

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

IN RE: NOVA TERRA, INC. DEBTOR	CASE NO.: <u>17-01968(EAG)</u> CHAPTER: <u>11</u>
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DEBTOR'S AMENDED DISCLOSURE STATEMENT
DATED NOVEMBER 9th, 2018

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DATED NOVEMBER 9th, 2018

I. INTRODUCTION

This is the disclosure statement ("Disclosure Statement") in the Small Business Chapter 11 case of **NOVA TERRA, INC.**, ("The Debtor"). This Disclosure Statement contains information about the Debtor and describes the plan of reorganization ("The Plan") by the Debtor filed on this date to help you decide how to vote.

A full copy of the plan and payment schedule is attached to this Disclosure Statement as **Exhibit A. *Your rights may be affected.*** You should read the Plan and this Disclosure Statement carefully. You may wish to consult an attorney about your rights and your treatment under the plan.

The proposed distributions under the Plan are discussed at pages **6** to **11** of this Disclosure Statement. General unsecured creditors are classified in Class **3**, and will receive a distribution of **5%** of their allowed claims, to be distributed as follows:

Priority Tax Claims will be paid One Hundred percent (100%) plus a and a Three and a Half percent (3.5%) cost of living allowance to be paid within *sixty (60)* monthly payments from the date of relief. Payments will commence on the effective date, which is 45 days after the entry of order of confirmation of the plan.

Class **1** Administrative claims will be paid on or before the effective date of the plan.

Class **2** Secured claims for BPPR will receive a fixed monthly payment \$4,000.00 plus 50% of the net inflows and outflows after all plan payments, as per agreement with BPPR on October 2018.

The payments will begin 45 days after the confirmation of the plan. The payments end on Month 60 of the plan.

Class 2(A) IRS secured claim will receive a Monthly payment \$4,788.00, which includes a 3.50% of cost of living allowance. The payments will begin 45 days after the confirmation of the plan. The payments end on Month 36 of the plan.

Class 3 General related unsecured non-priority claims will receive a distribution of 5% of its allowed claim(s) to be paid in *Sixty (60)* monthly payments. Payments will commence on the effective date, which is 45 days after the entry of order of confirmation 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 confirmed the Plan described in this Disclosure Statement. This section describes the procedures pursuant to which the Plan will or will not be confirmed.

1. Time and Place of the Hearing to Finally Approve This Disclosure Statement and Confirm the Plan:

The hearing where the Court will determine whether to approve the Disclosure Statement and confirm the Plan will take place in the U.S. Bankruptcy Court for the District of Puerto Rico, 300 Recinto Sur Street, Old San Juan, PR 00901. You will be notified with the date at least twenty-five (25) days prior to the hearing.

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 ballot you will receive and you must return the ballot in the enclosed envelope to: GONZALEZ & VELASCO, P.S.C., CARR. 174, BLQ. 21-24. URB. SANTA ROSA, BAYAMON, P.R. 00959-8915. (Tel. 787-798-8600). See section **IV. A.** below for a discussion of voting eligibility requirements

You will be provided with a ballot and notified of the date that the ballot must be received. If you do not cast and mail your ballot so that it will be received on time, 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 the date given by the Court, of which you will be notified.

4. Identity of Person to Contact for More Information.

If you want additional information about the Plan you should contact GONZALEZ & VELASCO, P.S.C., CARR. 174, BLQ. 21-24. URB. SANTA ROSA, BAYAMON, P.R. 00959-8915. (Tel. 787-798-8600).

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.

II. BACKGROUND

A. Description and History of the Debtor's Business

The Debtor operates an electronic equipment recycling business.

B. Insider(s) of the Debtor

The insider of the Debtor is *Vanessa Piereschi*. There are no relatives receiving benefits under the Plan of Reorganization.

C. Management of the Debtor Before and During the Bankruptcy

During the two years prior to the date on which the bankruptcy petition was filed, Vanessa Piereschi has been responsible for managing the affairs prior and subsequent to the filing of the Bankruptcy Petition.

After the effective date of the order confirming the Plan Vanessa Piereschi will continue to be responsible for managing the Debtor's affairs.

D. Events Leading to Chapter 11 Filing

The main reasons for the filing of the bankruptcy petition have been: (1) The IRS and Banco Popular De Puerto Rico garnished and withheld funds destined to the company, hindering the Debtor in possession's business operations, making the filing & seeking protection under Chapter 11 of the bankruptcy Code and reorganize the business presenting a payment plan.

E. Significant Events During the Bankruptcy Case

a) Schedules, Statement of Financial Affairs and Creditors' Meeting:

On March 23rd, 2017 the Debtor submitted the Voluntary petition with the list of creditors, the list of creditors holding the 20 largest unsecured Claims and the Attorney

Statement of Compensation (*See: Docket number 01*). On April 6th, 2017 the Debtor submitted the Schedules and Statement of Financial Affairs (*See: Docket numbers 12 & 13*). The 11 U.S.C. § 341 meeting of creditors was held and closed on April 28th, 2017 (*See: Docket number 19*). The Debtor amended the Voluntary petition and filed the 11 USC 1116 motion May 9th, & 10th, 2017 (*See: Dockets number 22 & 23*).

b) Employment of Professionals:

Debtor submitted their application to employ attorney Ruben Gonzalez Marrero on March 23rd, 2017 (*See: Docket number 03*). This Court approved Debtor' application on April 20th, 2017 (*See: Docket number 15*).

c) Adversary proceeding:

On May 5th 2017, adversary proceeding 2017 against Banco Popular De Puerto Rico was filed [*Adversary docket number 1*]. A joint stipulation was filed on May 30th 2017 [*Adversary docket number 12*]; and the same was approved on October 24th 2017 [*Adversary docket number 14*].

c) Joint Venture:

The Debtor entered into a joint venture with J.J.W. Metal, Corp. in early 2018. From said joint venture the Debtor will benefit from the extra influx of an additional monthly Two Thousand Five Hundred Seventy Five Dollars (\$2,575.00) from processing services and rent for the use of Debtor's equipment & machinery. The Debtor understands that the joint venture will bear fruit during the first half of year 2019.

F. Projected Recovery of Avoidable Transfers

The Debtor does not intend to pursue preference, fraudulent, or other avoidance actions.

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.

H. Current and Historical Financial Conditions

The identity and fair market value of the estate's assets and the Debtor's Liquidation Analysis is also presented are listed in **Exhibit B**.

The Debtor's most recent financial statement(s) issued before bankruptcy, each of which was filed with the Court [at docket number 22], are set forth in **Exhibit C**.

The summary of Monthly Operating Reports filed since the commencement of the Debtor's bankruptcy case up to the period comprising September 2018 are set forth in **Exhibit D**.

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

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 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, INVOLUNTARY GAP CLAIMS AND QUARTERLY COURT FEES

Administrative expenses are costs or expenses of administering the Debtor's chapter 11 case which are allowed under *11 U.S.C. § 503(b)*. Administrative expenses include the value of any goods sold to the Debtor in the ordinary course of business and received within 20 days before the date of the bankruptcy petition, and compensation for services and reimbursement of expenses awarded by the court under *11 U.S.C. § 330(a)*. 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. Involuntary gap claims allowed under *11 U.S.C. § 502(f)* are entitled to the same treatment as administrative expense claims. The Code also requires that fees owed under *28 U.S.C. § 1930*, including quarterly and court fees, have been paid or will be paid on the effective date of the Plan.

The following chart on pages 7 & 8 lists the Debtor's estimated administrative expenses and their proposed treatment under the Plan:

Type	Estimated Amount Owed	Proposed Treatment
Expenses Arising in the Ordinary Course of Business After the Petition Date		Paid in full on the effective date of the Plan, or according to terms of obligation if later
The Value of Goods Received in the Ordinary Course of Business Within 20 Days Before the Petition Date		Paid in full on the effective date of the Plan, or according to terms of obligation if later
Estimated Professional Fees, as approved by the Court.	\$10,000.00	Paid in full upon the approval of the Court or as agreed by the parties.
Clerk's Office Fees.	\$00.00	Not Applicable.

Other administrative expenses.	None at this moment.	Paid in full on the effective date of the Plan or according to separate written agreement.
Office of the U.S. Trustee Fees.	\$3,500.00	Paid in full on the effective date of the Plan.
TOTAL	\$13,500.00	

2. *PRIORITY TAX CLAIMS*

Priority tax claims are unsecured income, employment, and other taxes described by 11 U.S.C. § 507(a)(8). Unless the holder of such a 11 U.S.C. § 507(a)(8) priority tax claim agrees otherwise, it must receive the present value of such claim pursuant to 11 U.S.C. § 507(a)(8), in regular installments paid over a period not exceeding 5 years from the order of relief.

The following chart on pages 8 & 9 lists the Debtor's estimated 11 U.S.C. § 507(a)(8) priority tax claims and their proposed treatment under the plan.

