 4 digits of account number <b>9001</b>	As of the petition filing date, the claim is: <i>Check all that apply.</i>  <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  Basis for the claim: __  Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$362.40</b>
3.3	<b>Nonpriority creditor's name and mailing address</b> <b>BANCO POPULAR DE PUERTO RICO</b>  <b>PO BOX 362708 DEPARTAMENTO DE QUIEBRAS</b> <b>SAN JUAN, PR 00936</b> Date(s) debt was incurred __ Last 4 digits of account number <b>9002</b>	As of the petition filing date, the claim is: <i>Check all that apply.</i>  <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  Basis for the claim: __  Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<b>\$3,989.51</b>

Debtor **JAYUYA MEMORIAL, INC** Case number (if known) **3:16-bk-6235**

<b>3.4</b>	<b>Nonpriority creditor's name and mailing address</b> <b>CIDRA METALIC</b>  <b>PO BOX 177</b> <b>CIDRA, PR 00739-0177</b>  Date(s) debt was incurred <u>12/31/2014</u> Last 4 digits of account number <u>583</u>	<b>As of the petition filing date, the claim is: Check all that apply.</b> <span style="float: right;"><b>\$13,276.31</b></span> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> ____ Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
<b>3.5</b>	<b>Nonpriority creditor's name and mailing address</b> <b>DEPARTAMENTO DE HACIENDA</b> <b>BANKRUPTCY DEPARTMENT</b> <b>235 AVE ARTERIAL STE 1504</b> <b>SAN JUAN, PR 00918</b>  Date(s) debt was incurred <u>2010</u> Last 4 digits of account number <u>8630</u>	<b>As of the petition filing date, the claim is: Check all that apply.</b> <span style="float: right;"><b>\$8,668.00</b></span> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> ____ Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
<b>3.6</b>	<b>Nonpriority creditor's name and mailing address</b> <b>DEPARTAMENTO DE HACIENDA</b> <b>BANKRUPTCY DEPARTMENT</b> <b>235 AVE ARTERIAL STE 1504</b> <b>SAN JUAN, PR 00918</b>  Date(s) debt was incurred <u>2009-2012</u> Last 4 digits of account number <u>8630</u>	<b>As of the petition filing date, the claim is: Check all that apply.</b> <span style="float: right;"><b>\$2,384.64</b></span> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> ____ Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes
<b>3.7</b>	<b>Nonpriority creditor's name and mailing address</b> <b>DEPARTMENT OF LABOR</b>  <b>PO BOX 1020</b> <b>SAN JUAN, PR 00919-1020</b>  Date(s) debt was incurred <u>4/2012</u> Last 4 digits of account number <u>0005</u>	<b>As of the petition filing date, the claim is: Check all that apply.</b> <span style="float: right;"><b>\$2,420.39</b></span> <input type="checkbox"/> Contingent <input type="checkbox"/> Unliquidated <input type="checkbox"/> Disputed  <b>Basis for the claim:</b> ____ Is the claim subject to offset? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes

**Part 3: List Others to Be Notified About Unsecured Claims**

4. List in alphabetical order any others who must be notified for claims listed in Parts 1 and 2. Examples of entities that may be listed are collection agencies, assignees of claims listed above, and attorneys for unsecured creditors.

If no others need to be notified for the debts listed in Parts 1 and 2, do not fill out or submit this page. If additional pages are needed, copy the next page.

Name and mailing address	On which line in Part 1 or Part 2 is the related creditor (if any) listed?	Last 4 digits of account number, if any
--------------------------	--	---

**Part 4: Total Amounts of the Priority and Nonpriority Unsecured Claims**

5. Add the amounts of priority and nonpriority unsecured claims.

	<b>Total of claim amounts</b>
5a. Total claims from Part 1	5a. \$ <u>14,831.63</u>
5b. Total claims from Part 2	5b. + \$ <u>91,499.72</u>
5c. Total of Parts 1 and 2 Lines 5a + 5b = 5c.	5c. \$ <u>106,331.35</u>