Description (name and type of tax)	Estimated Amount Owed	Date of Assessment	Treatment
Department of the Treasury – IRS (Taxes)	\$9,188.91	Pre-petition	Payment Interval = Monthly [Monthly] payment = \$269.00 Begin date = 45 days after the confirmation of the plan End date = Month 36 of the plan Interest Rate % = 3.5% Total Payout Amount = \$9,684.00
PR Treasury Department (Taxes)	\$18,676.90	Pre-petition	Payment Interval = Monthly [Monthly] payment = \$547.00 Begin date = 45 days after the confirmation of the plan End date = Month 36 of the plan Interest Rate % = 3.5% Total Payout Amount = \$19,692.00
PR Treasury Department (Taxes)	\$12,500.33	Pre-petition	Payment Interval = Monthly [Monthly] payment = \$366.00 Begin date = 45 days after the confirmation of the plan End date = Month 36 of the plan Interest Rate % = 3.5% Total Payout Amount = \$13,176.00

PR Treasury Department (Sales Tax)	\$14,15.12	Pre-petition	Payment Interval = Monthly [Monthly] payment = \$415.00 Begin date = 45 days after the confirmation of the plan End date = Month 36 of the plan Interest Rate % = 3.5% Total Payout Amount = \$14,940.00
Department of labor (Unemployment)	\$8,677.15	Pre-petition	Payment Interval = Monthly [Monthly] payment = \$254.00 Begin date = 45 days after the confirmation of the plan End date = Month 36 of the plan Interest Rate % = 3.5% Total Payout Amount = \$9,144.00
Department of labor (Disability)	\$2,482.82	Pre-petition	Payment Interval = Monthly [Monthly] payment = \$73.00 Begin date = 45 days after the confirmation of the plan End date = Month 36 of the plan Interest Rate % = 3.5% Total Payout Amount = \$2,628.00
Municipio de Arecibo (“Patentes”)	\$1,251.68	Pre-petition	Payment Interval = Monthly [Monthly] payment = \$37.00 Begin date = 45 days after the confirmation of the plan End date = Month 36 of the plan Interest Rate % = 3.5% Total Payout Amount = \$1,332.00
State Insurance Fund Corp. (Insurance)	\$26,519.22	Pre-petition	Payment Interval = Monthly [Monthly] payment = \$777.00 Begin date = 45 days after the confirmation of the plan End date = Month 36 of the plan Interest Rate % = 3.5% Total Payout Amount = \$27,972.00
CRIM (Taxes)	\$574.45	Pre-petition	Payment Interval = Monthly [Monthly] payment = \$17.00 Begin date = 45 days after the confirmation of the plan End date = Month 36 of the plan Interest Rate % = 3.5% Total Payout Amount = \$612.00

C. Classes of Claims and Equity Interests

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

1. *Classes of Secured Claims*

Allowed Secured Claims are claims secured by property of the Debtor’s bankruptcy estate (or that are subject to setoff) to the extent allowed as secured claims under 11 U.S.C. § 506.

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 general unsecured claim].

The following chart lists all classes containing Debtor's secured pre-petition claims and their proposed treatment under the Plan:

CLASS #	DESCRIPTION	IMPAIRMENT	TREATMENT
2	BPPR secured claim for Property & Equipment in the allowed secured amount of \$431,995.67; for a total claim amount of \$431,995.67	IMPAIRED	BPPR will receive a fixed monthly payment \$4,000.00 plus 50% of the net inflows and outflows after all plan payments, as per agreement with BPPR on October 2018. The payments will begin 45 days after the confirmation of the plan. The payments end on Month 60 of the plan.
CLASS #	DESCRIPTION	IMPAIRMENT	TREATMENT
2(A)	Total secured claim of: IRS Collateral description: Property & Equipment Allowed secured amount: \$163,414.55. Total claim: \$163,414.55	UNIMPAIRED	IRS will receive a Monthly payment \$4,788.00, which includes a 3.50% of cost of living allowance. The payments will begin 45 days after the confirmation of the plan. The payments end on Month 36 of the plan.

2. *Classes of Priority Unsecured Claims*

The Code requires that, with respect to a class of claims of a kind referred to in 11 U.S.C. §§ 507(a)(1), (4), (5), (6), and (7), each holder of such a claim receive cash on the effective date of the Plan equal to the allowed amount of such claim, unless a particular claimant agrees to a different treatment or the class agrees to deferred cash payments.

There are no *Priority Unsecured Claims* under 11 U.S.C. §§ 507(a)(1), (4), (5), (6), and (a)(7) of the Code and their proposed treatment under the Plan:

3. Classes of General Unsecured Claims

General unsecured claims are not secured by property of the estate and are not entitled to priority under *11 U.S.C. § 507(a)*. There is no *11 U.S.C. §1122(b)* convenience class applicable.

The following chart identifies the Plan's proposed treatment of Class **3**, which contain general unsecured claims against the Debtor:

CLASS #	DESCRIPTION	IMPAIRMENT	TREATMENT
3	General Unsecured Claims	Impaired	The general non-priority unsecured creditors claims will receive a distribution of 5% of their scheduled and/or allowed claims, to be paid within 60 months. Payments will commence on the effective date, which will be 45 days after entry of order of the confirmation of the plan.

4. Classes of Equity Interest Holders

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

There are no Equity Interest Holders.

D. MEANS OF IMPLEMENTING THE PLAN

1. Source of Payments

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

From the Debtor's income from the business, and/or sale of assets and/or from other funds to which Debtor may be entitled.

2. Post-confirmation Management

The Post-Confirmation Managers of the Debtor, and their compensation, shall be as follows:

Name	Position	Compensation
<i>Vanessa Piereschi</i>	President	\$52,000.00 yearly

E. Risk Factors

The proposed Plan has the following risks:

The risk factors to the Plan of Reorganization are mentioned in the cash flow forecasts at **Exhibit E** for the Plan and in the explanation of the assumptions for the Projections. In summary these projections are based on the premise that recent cash flow trends shall continue and increase and that there is no substantial contraction in the economic forecast for the period of the Plan. Also, the outcome from the joint venture which is in the implementation process.

The Plan also assumes that there shall be no substantial litigation involving claims against the Debtor and no substantial litigation is foreseen or anticipated at this point.

F. EXECUTORY CONTRACTS AND UNEXPIRED LEASES

The Plan, in Article 6, 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. Article 6 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 Article 6 or have not previously been assumed, and if applicable assigned, or are not the subject of a pending motion to assume, and if applicable assign, will be 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 no later than thirty (30) days after the Confirmation Order.

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 Advisers.

The following are the anticipated tax consequences of the Plan:

- (1) There are no tax consequences to the Debtor of the Plan.
- (2) There are no general tax consequences on creditors of any discharge, and no tax consequences of receipt of plan consideration after confirmation.

IV. CONFIRMATION REQUIREMENTS AND PROCEDURES

To be confirmable, the Plan must meet the requirements listed in 11 U.S.C. §1129(a). These include the requirements that:

- The Plan must be proposed in good faith;
- if a class of claims is impaired under the Plan, at least one impaired class of claims must accept the Plan, without counting votes of insiders;
- the Plan must distribute to each creditor and equity interest holder at least as much as the creditor or equity interest holder would receive in a chapter 7 liquidation case, unless the creditor or equity interest holder votes to accept the Plan;
- and the Plan must be feasible.

These requirements are not the only requirements listed in 11 U.S.C. §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. Except as stated in Part IV.A.3 below, 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 2 & 3 are impaired and that holders of claims in each of these classes are therefore entitled to vote to accept or reject the Plan. The Plan Proponent believes that classes 1 & 2(A) are unimpaired and that holders of claims in each of these classes, 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 have scheduled the claim on the Debtor' schedules, unless the claim has been scheduled as disputed, contingent, or unliquidated, or
- (2) the creditor has filed a proof of claim or equity interest, unless an objection has been filed to such proof of claim or equity interest.

When a claim or equity interest is not allowed, the creditor or equity interest holder holding the claim or equity interest cannot vote unless the Court, after notice and hearing, either overrules the objection or allows the claim or equity interest for voting purposes pursuant to Rule 3018(a) of the Federal Rules of Bankruptcy Procedure.

The deadlines for filing a proof of claim in this case were July 27th, 2017 and September 27th, 2017 for Governmental entities.

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 11 U.S.C. § 1124, 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 11 U.S.C. § 507(a)(2), (a)(3), and (a)(8); 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 holds claims in multiple classes, is entitled to accept or reject a Plan in each capacity, and should cast one ballot for each claim.

B. Votes Necessary to Confirm the Plan

If impaired classes exist, the Court cannot confirm the Plan unless:

- (1) all impaired classes have voted to accept the Plan; or
- (2) at least one impaired class of creditors has accepted the Plan without counting the votes of any insiders within that class, , and the Plan is eligible to be confirmed by "cram down" of the non-accepting classes, as discussed in Section B.2.

1. Votes Necessary for a Class to Accept the Plan

A class of claims accepts the Plan if both of the following occur:

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

A class of equity 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 Non-accepting Classes of secured claims, general unsecured claims, and interests

Even if one or more impaired classes reject the Plan, the Court may nonetheless confirm the Plan if the non-accepting classes are treated in the manner prescribed by 11 U.S.C. § 1129(b). A plan that binds non-accepting 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 11 U.S.C. § 1129(a)(8), 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 cramdown 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 scenario. A Liquidation Analysis is attached to this Disclosure Statement at **Exhibit B**.

D. Feasibility

The Court must find that confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization, of the Debtor or any successor to the Debtor, unless such liquidation or reorganization is proposed in the Plan.

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.

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

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

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

The Plan Proponent's financial projections show that the Debtor will have an aggregate annual average cash flow, after paying operating expenses and post-confirmation taxes, of \$ 62,424.06 . The final Plan payment is expected to be paid on month 60 of the plan, from effective date of the Plan.

You Should Consult with Your Accountant or other Financial Adviser if you have any questions pertaining to these projections.

V. EFFECT OF CONFIRMATION OF PLAN

A. DISCHARGE OF DEBTOR

check one box

— **Discharge If Debtor is an individual and § 1141(d)(3) is not applicable.** Confirmation of the Plan does not discharge any debt provided for in the Plan until the court grants a discharge on completion of all payments under the Plan, or as otherwise provided in 11 U.S.C. § 1141(d)(5). Debtor will not be discharged from any debt excepted from discharge under 11 U.S.C. § 523, except as provided in Rule 4007(c) of the Federal Rules of Bankruptcy Procedure.

— **Discharge If the Debtor is a partnership and § 1141(d)(3) of the Code is not applicable.** On the effective date of the Plan, the Debtor shall be discharged from any debt that arose before confirmation of the Plan, subject to the occurrence of the effective date, to the extent specified in 11 U.S.C. § 1141(d)(1)(A) of the Code. However, the Debtor shall not be discharged from any debt imposed by the Plan. After the effective date of the Plan your claims against the Debtor will be limited to the debts imposed by the Plan.

X **Discharge If the Debtor is a corporation and § 1141(d)(3) is not applicable.** On the effective date of the Plan, the Debtor shall be discharged from any debt that arose before confirmation of the Plan, subject to the occurrence of the effective date, to the extent specified in 11 U.S.C. § 1141(d)(1)(A) of the Code, except that the Debtor shall not be discharged of any debt:

(i) imposed by the Plan,

(ii) To the extent provided in 11 U.S.C. § 1141(d)(6).

— **No Discharge If § 1141(d)(3) is applicable.** In accordance with 11 U.S.C. § 1141(d)(3), the Debtor will not receive any discharge of debt in this bankruptcy case.

B. Modification of Plan

The Plan Proponent may modify the Plan at any time before confirmation of the Plan. However, the Court may require a new disclosure statement and/or revoting on the Plan.

The Plan Proponent may also seek to modify the Plan at any time after confirmation only if

- (1) the Plan has not been substantially consummated and
- (2) the Court authorizes the proposed modifications after notice and a hearing.

C. Final Decree

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

VI. OTHER PLAN PROVISIONS

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

All injunctions or stays provided for in the bankruptcy case at bar under Sections 11 U.S.C. § 105 or 11 U.S.C. § 362, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Effective Date.

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

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

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

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

The effective date of this Plan is the first business day following the date that is 14 days after the entry of the confirmation order. 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 expires or is otherwise terminated.

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

RESPECTFULLY SUBMITTED, in Bayamón, Puerto Rico, this 9th day of November of 2018.

/s/ Vanessa Piereschi

Vanessa Piereschi

President: Novaterra, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY: That on this same date, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF System which will send notification of such filing to the parties appearing in said system.

RESPECTFULLY SUBMITTED, in Bayamón, Puerto Rico, this 9th day of November of 2018.

/S/ RUBEN GONZALEZ MARRERO, Esq.
RUBEN GONZALEZ MARRERO, Esq.

USDC-PR: 216,503

Carr. 174; blq. 21-24

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rgmattorney1@hotmail.com

EXHIBIT A

COPY OF PROPOSED PLAN OF REORGANIZATION

AND

PLAN PAYMENTS

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

IN RE: NOVA TERRA, INC. DEBTOR	CASE NO.: <u>17-01968(EAG)</u> CHAPTER: <u>11</u> (Small Business)
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**NOVATERRA, INC.'S AMEDED PLAN OR REORGANIZATION DATED
NOVEMBER 9th, 2018**

1. Article 1: Summary

This Plan of Reorganization (the Plan) under chapter 11 of the Bankruptcy Code ("the Code") proposes to pay creditors of **NOVATERRA, INC.** ("the Debtor") from the Debtor's income from the business, and/or sale of assets and/or from other funds to which Debtor may be entitled.

This Plan provides for: 1 class of priority claims;
 2 classes of secured claims;
 1 classes of non-priority unsecured claims; and
 0 classes of equity security holders.

Non-priority unsecured creditors holding allowed claims will receive distributions, which the proponent of this Plan has valued at approximately 5 cents on the dollar.

This Plan also provides for the payment of administrative and priority claims.

All creditors and equity security holders should refer to Articles 3 through 6 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 2: Classification of Claims and Interests

- 2.01 **Class 1**..... All allowed claims entitled to priority under 11 U.S.C. § 507(a) (except administrative expense claims under 11 U.S.C. § 507(a)(2), [“gap” period claims in an involuntary case under 11 U.S.C. § 507(a)(3),] and priority tax claims under § 11 U.S.C. 507(a)(8)).
- 2.02 **Class 2**..... The claim of *Banco Popular De Puerto Rico ("BPPR")*, to the extent allowed as a secured claim under 11 U.S.C. § 506.
- 2.02(A) **Class 2(A)**..... The claim of *The Internal Revenue Service ("IRS")*, to the extent allowed as a secured claim under 11 U.S.C. § 506.
- 2.03 **Class 3**..... All non-priority unsecured claims allowed under 11 U.S.C. § 502 of the Code.
- 2.04 **Class 4**..... Equity interests of the Debtor.

Article 3: Treatment of Administrative Expense Claims, Priority Tax Claims, and Quarterly and Court Fees

- 3.01 **Unclassified claims** Under 11 U.S.C. § 1123(a)(1), administrative expense claims, [“gap” period claims in an involuntary case allowed under 11 U.S.C. § 502(f)], and priority tax claims are not in classes.
- 3.02 **Administrative expense claims** Each holder of an administrative expense claim allowed under 11 U.S.C. § 503, [and a “gap” claim in an involuntary case allowed under 11 U.S.C. § 502(f),] will be paid in full on the effective date of this Plan, in cash, or upon such other terms as may be agreed upon by the holder of the claim and the Debtor.

- 3.03 **Priority tax claims** Each holder of a priority tax claim will be paid 100% of its schedules and/or allowed claim plus a 3.5 % cost of living allowance.
- 3.04 **Statutory fees** All fees required to be paid under 28 U.S.C. § 1930 that are owed on or before the effective date of this Plan have been paid or will be paid on the effective date.
- 3.05 **Prospective quarterly fees** All quarterly fees required to be paid under 28 U.S.C. § 1930(a)(6) or (a)(7) will accrue and be timely paid until the case is closed, dismissed, or converted to another chapter of the Code.

Article 4: Treatment of Claims and Interests Under the Plan

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

CLASS #	IMPAIRMENT	TREATMENT
<u>Class 1 - Priority claims</u> Excluding those in Article 3	UNIMPAIRED	Said claims will be paid in full, which includes a 3.50% of cost of living allowance. The payments will begin 45 days after the confirmation of the plan. The payments end on Month 36 of the plan.
CLASS #	IMPAIRMENT	TREATMENT
<u>Class 2 - Secured claim of BPPR</u>	IMPAIRED	BPPR will receive a fixed monthly payment \$4,000.00 plus 50% of the net inflows and outflows after all plan payments, as per agreement with BPPR on October 2018. The payments will begin 45 days after the confirmation of the plan. The payments end on Month 60 of the plan.
CLASS #	IMPAIRMENT	TREATMENT
<u>Class 2(A) - Secured claim of IRS</u>	UNIMPAIRED	IRS will receive a Monthly payment \$4,788.00, which includes a 3.50% of cost of living allowance. The payments will begin 45 days after the confirmation of the plan. The payments end on Month 36 of the plan.
CLASS #	IMPAIRMENT	TREATMENT
<u>Class 3 - Non-priority unsecured creditors</u>	IMPAIRED	The non-priority unsecured creditors claims will receive a distribution of 5% of their scheduled and/or allowed claims, to be paid within 60 months. Payments will commence on the effective date, which will be 45 days after entry of order of the confirmation of the plan.

CLASS #	IMPAIRMENT	TREATMENT
<u>Class 4</u> - Equity security holders of the Debtor	N/A	N/A

Article 5: 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 nonappealable 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

Article 6: Provisions for Executory Contracts and Unexpired Leases

6.01 Assumed executory contracts and unexpired leases

(a) The Debtor assumes, and if applicable assigns, the following executory contracts and unexpired leases as of the effective date: NONE

(b) Except for executory contracts and unexpired leases that have been assumed, and if applicable assigned, before the effective date or under section 6.01(a) of this Plan, or that are the subject of a pending motion to assume, and if applicable assign, the Debtor will be conclusively deemed to have rejected all executory contracts and unexpired leases as of the effective date. 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 **30** days after the date of the order confirming this Plan.

Article 7: Means for Implementation of the Plan

The Plan will be implemented and funded from the Operating Margin being generated by the ongoing operation and the new venture; and From the Debtor's income from the business, and/or sale of assets and/or from other funds to which Debtor may be entitled.

The Debtor's president, Vanessa Piereschi will be responsible for managing the corporation affairs and operations.