**JAYUYA MEMORIAL, INC.**

**FINANCIAL STATEMENTS**

**JUNE 30, 2016**

## JAYUYA MEMORIAL, INC.

### BALANCE SHEET JUNE 30, 2016

---

#### ASSETS

##### CURRENT ASSETS:

Cash	\$ 3
Accounts receivable trade	18,400
Other receivables	1,797
Inventory	1,800
Prepaid expense	1,500
	<hr/>
	23,500

##### PROPERTY AND EQUIPMENT:

Leasehold improvements	167,121
Vehicles	95,000
Furniture and equipments	25,485
	<hr/>
	287,606
Less: Accumulated Depreciation	(160,316)
	<hr/>
	127,290
	<hr/>
	\$ 150,790

See accompanying notes and independent accountant's compilation report.

## JAYUYA MEMORIAL, INC.

### BALANCE SHEET JUNE 30, 2016

---

#### LIABILITIES AND STOCKHOLDER'S EQUITY

##### CURRENT LIABILITIES:

Accounts payable	\$ 45,502
Due to related party	26,200
Accrued expenses	3,372
	<hr/>
	75,074

##### LOANS PAYABLE

---

68,181

---

143,255

##### STOCKHOLDER'S EQUITY:

Common Stock, \$1 par value, 1,000 authorized and unissued	1,000
Additional paid-in capital	12,832
Retained earnings	(6,297)
	<hr/>
	7,535

---

\$ 150,790

---

See accompanying notes and independent accountant's compilation report.

## JAYUYA MEMORIAL, INC.

### STATEMENT OF OPERATIONS AND RETAINED EARNINGS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2016

---

REVENUES	\$ 87,500
COST OF REVENUES	<u>13,125</u>
GROSS MARGIN	<u>74,375</u>
EXPENSES:	
Rent expense	21,000
Professional services	17,294
Depreciation	10,582
Funeral supplies	9,216
Salaries and payroll taxes	9,200
Utilities	6,480
Food and beverage	6,234
Auto expense	4,500
Insurance	2,000
Repairs and maintenance	1,500
Other expenses	<u>2,300</u>
	<u>90,306</u>
OPERATING LOSS	(15,931)
INTEREST EXPENSE	<u>(2,683)</u>
NET LOSS	(18,614)
RETAINED EARNINGS, beginning of period	<u>12,317</u>
RETAINED EARNINGS, end of period	<u>\$ (6,297)</u>

See accompanying notes and independent accountant's compilation report.



## JAYUYA MEMORIAL, INC.

### STATEMENT OF CASH FLOWS FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2016

---

#### CASH FLOWS FROM OPERATING ACTIVITIES:

Net loss	\$ (18,614)
Adjustments to reconcile net loss to net cash provided by operating activities-	
Depreciation	10,582
Increase in operating assets:	
Accounts receivable trade	(11,200)
Other receivables	5,528
Inventory	4,133
Prepaid expense	960
Increase in operating liabilities:	
Accounts payable	(896)
Due to related party	11,200
Accrued expenses	<u>2,683</u>
Net cash provided by operating activities	<u>4,376</u>

#### CASH FLOWS USED IN FINANCING ACTIVITIES:

Principal payments to loan payable	<u>(4,373)</u>
------------------------------------	----------------

NET INCREASE IN CASH 3

CASH, beginning of year -

CASH, end of year \$ 3

See accompanying notes and independent accountant's compilation report.

## JAYUYA MEMORIAL, INC.

### NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

(See Independent Accountant's Compilation Report)

---

1) **Organization and summary of significant accounting policies:**

**Organization-** Jayuya Memorial, Inc. (The Company) is organized under the laws of the Commonwealth of Puerto Rico and is engaged in providing funeral services to the community of Jayuya, Puerto Rico and other vecinities. The Company leases its facilities under operating agreement with Luvis Ambulance Services, Inc., a related party.