Article 8: General Provisions

8.01 Definitions

The definitions and rules of construction set forth in 11 U.S.C. §§ 101 and 102 shall apply when term defined or construed in the Code are used in this Plan, and they are supplemented by the following:

DEFINITIONS

As used in this Plan, the following terms shall have the respective meanings specified below and such meanings shall be equally applicable to the singular and plural forms of the terms defined, unless the context requires otherwise:

1. **"ADMINISTRATIVE CLAIM"**: any costs or expenses of administration of the Chapter 11 case entitled to priority in accordance with the provisions of *11 U.S.C. § 503(b)* and *507(a)(1)*, including any actual and necessary expenses incurred in preserving Debtor' estate, operating Debtor' business and to satisfy post Confirmation Date expenses. Fees and expenses incurred by attorneys and other professionals retained by Debtor in connection with the preparation, approval, confirmation and consummation of Debtor' Disclosure Statement and Plan shall constitute Administrative Claims.

2. **"AFFILIATE"**: an Affiliate of any Person that is an "affiliate", as defined in the Bankruptcy Code, as if such Person were a Debtor under the Bankruptcy Code.

3. **"ALLOWED ADMINISTRATIVE CLAIM"**: any existing or future

Administrative Claim either: (i) for which a fee application has been filed on or before the date, if any, designated as the last date for filing such fee application and which has been allowed by a Final Order, or (ii) as to any other Administrative Claim, (a) proof of which was filed on or before the date designated by the Bankruptcy Court as the last date for filing the proof of claim with respect thereto, pursuant to the provisions of this Plan or pursuant to any other order, and (b) as to which either no objection to the allowance thereof has been interposed within the applicable period of limitation fixed by this Plan, the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure ("Bankruptcy Rules"), or the Bankruptcy Court, or as to which any timely objection has been determined and all or some portion has been allowed by a Final Order.

4. **"ALLOWED CLAIM"**: any claim, other than an Administrative Claim (1) in respect to which a proof of claim has been filed within the time fixed by the Bankruptcy Court pursuant to Bankruptcy Rule 3003(c)(2), or (2) scheduled in the schedule of liabilities filed pursuant to 11 U.S.C. § 521(1) and Bankruptcy Rule 1007(b) and not therein listed as disputed, contingent or un-liquidated, and in either case if no objection to the allowance thereof has been filed except to the extent that any such objection has been determined by a final and un-appealable order or judgment or by stipulation approved by a final and un-appealable order or judgment.

5. **"ALLOWED INTEREST"**: any interest (1) in respect to which a proof of interest has been filed within the time fixed by the Bankruptcy Court pursuant to Bankruptcy Rule 3003(c)(3), or (2) scheduled in the list of equity security holders filed with the Bankruptcy Court pursuant to Bankruptcy Rule 1007(a)(3), and in either case if no objection to the allowance thereof has been filed except to the extent that any such objection has been determined by a final and un-appealable order or judgment or by stipulation approved by a final and un-appealable order or judgment.

6. **"ASSETS"**: all property of the Debtor on the Effective Date, including, without limitation, all Intangible and Tangible Assets.

7. **"BALLOT DATE"**: the date set by the Bankruptcy Court as the last date for the timely submission of a ballot accepting or rejecting the Plan.

8. **"BANKRUPTCY CODE"**: the Bankruptcy Reform Act of 1978, as amended and as applicable to the Chapter 11 Case, set forth in 11 U.S.C. § 101 et seq.

9. **"BANKRUPTCY COURT"**: the United States Bankruptcy Court for the District of Puerto Rico, acting in this case, including the United States Bankruptcy Judge presiding in the Chapter 11 case of the Debtor.

10. **"BANKRUPTCY RULES"**: the Federal Rules of Bankruptcy Procedure, as amended and supplemented by any local bankruptcy rule.

11. **"CASH"**: currency or check drawn by the Debtor against any bank account under its control.

12. **"CHAPTER 11"**: Chapter 11 of the Bankruptcy Code.

13. **"CHAPTER 11 CASE"**: the Chapter 11 case commenced by the Debtor on the Petition Date.

14. **"CLAIM"**: any (a) right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured; or (b) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured.

15. **"CLASS"**: any class into which allowed claims or allowed interests are classified pursuant to Article I hereof.

16. **"COLLATERAL"**: property in which the Debtor have an interest that secures, in whole or in part, the payment of a Claim (except pursuant to any lien granted under the Plan).

17. **"CONFIRMATION DATE"**: the date of entry of the Confirmation Order in accordance with the provisions of the Bankruptcy Code; provided, however, that if on motion the Confirmation Order or consummation of this Plan is stayed pending appeal, then the Confirmation Date shall be the date of entry of the Final Order vacating such stay or the date on which such stay expires or is no longer in effect.

18. **"CONFIRMATION OF THE PLAN"**: the entry by the Court of an order confirming this Plan in accordance with Chapter 11 of the Bankruptcy Code.

19. **"CONFIRMATION ORDER"**: the order of the Bankruptcy Court confirming this Plan and approving the transactions contemplated herein.

20. **"CONSUMMATION DATE"**: the first business day following the date on which the Confirmation Order shall become final and unappealable.

It shall not mean substantial completion of the Plan and shall be the date on which the events tied to this term in the Plan will take place.

21. **"CONSUMMATION OF THE PLAN"**: the accomplishment of all things contained or provided for in this Plan, and the entry of a final decree in this case.

22. **"CONTESTED CLAIM"**: any Claim as to which the Debtor have interposed an objection in accordance with the Bankruptcy Code and the Bankruptcy Rules, this Plan or orders of the Bankruptcy Court, which objection has not been withdrawn or determined by a Final Order; provided, however, that any Claim allowed under this Plan shall not be a Contested Claim.

23. **"CORPORATION"**: shall include: association having a power or privilege that a private corporation, but not an individual or a partnership, possesses; partnership association organized under a law that makes only the capital subscribed responsible for the debts of such association; joint-stock company; unincorporated company or association; or business trust; but does not include limited partnership.

24. **"CRAM DOWN"**: 11 U.S.C. § 1129(b) permits the Court to confirm a plan notwithstanding failure of an impaired class to accept the plan.

This subsection contains the so-called cram down. It requires simply that the plan meet certain standards of fairness to dissenting creditors or equity security holders.

The general principle of the subsection permits confirmation notwithstanding non-acceptance by an impaired class if that class and all below it in priority are treated according to the absolute priority rule. The dissenting class must be paid in full before any junior class may share under the plan. If it is paid in full, then junior classes may share. Treatment of classes of secured creditors is slightly different because they do not fall in the priority ladder, but the principle is the same.

Specifically, the Court may confirm a plan over the objection of a class of secured claims if the members of that class are unimpaired or if they are to receive under the plan property of a value equal to the allowed amount of their secured claims, as determined under 11 U.S.C. § 506(a). The property is to be valued as of the Effective Date of the Plan, thus recognizing the time-value of money. As used throughout this subsection, "property" includes both tangible and intangible property, such as a security of the Debtor or a successor to the Debtor under a plan.

The Court may confirm a plan over the dissent of a class of unsecured claims, including priority claims, only if the members of the class are unimpaired, if they will receive under the plan property of a value equal to the allowed amount of their unsecured claims, or if no class junior will share under the Plan. That is, if the class is impaired, then they must be paid in full or, if paid less than in full, then no class junior may receive anything under the plan.

25. **"CREDITOR"**: any Person that is the holder of a Claim.

26. **"DEBTOR"**: Refers to **NOVATERRA, INC.**

27. **"DEBTOR'S AFFILIATE CLAIM"**: any claim of an Affiliate of Debtor arising or deemed to have arisen on or before the Consummation Date.

28. **"DEBTOR-IN-POSSESSION"**: the Debtor as Debtor-in-possession in the Chapter 11 Case.

29. **"DEFICIENCY CLAIM"**: a Claim of a Creditor equal to the amount by which the aggregate Claims of such Creditor against the Debtor exceed the sum of (a) any set-off rights of the Creditor against the Debtor plus (b) the Net Proceeds realized from the disposition of the Collateral securing such Claim or, if such Collateral is not liquidated to cash, the value of the interest of the Creditor in the Debtor's interest in the Collateral securing such Claim, provided, however, that if the holder of such Claim makes the election provided in *11 U.S.C. § 1111(b)*, there shall be no Deficiency Claim in respect to such Claim.

30. **"DISALLOWED CLAIM"**: a Claim to the extent that such Claim was disallowed by a Final Order or by written agreement of the holder thereof.

31. **"DISCLOSURE STATEMENT"**: the Disclosure Statement in respect to this Plan approved by the Bankruptcy Court pursuant to *11 U.S.C. § 1125*.

32. **"EFFECTIVE DATE"**: shall be Fourteen days (14) days after the entry of the Confirmation Order becoming final and un-appealable.

33. **"EQUITY SECURITY HOLDERS"**: holders of an equity security of the Debtor including common shares.

34. **"FINAL DISTRIBUTION"**: the final distribution under this Plan.

35. **"FINAL ORDER"**: an order or a judgment which has not been reversed, stayed, modified or amended and (a) as to which (i) the time to appeal or seek review or rehearing has expired and as to which no appeal or petition for certiorari, review or rehearing is pending, or (ii) if an appeal, review, re-argue or certiorari of the order has been sought, the order has been affirmed or the request for review, re-argue or certiorari has been denied and the time to seek a further appeal, review, re-argue or certiorari has expired, and (b) as a result of which such order shall have become final and unappealable in accordance with applicable law.

36. **"GOVERNMENTAL UNIT"**: the United States, State, Commonwealth, District, Territory, municipality, foreign state, department, agency, or instrumentality thereof (but not a United States trustee while serving as a trustee in a case under the Code), or other foreign or domestic government.

37. **"INTANGIBLE ASSETS"**: all general intangibles, rights, claims, contract rights, franchise rights, and causes of action, whether equitable or legal, of the Debtor and the Debtor-in-Possession (including the right to prosecute or compromise and settle such rights, claims and causes of action in the name of such Persons or office).

38. **"INTEREST"**: the interests in Debtor of holders of common shares.

39. **"MUNICIPALITY"**: political subdivision or public agency or instrumentality of a State.

40. **"NET PROCEEDS"**: all proceeds realized from the sale or other disposition of Assets, after deduction of all reasonable costs and expenses to the extent actually incurred and paid in connection with the preservation and sale or other disposition of the Assets and, to the extent applicable, after the payment of any Secured Claim on such Asset.

41. **"PERSON"**: an individual, partnership and corporation, but does not include governmental unit, provided, however, that any governmental unit that acquires an asset from a person as a result of operation of a loan guarantee agreement, or as a receiver or liquidating agent of a person, will be considered a person for purposes of *11 U.S.C. § 1102*.

42. **"PETITION DATE"**: March 23rd, 2017, the date on which the Debtor filed the Chapter 11 petition with the Bankruptcy Court.

43. **"PLAN"**: this Plan in its present form or as it may be amended or supplemented from time to time.

44. **"PRIORITY CLAIM"**: any Claim, to the extent entitled to priority in payment under *11 U.S.C. § 507(a)*.

45. **"PROFESSIONAL PERSONS"**: Persons retained or to be compensated pursuant to *11 U.S.C. §§ 326, 327, 328, 330, 503(b)* and *11 U.S.C. § 1103*.

46. **"PRO RATA"**: the proportion that the amount of a Claim against the Debtor in a particular Class bears to the aggregate amount of all Claims, including objected or disputed claims until disallowed, in such Class.

47. **"PURCHASER"**: shall mean transferee of a voluntary transfer, and includes immediate or mediate transferee of such a transferee.

48. **"SECURED CLAIM"**: a Claim of a Creditor arising on or before the Petition Date that is secured by a lien on Collateral or that is subject to set-off under *11 U.S.C. § 553*, to the extent of the value of such Creditor's interest in the Debtor's interest in the property, or to the extent of the amount of the set-off, as applicable; provided, however, that if the Creditor makes the election provided in *11 U.S.C. §§ 1111(b)*, the Creditor's Claim shall be a Secured Claim in the full amount of the Creditor's Allowed Claim.

49. **"SECURED CREDITOR"**: any Creditor that is the holder of a Secured Claim.

50. **"SUBSTANTIAL CONSUMMATION"** means:

(A) transfer of all or substantially all of the property proposed by the Plan to be transferred;

(B) assumption by the Debtor, the Reorganized Debtor under the Plan of the business or of the management of all or substantially all of the property dealt with by the Plan; and

(C) commencement of distribution under the Plan.

52. **"TANGIBLE ASSETS"**: all personal and real property of the Debtor, and proceeds thereof (including cash proceeds), existing immediately before the Consummation Date.

53. **"TAX CLAIM"**: any Claim that is entitled to priority in payment under *11 U.S.C. § 507(a)(8)* of the Bankruptcy Code.

54. **"TRANSFER"**: every mode, direct or indirect, absolute or conditional, voluntary or involuntary, or disposing of or parting with property or with an interest in property, including retention of title as a security interest and foreclosure of the Debtor's equity.

55. **"UNSECURED CLAIM"**: an Unsecured Claim, including any Deficiency Claim, that is not; (i) entitled to priority pursuant to the Bankruptcy Code; or (ii) subordinated for purposes of distribution to any unsecured Claim pursuant to Subsection *11 U.S.C. §§ 510(b) or 510(c)* of the Bankruptcy Code.

56. **"UNSECURED CREDITOR"**: any Creditor that is the holder of an Unsecured Claim.

8.02 **Effective date**

The effective date of this Plan is the first business day following the date that is 14 days after the entry of the confirmation order. 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 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 State of Puerto Rico govern this Plan and any agreements, documents, and instruments executed in connection with this Plan, except as otherwise provided in this Plan.]

8.07 Corporate governance

Debtor or the Reorganized Debtor's Board of Directors shall take such action as may be necessary to the end that Debtor's or the Reorganized Debtor's charter shall contain:

A. Provisions prohibiting Debtor and/or the Reorganized Debtor from issuing non-voting stock, and providing, as to the classes of Debtor' and/or the Reorganized Debtor' securities possessing voting power, for the fair and equitable distribution of such power among such classes, including, in the case of any class of stock having preference over other stock with respect to dividends, adequate provisions for the election of directors representing such preferred class in the event of default in the payment of such dividends; and

B. Provisions that the Debtor or the Reorganized Debtor will not pay dividends to its shareholders, nor to any other shareholder, which may exist in the future, until creditors are paid in accordance with the Plan.

8.08 Retention of Jurisdiction

The Bankruptcy Court shall retain jurisdiction over the Chapter 11 case for the following purposes:

(a) To determine any and all objections to the allowance of claims including administrative claims.

(b) To determine any and all fee applications and any other fees and expenses authorized to be paid or reimbursed under the Bankruptcy Code.

(c) To determine any and all pending applications or motions for the rejection or assumption of executory contracts or for the rejection or assumption and assignment, as the case may be, of leases to which Debtor are a party or with respect to which it may be liable, and to hear and determine, and if need be to liquidate, any and all claims arising there from.

(d) To determine any and all applications, motions, adversary proceedings and contested or litigated matters pending before the Bankruptcy Court on the Confirmation Date.

(e) To modify the Plan or remedy any defect or omission or reconcile any inconsistency in any of its orders, including the Confirmation Order, to the extent authorized by the Bankruptcy Code.

(f) To determine all controversies, suits and disputes that may arise in connection with the interpretation, enforcement or consummation of the Plan.

(g) To enter such orders as may be necessary to consummate, implement and effectuate the operative provisions of the Plan and execute all documents and agreements provided for herein or entered into pursuant hereto, including, without limitation, to issue pertinent orders to protect the Debtor from creditor's actions; and

(h) To enter a final decree closing the Chapter 11 case.

If the Bankruptcy Court abstains from exercising or declines to exercise jurisdiction or is otherwise without jurisdiction over any matter arising out of the Chapter 11 case, including the matters set forth above, this Article shall have no effect upon and shall not control, prohibit or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

Article 9: Discharge

check one box

9.01 **Discharge If Debtor is an individual and 11 U.S.C. § 1141(d)(3) is not applicable.** Confirmation of the Plan does not discharge any debt provided for in the Plan until the court grants a discharge on completion of all payments under the Plan, or as otherwise provided in 11 U.S.C. § 1141(d)(5). Debtor will not be discharged from any debt excepted from discharge under 11 U.S.C. § 523, except as provided in Rule 4007(c) of the Federal Rules of Bankruptcy Procedure.

 Discharge If the Debtor is a partnership and 11 U.S.C. § 1141(d)(3) is not applicable. On the effective date of the Plan, the Debtor shall be discharged from any debt that arose before confirmation of the Plan, subject to the occurrence of the effective date, to the extent specified in 11 U.S.C. § 1141(d)(1)(A) of the Code. However, the Debtor shall not be discharged from any debt imposed by the Plan. After the effective date of the Plan your claims against the Debtor will be limited to the debts imposed by the Plan.

 X **Discharge If the Debtor is a corporation and 11 U.S.C. § 1141(d)(3) is not applicable.** On the effective date of the Plan, the Debtor shall be discharged from any debt that arose before confirmation of the Plan, subject to the occurrence of the effective date, to the extent specified in 11 U.S.C. § 1141(d)(1)(A) of the Code, except that the Debtor shall not be discharged of any debt:

- (i) imposed by the Plan,
- (ii) To the extent provided in 11 U.S.C. § 1141(d)(6).

— **No Discharge If § 1141(d)(3) is applicable.** In accordance with 11 U.S.C. § 1141(d)(3), the Debtor will not receive any discharge of debt in this bankruptcy case.

Article 10: Other Provisions

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

All injunctions or stays provided for in the bankruptcy case at bar under Sections 11 U.S.C. § 105 or 11 U.S.C. § 362, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Effective Date.

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

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

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

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

The effective date of this Plan is the first business day following the date that is 14 days after the entry of the confirmation order. 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 expires or is otherwise terminated.

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

RESPECTFULLY SUBMITTED, in Bayamón, Puerto Rico, this 9th day of November of 2018.

/s/ **Vanessa Piereschi**

Vanessa Piereschi

President: Novaterra, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY: That on this same date, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF System which will send notification of such filing to the parties appearing in said system.

RESPECTFULLY SUBMITTED, in Bayamón, Puerto Rico, this 9th day of November of 2018.

/S/ **RUBEN GONZALEZ MARRERO, Esq.**

RUBEN GONZALEZ MARRERO, Esq.