**Use of estimates-** In preparing the financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

**Revenue recognition-** Revenues are recognized when the funeral services are provided and billed to customers.

**Inventory-** The Company value its inventory at the lower of cost or market and adjust for the value of inventory that is estimated to be excess, obsolete or otherwise unmarketable. The cost of inventory was determined by the first-in , first-out (FIFO) cost method.

**Property and equipment-** are recorded at cost and are depreciated using the straight-line method over the estimated useful lives. When assets are sold, retired or otherwise disposed of, their cost and related accumulated depreciation are removed from the accounts and any gain or loss is reflected in current operations.

**Income taxes-** Are accounted for using the asset and liability approach for financial accounting and reporting for income taxes. Under the assets and liabilities approach, deferred income taxes are recognized for the tax consequences of temporary differences by applying enacted statutory rates applicable to future years to difference between the financial statements carrying amounts and the tax bases of existing assets and liabilities and operating losses. The effect on deferred taxes resulting from a change in tax rates is recognized in income in the period that includes the enactment date. Management may provide valuation allowances against the deferred tax asset for amounts which are not considered "more likely than not" to be realized.

**Concentration of credit risk-** Financial instruments that potentially expose the Companies to concentration of credit risk mainly include cash and accounts receivable. The Companies maintain its deposit accounts at a highly credited financial institution and are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Companies have not experienced any losses on such accounts.



## JAYUYA MEMORIAL, INC.

### NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2016

(See Independent Accountant's Compilation Report)

#### 2) Loans Payable:

As of June 30, 2016, the Company has the following loans payable:

Description	Amount
Loan payable in 12 monthly installments of principal amount of \$400 plus interest at 4% over prime rate and a balloon payment of \$56,850 due in July 2016. The loan is guaranteed by a real estate property.	\$ 58,850
Loan payable in 12 monthly installments of principal amount of \$400 plus interest at 6.5% over prime rate and a balloon payment of \$10,500 due in July 2016. The loan is guaranteed by a real estate property.	9,331
	<u>\$ 68,181</u>

#### 3) Related party:

The related party transactions of the Company as of and for the six-month period ended June 30, 2016, are as follows:

Description	Amount
Due to related party	\$ 26,200
Rent expense	<u>\$ 21,000</u>

#### 4) Operating leases agreement:

The Company has a verbal operating lease agreement with Luvis Ambulance Services, Inc., a related party, who is the owner of the facilities where the Company operates its funeral operations. The agreement is for the payment of \$3,500 on a monthly basis.

#### 5) Subsequent events:

Management has evaluated subsequent events through August 1, 2016, the date which the financial statements were available to be issued.

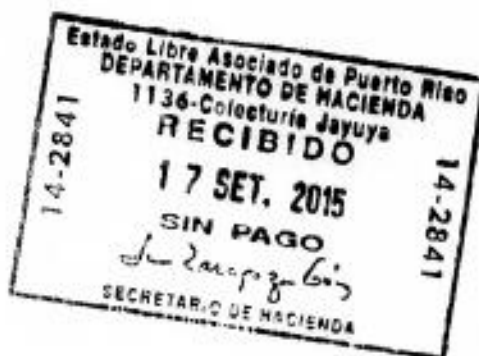
**JAYUYA MEMORIAL INC**

**66-0708630**

**STATEMENT ATTACHED TO AND MADE A PART OF THE  
COMMONWEALTH OF PUERTO RICO INCOME TAX RETURN  
FOR THE YEAR ENDED 12/31/2014**

**Other Taxes, Patents and Licenses**

<u>Description</u>	<u>Total</u>
inf. estado	\$150
patente	\$769
bombero y salud	\$150
	<u>\$1,069</u>



# Liquidation Value Analysis

Case Numb. #16-06235

Debtor: JAYUYA MEMORIAL

<u>Real Property</u>	<u>Book Value</u>	<u>Forced Sale Value (90-Days)</u>	<u>Liens</u>	<u>Debtor's %</u>		<u>Net Equity to Estate</u>	<u>Sect. 522 Used</u>	<u>Exemption Amount Claimed</u>	<u>Equity Avail. For Admin.</u>	<u>Administrative Expense at 5.5%</u>	<u>Liquidation Value</u>
				<u>Interest</u>	<u>NONE</u>						