USDC-PR: 216,503

Carr. 174; blq. 21-24

Urb. Santa Rosa

BAYAMON, P.R. 00959-8915

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E-MAIL: **rgm@microjuris.com ;**

rgmattorney1@hotmail.com

Nova Terra, Inc
17-01968 (EAG)
Chapter 11 (Small Business)
Amended Payments under the Plan

Exhibit 1-A

CREDITOR							CLAIM								
							AMOUNT								
		SCHEDULED		CLAIM	PLAN	CLAIM	SUBJECT TO	ALLOWED	ALLOWED	MONTHLY	YEAR	YEAR	YEAR	YEAR	YEAR
		AMOUNT		CLASS	CLASS	NUMBER	COURT ALLOWANCE	AMOUNT	PLAN	PAYMENT	1	2	3	4	5
Administrative Claims:															
				ADM	1		\$3,500.00	\$3,500.00	\$3,500.00						
				ADM	1		\$10,000.00	\$10,000.00	\$10,000.00						
TOTAL		\$0.00					\$13,500.00	\$13,500.00	\$13,500.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Secured Claims:															
Banco Popular de PR	Comm	\$589,906.98		SECURED	2	12	\$312,178.50	\$312,178.50	\$312,178.50		\$24,759.00	\$32,252.00	\$36,294.00	\$96,224.00	\$117,406.00
Banco Popular de PR	Comm	\$0.00		SECURED	2	13	\$120,817.17	\$120,817.17	\$120,817.17		\$24,759.00	\$32,252.00	\$36,294.00	\$27,512.00	
Department of Treasury IRS	Taxes	\$316,551.00		SECURED	2(A)	5	\$163,414.55	\$163,414.55	\$163,414.55	\$4,788.00	\$57,456.00	\$57,456.00	\$57,456.00	\$0.00	\$0.00
TOTAL		\$906,457.98					\$596,410.22	\$596,410.22	\$596,410.22	\$4,788.00	\$106,974.00	\$121,960.00	\$130,044.00	\$123,736.00	\$117,406.00
CREDITOR							CLAIM								
							AMOUNT								
		SCHEDULED		CLAIM	PLAN	CLAIM	SUBJECT TO	ALLOWED	ALLOWED	MONTHLY	YEAR	YEAR	YEAR	YEAR	YEAR
		AMOUNT		CLASS	CLASS	NUMBER	COURT ALLOWANCE	AMOUNT	PLAN	PAYMENT	1	2	3	4	5
Priority Claims:															
Department of Treasury IRS	TAXES	\$9,188.81		Priority	P	5	\$9,188.81	\$9,188.81	\$9,188.81	\$269.00	\$3,228.00	\$3,228.00	\$3,228.00	\$0.00	\$0.00
PR Treasury Dept.	PR Treasury Dept. TAXES	\$29,332.83		Priority	P	9	\$18,676.90	\$18,676.90	\$18,676.90	\$547.00	\$6,564.00	\$6,564.00	\$6,564.00	\$0.00	\$0.00
PR Treasury Dept.	TAXES	\$14,654.65		Priority	P	10	\$12,500.33	\$12,500.33	\$12,500.33	\$366.00	\$4,392.00	\$4,392.00	\$4,392.00	\$0.00	\$0.00
PR Treasury Dept.	Sales tax	\$14,154.12		Priority	P		\$0.00	\$14,154.12	\$14,154.12	\$415.00	\$4,980.00	\$4,980.00	\$4,980.00	\$0.00	\$0.00
Department of Labor	Unemployment	\$8,677.15		Priority	p	3	\$8,677.15	\$8,677.15	\$8,677.15	\$254.00	\$3,048.00	\$3,048.00	\$3,048.00	\$0.00	\$0.00
Department of Labor	Disability	\$2,482.82		Priority	p	4	\$2,482.82	\$2,482.82	\$2,482.82	\$73.00	\$876.00	\$876.00	\$876.00	\$0.00	\$0.00
Municipio de Arecibo	"Patentes"	\$1,251.68		Priority	p		\$0.00	\$1,251.68	\$1,251.68	\$37.00	\$444.00	\$444.00	\$444.00	\$0.00	\$0.00
State Insurance Fund Corp	Insurance	\$10,158.95		Priority	p	11	\$26,519.22	\$26,519.22	\$26,519.22	\$777.00	\$9,324.00	\$9,324.00	\$9,324.00	\$0.00	\$0.00
CRIM	Taxes	\$0.00		Priority	p	16	\$574.45	\$574.45	\$574.45	\$17.00	\$204.00	\$204.00	\$204.00	\$0.00	\$0.00
TOTAL		\$89,901.01					\$78,619.68	\$94,025.48	\$94,025.48	\$2,755.00	\$33,060.00	\$33,060.00	\$33,060.00	\$0.00	\$0.00