<u>Personal Property</u>	<u>Value</u>	<u>Forced Sale Value (90-Days)</u>	<u>Liens</u>	<u>Debtor's %</u>		<u>Net Equity to Estate</u>	<u>Exemption</u>	<u>Exemption Amount Claimed</u>	<u>Net Equity</u>	<u>Sale/Liquidation on Expense at 35.00%</u>	<u>Liquidation Value</u>
				<u>Ownership Interest</u>	<u>NONE</u>						
1 Cash on Hand	\$ 1,324.00	\$ 794.40	-	100%		\$ 794.40			\$ 794.40	\$ 278.04	\$ 516.36
2 Checking Account	\$ 217.00	\$ 130.20	-	100%		\$ 130.20			\$ 130.20	\$ 45.57	\$ 84.63
2 Utility Deposits	\$ -	\$ -	-	100%		\$ -			\$ -	\$ -	\$ -
2 Savings Account	\$ -	\$ -	-	100%		\$ -			\$ -	\$ -	\$ -
3 Accounts Receivable	\$ 13,279.00	\$ 7,967.40	-	100%		\$ 7,967.40			\$ 7,967.40	\$ 2,788.59	\$ 5,178.81
4 Investment	\$ -	\$ -	-	100%		\$ -			\$ -	\$ -	\$ -
5 Inventory	\$ 25,485.00	\$ 15,291.00	1,500.00	100%		\$ 13,791.00			\$ 13,791.00	\$ 4,826.85	\$ 8,964.15
6 Farming	\$ -	\$ -	-	100%		\$ -			\$ -	\$ -	\$ -
7 Office furniture	\$ -	\$ -	-	100%		\$ -			\$ -	\$ -	\$ -
8 Machinery	\$ -	\$ -	-	100%		\$ -			\$ -	\$ -	\$ -
47 Vehicles	\$ 22,000.00	\$ 13,200.00	-	100%		\$ 13,200.00			\$ 13,200.00	\$ 4,620.00	\$ 8,580.00
70 Other Pers. Prop.	\$ -	\$ -	-	100%		\$ -			\$ -	\$ -	\$ -
Tax Refund	\$ 980.00	\$ 588.00	-	100%		\$ 588.00			\$ 588.00	\$ 205.80	\$ 382.20
Vento	\$ 100.00	\$ 60.00	-	100%		\$ 60.00			\$ 60.00	\$ 21.00	\$ 39.00

## Case Liquidation Value

Chapter 7 Trustee's Liquidating Fees  
Net Liquidation Value to Estate  
Term of Plan

\$ -  
\$ 23,745.15  
\$ 3,124.54  
\$ 20,620.64

EXHIBIT F

EXHIBIT F

Five Year Cash Flow Projections

Case Numb. #16-06235

Debtor: Jayuya Memorial

	2017	January	February	March	April	May	June	July	August	September	October	November	December
<b>Income</b>													
Business Income		\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000
Business Expenses		\$ 11,000	\$ 11,000	\$ 11,000	\$ 11,000	\$ 11,000	\$ 11,000	\$ 11,000	\$ 11,000	\$ 11,000	\$ 11,000	\$ 11,000	\$ 11,000
<b>Total Avai. Inc.</b>		\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
<b>Expenses</b>													
IRS					\$ 118	\$ 118	\$ 118	\$ 118	\$ 118	\$ 118	\$ 118	\$ 118	\$ 118
Hacienda					\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63
CRIM					\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60
State Insurance Fund					\$ 121	\$ 121	\$ 121	\$ 121	\$ 121	\$ 121	\$ 121	\$ 121	\$ 121
Department of Labor					\$ 237	\$ 237	\$ 237	\$ 237	\$ 237	\$ 237	\$ 237	\$ 237	\$ 237
Municipio de Jayuya					\$ 99	\$ 99	\$ 99	\$ 99	\$ 99	\$ 99	\$ 99	\$ 99	\$ 99
Class 1					\$ 337	\$ 337	\$ 337	\$ 337	\$ 337	\$ 337	\$ 337	\$ 337	\$ 337
Class 2													
Administrative Payment													
<b>Total of Pmts</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,035	\$ 1,035	\$ 1,035	\$ 1,035	\$ 11,035	\$ 1,035	\$ 1,035
Month Ending Cash		\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 965	\$ 965	\$ 965	\$ 965	\$ (9,035)	\$ 965	\$ 965
Cummulative Cash		\$ 2,505	\$ 4,505	\$ 6,505	\$ 8,505	\$ 10,505	\$ 11,470	\$ 12,436	\$ 13,401	\$ 14,367	\$ 5,332	\$ 6,298	\$ 7,263