CREDITOR						CLAIM									
						AMOUNT									
	SCHEDULED		CLAIM	PLAN	CLAIM	SUBJECT TO	ALLOWED	ALLOWED	MONTHLY	YEAR	YEAR	YEAR	YEAR	YEAR	
	AMOUNT		CLASS	CLASS	NUMBER	COURT ALLOWANCE	AMOUNT	PLAN	PAYMENT	1	2	3	4	5	
General Unsecured Claims															
Department of Labor	Unemployment	\$171,277.39		Unsecured	3	3	\$171,277.39	\$8,563.87	\$8,563.87	\$142.73	\$1,712.77	\$1,712.77	\$1,712.77	\$1,712.77	\$1,712.77
Department of Labor	Disability	\$16,285.04		Unsecured	3	4	\$29,911.74	\$1,495.59	\$1,495.59	\$24.93	\$299.12	\$299.12	\$299.12	\$299.12	\$299.12
Department of Treasury IRS	Taxes	\$66,642.48		Unsecured	3	5	\$49,007.55	\$2,450.38	\$2,450.38	\$40.84	\$490.08	\$490.08	\$490.08	\$490.08	\$490.08
State Insurance Fund Corp	Insurance	\$9,580.10		Unsecured	3	11	\$20,550.74	\$1,027.54	\$1,027.54	\$17.13	\$205.51	\$205.51	\$205.51	\$205.51	\$205.51
PR Treasury Dept.	TAXES	\$0.00		Unsecured	3	9	\$6,207.06	\$310.35	\$310.35	\$5.17	\$62.07	\$62.07	\$62.07	\$62.07	\$62.07
PR Treasury Dept.	TAXES	\$0.00		Unsecured	3	10	\$4,003.42	\$200.17	\$200.17	\$3.34	\$40.03	\$40.03	\$40.03	\$40.03	\$40.03
CRIM	TAXES	\$3,917.25		Unsecured	3	10	\$21,118.16	\$1,055.91	\$1,055.91	\$17.60	\$211.18	\$211.18	\$211.18	\$211.18	\$211.18
A.A.A	Utilities	\$2,710.46		Unsecured	3		\$0.00	\$135.52	\$135.52	\$2.26	\$27.10	\$27.10	\$27.10	\$27.10	\$27.10
A.E.E.	Utilities	\$4,690.37		Unsecured	3	1	\$4,690.37	\$234.52	\$234.52	\$3.91	\$46.90	\$46.90	\$46.90	\$46.90	\$46.90
Adm Serv Gen	General	\$7,921.01		Unsecured	3		\$0.00	\$396.05	\$396.05	\$6.60	\$79.21	\$79.21	\$79.21	\$79.21	\$79.21
Aldarondo Law office	Services	\$3,260.10		Unsecured	3		\$0.00	\$163.01	\$163.01	\$2.72	\$32.60	\$32.60	\$32.60	\$32.60	\$32.60
American storage	Services	\$1,040.00		Unsecured	3		\$0.00	\$52.00	\$52.00	\$0.87	\$10.40	\$10.40	\$10.40	\$10.40	\$10.40
Angleshelf of PR	Purchases	\$1,004.40		Unsecured	3	6	\$1,004.40	\$50.22	\$50.22	\$0.84	\$10.04	\$10.04	\$10.04	\$10.04	\$10.04
Antonio Feliciano	Misc	\$5,800.00		Unsecured	3		\$0.00	\$290.00	\$290.00	\$4.83	\$58.00	\$58.00	\$58.00	\$58.00	\$58.00
ARA Security	Services	\$163.20		Unsecured	3		\$0.00	\$8.16	\$8.16	\$0.14	\$1.63	\$1.63	\$1.63	\$1.63	\$1.63
Asoc de Prod de PR	Purchases	\$300.00		Unsecured	3		\$0.00	\$15.00	\$15.00	\$0.25	\$3.00	\$3.00	\$3.00	\$3.00	\$3.00
AT & T	Services	\$805.19		Unsecured	3	17	\$567.37	\$28.37	\$28.37	\$0.47	\$5.67	\$5.67	\$5.67	\$5.67	\$5.67
Atlantic Office	Purchases	\$94.37		Unsecured	3		\$0.00	\$4.72	\$4.72	\$0.08	\$0.94	\$0.94	\$0.94	\$0.94	\$0.94
Autoridad de Puertos	Rent	\$100.00		Unsecured	3	19	\$161,017.58	\$8,050.88	\$8,050.88	\$134.18	\$1,610.18	\$1,610.18	\$1,610.18	\$1,610.18	\$1,610.18
Axesa	Services	\$4,776.00		Unsecured	3	7	\$4,776.00	\$238.80	\$238.80	\$3.98	\$47.76	\$47.76	\$47.76	\$47.76	\$47.76
BPPR	Services	\$12,251.11		Unsecured	3	15	\$11,382.86	\$569.14	\$569.14	\$9.49	\$113.83	\$113.83	\$113.83	\$113.83	\$113.83
BPPR	Services	\$60,178.06		Unsecured	3	14	\$203,136.23	\$10,156.81	\$10,156.81	\$169.28	\$2,031.36	\$2,031.36	\$2,031.36	\$2,031.36	\$2,031.36
Camara de Comercio	Services	\$420.00		Unsecured	3		\$0.00	\$21.00	\$21.00	\$0.35	\$4.20	\$4.20	\$4.20	\$4.20	\$4.20
Caribbean Business	Services	\$2,000.00		Unsecured	3		\$0.00	\$100.00	\$100.00	\$1.67	\$20.00	\$20.00	\$20.00	\$20.00	\$20.00
Caribbean Control	Services	\$1,550.00		Unsecured	3		\$0.00	\$77.50	\$77.50	\$1.29	\$15.50	\$15.50	\$15.50	\$15.50	\$15.50
Caribbean Forms	Purchases	\$745.19		Unsecured	3		\$0.00	\$37.26	\$37.26	\$0.62	\$7.45	\$7.45	\$7.45	\$7.45	\$7.45
Carrier	Services	\$2,615.00		Unsecured	3	8	\$2,615.00	\$130.75	\$130.75	\$2.18	\$26.15	\$26.15	\$26.15	\$26.15	\$26.15
Coti Global	Purchases	\$3,734.81		Unsecured	3		\$0.00	\$186.74	\$186.74	\$3.11	\$37.35	\$37.35	\$37.35	\$37.35	\$37.35
De Jesus Petroleum	Purchases	\$1,816.30		Unsecured	3		\$0.00	\$90.82	\$90.82	\$1.51	\$18.16	\$18.16	\$18.16	\$18.16	\$18.16
Dolly Rios Torres	Judgment	\$11,456.00		Unsecured	3		\$0.00	\$572.80	\$572.80	\$9.55	\$114.56	\$114.56	\$114.56	\$114.56	\$114.56
ED Distributors	Purchases	\$1,165.00		Unsecured	3		\$0.00	\$58.25	\$58.25	\$0.97	\$11.65	\$11.65	\$11.65	\$11.65	\$11.65
Empresas soldaduras	Services	\$576.18		Unsecured	3		\$0.00	\$28.81	\$28.81	\$0.48	\$5.76	\$5.76	\$5.76	\$5.76	\$5.76
Expressway	Services	\$40.06		Unsecured	3		\$0.00	\$2.00	\$2.00	\$0.03	\$0.40	\$0.40	\$0.40	\$0.40	\$0.40
Finanzas al Dia	Services	\$3,977.60		Unsecured	3		\$0.00	\$198.88	\$198.88	\$3.31	\$39.78	\$39.78	\$39.78	\$39.78	\$39.78
Freeway Solutions	Services	\$290.00		Unsecured	3		\$0.00	\$14.50	\$14.50	\$0.24	\$2.90	\$2.90	\$2.90	\$2.90	\$2.90
GFR Media	Services	\$93.16		Unsecured	3		\$0.00	\$4.66	\$4.66	\$0.08	\$0.93	\$0.93	\$0.93	\$0.93	\$0.93
Gomera Las Brisas	Services	\$150.00		Unsecured	3		\$0.00	\$7.50	\$7.50	\$0.13	\$1.50	\$1.50	\$1.50	\$1.50	\$1.50
Grainger	Purchases	\$134.66		Unsecured	3		\$0.00	\$6.73	\$6.73	\$0.11	\$1.35	\$1.35	\$1.35	\$1.35	\$1.35
Integ Transportation	Services	\$643.82		Unsecured	3		\$0.00	\$32.19	\$32.19	\$0.54	\$6.44	\$6.44	\$6.44	\$6.44	\$6.44
Jose L Adorno	Services	\$320.00		Unsecured	3		\$0.00	\$16.00	\$16.00	\$0.27	\$3.20	\$3.20	\$3.20	\$3.20	\$3.20
Landfill Technology	Services	\$2,173.10		Unsecured	3		\$0.00	\$108.66	\$108.66	\$1.81	\$21.73	\$21.73	\$21.73	\$21.73	\$21.73
Lcdo. Hector Santos	Services	\$530.00		Unsecured	3		\$0.00	\$26.50	\$26.50	\$0.44	\$5.30	\$5.30	\$5.30	\$5.30	\$5.30
Liberty Financial	Services	\$1,529.68		Unsecured	3		\$0.00	\$76.48	\$76.48	\$1.27	\$15.30	\$15.30	\$15.30	\$15.30	\$15.30
Light Gas	Purchases	\$496.00		Unsecured	3		\$0.00	\$24.80	\$24.80	\$0.41	\$4.96	\$4.96	\$4.96	\$4.96	\$4.96
LM Transport	Services	\$2,345.47		Unsecured	3		\$0.00	\$117.27	\$117.27	\$1.95	\$23.45	\$23.45	\$23.45	\$23.45	\$23.45

L M Waste	Services	\$2,486.15		Unsecured	3		\$0.00	\$124.31	\$124.31	\$2.07	\$24.86	\$24.86	\$24.86	\$24.86	\$24.86
Luis Ayala Colon	Services	\$45.00		Unsecured	3		\$0.00	\$2.25	\$2.25	\$0.04	\$0.45	\$0.45	\$0.45	\$0.45	\$0.45
Luis Centeno	Services	\$840.00		Unsecured	3		\$0.00	\$42.00	\$42.00	\$0.70	\$8.40	\$8.40	\$8.40	\$8.40	\$8.40
Luz Disla Peña	Services	\$1,500.00		Unsecured	3		\$0.00	\$75.00	\$75.00	\$1.25	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00
Mapfre	Services	\$843.00		Unsecured	3		\$0.00	\$42.15	\$42.15	\$0.70	\$8.43	\$8.43	\$8.43	\$8.43	\$8.43
Mariela Rodriguez	Judgment	\$11,500.00		Unsecured	3		\$0.00	\$575.00	\$575.00	\$9.58	\$115.00	\$115.00	\$115.00	\$115.00	\$115.00
National Lumber	Purchases	\$517.88		Unsecured	3		\$0.00	\$25.89	\$25.89	\$0.43	\$5.18	\$5.18	\$5.18	\$5.18	\$5.18
Periodico El Norte	Services	\$1,459.00		Unsecured	3		\$0.00	\$72.95	\$72.95	\$1.22	\$14.59	\$14.59	\$14.59	\$14.59	\$14.59
Popular Auto	Deficiency	\$3,004.89		Unsecured	3	2	\$3,004.89	\$150.24	\$150.24	\$2.50	\$30.05	\$30.05	\$30.05	\$30.05	\$30.05
PR Floors	Services	\$334.13		Unsecured	3		\$0.00	\$16.71	\$16.71	\$0.28	\$3.34	\$3.34	\$3.34	\$3.34	\$3.34
PR Supplies	Purchases	\$48.60		Unsecured	3		\$0.00	\$2.43	\$2.43	\$0.04	\$0.49	\$0.49	\$0.49	\$0.49	\$0.49
PRIDCO	Rent	\$502,977.46		Unsecured	3	18	\$545,787.28	\$27,289.36	\$27,289.36	\$454.82	\$5,457.87	\$5,457.87	\$5,457.87	\$5,457.87	\$5,457.87
Progresive Finance	Services	\$2,126.07		Unsecured	3		\$0.00	\$106.30	\$106.30	\$1.77	\$21.26	\$21.26	\$21.26	\$21.26	\$21.26
Republic Services	Services	\$811.80		Unsecured	3		\$0.00	\$40.59	\$40.59	\$0.68	\$8.12	\$8.12	\$8.12	\$8.12	\$8.12
Sims Recycling	Services	\$19,439.50		Unsecured	3		\$0.00	\$971.98	\$971.98	\$16.20	\$194.40	\$194.40	\$194.40	\$194.40	\$194.40
Spartan Staffing	Services	\$781.49		Unsecured	3		\$0.00	\$39.07	\$39.07	\$0.65	\$7.81	\$7.81	\$7.81	\$7.81	\$7.81
Stock Logistics	Services	\$469.00		Unsecured	3		\$0.00	\$23.45	\$23.45	\$0.39	\$4.69	\$4.69	\$4.69	\$4.69	\$4.69
Triple S	Services	\$569.42		Unsecured	3		\$0.00	\$28.47	\$28.47	\$0.47	\$5.69	\$5.69	\$5.69	\$5.69	\$5.69
United Insurance Fin	Services	\$4,600.00		Unsecured	3		\$0.00	\$230.00	\$230.00	\$3.83	\$46.00	\$46.00	\$46.00	\$46.00	\$46.00
United Surety Galeria	Services	\$52.00		Unsecured	3		\$0.00	\$2.60	\$2.60	\$0.04	\$0.52	\$0.52	\$0.52	\$0.52	\$0.52
Universal Finance	Services	\$980.00		Unsecured	3		\$0.00	\$49.00	\$49.00	\$0.82	\$9.80	\$9.80	\$9.80	\$9.80	\$9.80
Valvila	Services	\$463.00		Unsecured	3		\$0.00	\$23.15	\$23.15	\$0.39	\$4.63	\$4.63	\$4.63	\$4.63	\$4.63
Wilfredo Gonzalez	Services	\$312.00		Unsecured	3		\$0.00	\$15.60	\$15.60	\$0.26	\$3.12	\$3.12	\$3.12	\$3.12	\$3.12
US Small Business	Services	\$1,000.00		Unsecured	3		\$0.00	\$50.00	\$50.00	\$0.83	\$10.00	\$10.00	\$10.00	\$10.00	\$10.00
	TOTAL	\$968,758.95					\$1,240,058.04	\$67,435.61	\$67,435.61	\$1,123.93	\$13,487.13	\$13,487.13	\$13,487.13	\$13,487.13	\$13,487.13
TOTAL		\$1,965,117.94					\$1,928,587.94	\$771,371.31	\$771,371.31	\$8,666.93	\$153,521.13	\$168,507.13	\$176,591.13	\$137,223.13	\$130,893.13