2018	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
<b>Income</b>												
Business Income	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000	\$ 14,000
Business Expenses	\$ 11,500	\$ 11,500	\$ 11,500	\$ 11,500	\$ 11,500	\$ 11,500	\$ 11,500	\$ 11,500	\$ 11,500	\$ 11,500	\$ 11,500	\$ 11,500
<b>Total Avai. Inc.</b>	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
<b>Expenses</b>												
IRS	\$ 118	\$ 118	\$ 118	\$ 118	\$ 118							
Hacienda	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63
CRIM	\$ 60	\$ 60	\$ 60	\$ 60	\$ 60							
State Insurance Fund	\$ 121	\$ 121	\$ 121	\$ 121	\$ 121							
Department of Labor	\$ 237	\$ 237	\$ 237	\$ 237	\$ 237							
Municipio de Jayuya	\$ 99	\$ 99	\$ 99	\$ 99	\$ 99							
Class 1	\$ 337	\$ 337	\$ 337	\$ 337	\$ 337	\$ 337	\$ 337	\$ 337	\$ 337	\$ 337	\$ 337	\$ 337
Class 2												
Month Ending Cash	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
Cummulative Cash	\$ 9,763	\$ 12,263	\$ 14,763	\$ 17,263	\$ 19,763	\$ 22,263	\$ 24,763	\$ 27,263	\$ 29,763	\$ 32,263	\$ 34,763	\$ 37,263

2019	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
<b>Income</b>												
Business Income	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500
Business Expenses	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000
<b>Total Avai. Inc.</b>	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500
<b>Expenses</b>												
IRS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hacienda	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63
CRIM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Insurance Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Department of Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Municipio de Jayuya	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Class 1	\$ 337	\$ 337	\$ 337	\$ 337	\$ 337	\$ 337	\$ 337	\$ 337	\$ 337	\$ 337	\$ 337	\$ 337
Class 2												
<b>Total of Pmts</b>	400	400	400	400	400	400	400	400	400	400	400	400
Month Ending Cash	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100	\$ 2,100
Cummulative Cash	\$ 39,363	\$ 41,464	\$ 43,564	\$ 45,664	\$ 47,764	\$ 49,865	\$ 51,965	\$ 54,065	\$ 56,166	\$ 58,266	\$ 60,366	\$ 62,467

2020	January	February	March	April	May	June	July	August	September	October	November	December
<b>Income</b>												
Business Income	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500
Business Expenses	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000
<b>Total Avai. Inc.</b>	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500
<b>Expenses</b>												
IRS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hacienda	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63
CRIM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Insurance Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Department of Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Municipio de Jayuya	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Class 1	\$ 337	\$ 337	\$ 337	\$ 337	\$ 337	\$ 337	\$ 337	\$ 337	\$ 337	\$ 337	\$ 337	\$ 337
Class 2												
<b>Total of Pmts</b>	<b>400</b>	<b>400</b>	<b>400</b>	<b>400</b>	<b>400</b>	<b>400</b>	<b>400</b>	<b>400</b>	<b>400</b>	<b>400</b>	<b>400</b>	<b>400</b>
Month Ending Cash	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100
Cummulative Cash	\$ 63,567	\$ 64,667	\$ 65,768	\$ 66,868	\$ 67,968	\$ 69,069	\$ 70,169	\$ 71,269	\$ 72,369	\$ 73,470	\$ 74,570	\$ 75,670

2021	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
<b>Income</b>												
Business Income	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500
Business Expenses	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000
<b>Total Avai. Inc.</b>	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500
<b>Expenses</b>												
IRS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hacienda	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63
CRIM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Insurance Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Department of Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Municipio de Jayuya	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Class 1	\$ 337	\$ 337	\$ 337	\$ 337	\$ 337	\$ 337	\$ 337	\$ 337	\$ 337	\$ 337	\$ 337	\$ 337
Class 2												
<b>Total of Pmts</b>	400	400	400	400	400	400	400	400	400	400	400	400
Month Ending Cash	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100
Cummulative Cash	\$ 76,771	\$ 77,871	\$ 78,971	\$ 80,072	\$ 81,172	\$ 82,272	\$ 83,373	\$ 84,473	\$ 85,573	\$ 86,673	\$ 87,774	\$ 88,874



2022	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>	<u>December</u>
<b>Income</b>												
Business Income	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500
Business Expenses	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000	\$ 13,000
<b>Total Avai. Inc.</b>	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500	\$ 1,500
<b>Expenses</b>												
IRS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hacienda	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63	\$ 63
CRIM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State Insurance Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Department of Labor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Municipio de Jayuya	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Class 1	\$ 337	\$ 337	\$ 337	\$ 337	\$ 337	\$ 337	\$ 337	\$ 337	\$ 337	\$ 337	\$ 337	\$ 337
Class 2												
<b>Total of Pmts</b>	400	400	400	400	400	400	400	400	400	400	400	400
Month Ending Cash	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100	\$ 1,100
Cummulative Cash	\$ 89,974	\$ 91,075	\$ 92,175	\$ 93,275	\$ 94,376	\$ 95,476	\$ 96,576	\$ 97,677	\$ 98,777	\$ 99,877	\$ 100,978	\$ 102,078

**Jayuya - Chart of Claims**

A. Secured Claims									
Creditor	POC #	Total Claim	Collateral	Value	Priority of Lien	Expected Allow Sec Claim	Unsecured	Notes/Comments	
IRS	1	\$ 15,436.27			\$ 1,395.63	\$ 14,013.03			
Totals		\$ 15,436.27				\$ -	\$ -		
B. Unsecured Priority Claims									
Creditor	Claim #	Total Claim	Value of Collateral	Secured	Exp. Allow Prior. Claim	Unsecured			
IRS	1	\$ 15,436.27		\$ 14,013.03	\$ 1,395.63	\$ 27.61			
CRIM	3	\$ 926.55		\$ -	\$ 706.05	\$ 220.50			
State Ins. Fund	4	\$ 1,425.06			\$ 1,425.06	\$ -			
Depart. Of Labor	schedu	\$ 236.51			\$ 236.51	\$ -			
Municipio de Jayu	schedu	\$ 1,170.00			\$ 1,170.00				
Totals		\$ 19,194.39	\$ -	\$ 14,013.03	\$ 4,933.25	\$ 248.11			
C. General Unsecured Claims									
Creditor	Claim #	Total Claim	Value of Collateral	Secured	Priority	Unsecured			
BPPR	2	\$ -				\$ -			
BPPR	Schedule	\$ 362.40				\$ 362.40			
BPPR	Schedule	\$ 3,989.51				\$ 3,989.51			
CIDRA METALIC	Schedule	\$ 13,276.31				\$ 13,276.31			
Dep. De Hacienda	Schedule	\$ 8,668.00				\$ 8,668.00			
Dep. De Hacienda	Schedule	\$ 2,384.64				\$ 2,384.64			
Totals		\$ 47,875.25				\$ 28,928.97			