EXHIBIT B

IDENTITY AND VALUE OF MATERIAL ASSETS OF DEBTOR

AND

LIQUIDATION ANALYSIS

Nova Terra, Inc. 17-01968 (EAG)

CHAPTER 11 (Small Business)

IDENTITY AND VALUE OF MATERIAL ASSETS OF DEBTOR & LIQUIDATION ANALYSIS

PERSONAL PROPERTIES			SCHEDULED VALUE		%	REALIZABLE	MORTGAGE	BPPR	CRIM	OTHER	IRS	TOTAL	LIQUIDATION
						VALUE	LIENS	LIENS	LIENS	LIENS	LIENS	LIENS	VALUE
PERSONAL PROPERTIES													
CHECKING ACCOUNTS			\$0.00		100%	\$ -							\$0.00
Security Deposits			\$500.00		0%	\$ 500.00					\$500.00	500.00	\$0.00
Accounts Receivable			\$71,816.38		75%	\$ 53,862.29					\$53,862.29	53862.29	\$0.00
Automobiles & Vehicles			\$53,510.00		75%	\$ 40,132.50					\$40,132.50	40132.50	\$0.00
Machinery Equipment			\$322,870.00		85%	\$ 274,439.50		\$274,439.50				274439.50	\$0.00
			\$ 448,696.38			\$ 368,934.29		\$ 274,439.50			\$94,494.79	\$368,934.29	\$0.00
			\$448,696.38			\$368,934.29						\$368,934.29	\$0.00

ESTIMATED LIQUIDATION VALUE	\$0.00
LESS:	
CHAPTER 11 ADMINISTRATIVE EXPENSES	\$13,500.00
CHAPTER 7 ADMINISTRATIVE EXPENSES	\$0.00
PRIORITY CLAIMS	\$94,025.00
NET ASSETS FOR UNSECURED CLAIMS	-\$107,525.00
TOTAL GENERAL AND UNSECURED CLAIMS	\$1,240,058.00
UNSECURED CLAIMS LIQUIDATION RATIO	0.00%
Proposed Dividend to Unsecured Classes	5.00%

EXHIBIT C

PREPETITION FINANCIAL STATEMENTS

AS FILED WITH THE COURT

AT DOCKET NUMBER 22



Nova Terra, Inc.

Interim Financial Statement

For the Seven Months Ending January 31, 2017

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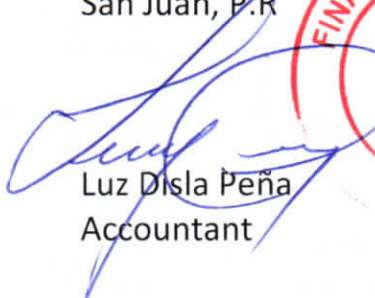
Accountant's Report

To Management
Nova Terra, Inc.
Arecibo, PR

The Management is responsible for the accompanying Interim Financial Statement of Nova Terra, Inc. as of January 31, 2017.

The Interim Financial Statement was prepared with the accounting records, documents and information provided by management of Nova Terra, Inc.

February 7, 2017
San Juan, P.R.



Luz Disla Peña
Accountant

FINANZAS AL DIA, INC.
2011
202920

Nova Terra, Inc.
Balance Sheet
For The Seven Months ended January 31,2017

ASSETS

Current Assets	
Cash	35,853.62
Account Receivable, Net	70,314.44
Inventory	4,500.00
Deferred Income Tax	15,218.83
Total Current Assets	125,886.89
Total Property and Equipment Net	34,291.91
Other Assets:	
Due From related parties	1,500.00
Deposit	11,352.00
Other Assets	6,500.00
Total Other Assets	19,352.00
Total Assets	179,530.80

LIABILITIES AND CAPITAL

Current Liabilities	
Accounts Payable	438,665.12
Payroll Taxes Payable	228,409.37
Other Liabilities	334,615.04
Total Current Liabilities	1,061,867.59
Total Long-Term Liabilities	
PPPR-Credt Line 8801	60,178.06
Note Payable	685,621.26
Total Liabilities	1,747,488.85
Common Stock	38,000.00
Retained Earnings	(1,605,958.05)
Total Capital	(1,567,958.05)
Total Liabilities & Capital	179,530.80

Nova Terra , Inc.
Income Statement
For the Seven months ended January 31,2017

Net Sales	202,900.25
Less :Cost of Sales	97,859.37
Gross Profit	105,040.88

Less: Operating Expenses

Insurance	6,086.81
Repair	4,339.54
Rent	51,860.06
Professional Services	52,415.88
Telephone	5,079.97
Utilities	6,260.94
Municipal & Other Tax	5,905.01
Office Supplies/Materials	2,070.11
Bank & Finance Charge	3,574.33
Office Expenses	5,592.22
Total Operating Exp	143,184.87

Loss for Oprration	(38,143.99)
---------------------------	--------------------

Other Expenses

Interest	4,586.22
----------	----------

Net Income	(42,730.21)
-------------------	--------------------

Beginning Retained Earnings	(1,577,233.75)
------------------------------------	-----------------------

Ending Reatined Earnings	(1,619,963.96)
---------------------------------	-----------------------

Nova Terra , Inc.
Statement of Cash Flow
For The seven months ended January 31,2017

Cash Flows from operating activities	
Net Income	(42,730.21)
Adjustments to reconcile net income to net cash provided by operating activities	
A/R - Clients	(6,672.47)
Inventory	7,450.00
Computer Purchase	185.55
Prepaid Expenses- Income Taxes	(654.99)
Accounts Payable	49,857.00
IVU Service 4% payable	8,268.61
Municipal Tax Payable	1,065.24
Payroll Tax	(15,632.72)
AEE-Payable	(486.26)
Flexilinea	1,754.68
	<hr/>
Total Adjustments	45,136.64
	<hr/>
Net Cash provided by Operations	2,406.43
	<hr/>
Cash Flows from investing activities	
Used For	<hr/>
	<hr/>
Net cash used in investing	0.00
	<hr/>
Cash Flows from financing activities	
Proceeds From	
BPPR Payable-	23,528.96
	<hr/>
Used For	
BPPR Payable-	(10,197.42)
	<hr/>
Net cash used in financing	13,331.54
	<hr/>
Net increase <decrease> in cash	15,737.97
	<hr/>
Summary	
Cash Balance at End of Period	35,853.62
Cash Balance at Beginning of P	(5,946.12)
	<hr/>
Net Increase <Decrease> in Cash	29,907.50

Nova Terra, Inc.
Note to Financial Statement
For the Seven Months Ending January 31, 2017

Note 1: General Information

Nova Terra, Inc. Is a corporation organized under the laws of the Commonwealth of Puerto Rico on December 5, 1996 with premise located in Arecibo, Puerto Rico . The Company is engaged in the partial recycling business. The corporation recollects, destroy and divides metal of electronics devices to be exported and processed in the United States and Europe.

Note 2: Summary of Significant Accounting Policies

The accompanying financial Statements presents the assets and liabilities of Nova Terra, Inc. as of January 31,2017. Preparation of Financial Statements in conformity with accounting principles generally accepted in the United States of America (US GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. These estimates are based on management's best knowledge of current events and actions the Company may undertake in the future. Estimates are used in accounting for, among other items, useful live for depreciation, deferred tax assets, and contingencies. Actual results may ultimately differ from estimates, although management does not believe such changes would materially effect the financial statement in any individual year. The fallowing accounting policies during the reporting period are presented to facilitate the understanding of information presented in the financial statements.

- a- **Accounting Policies** – Nova Terra, Inc. uses the accrual method of accounting to account for revenues and expenses.
- b- **Revenue Recognitions** – Income and expenses are recognized in the periods they are earned or incurred.
- c- **Use of Estimates** – The preparation of financial statements in conformity with generally accepted accounting principles requires management 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 period., Actual results could differ from those estimates.

Nova Terra, Inc.
Note to Financial Statement
For the Seven Months Ending January 31, 2017

Note 3: Property and Equipment

Property and equipment are presented at cost. Depreciation and amortization are provided using the straight line method over the estimated useful lives of the assets. Repairs and betterments that materially increase the useful life of the assets are capitalized, minor repairs are charged to operations as incurred.

	Historical Cost	Accumulated Depreciation	Net
Property and Equipment			
Machinery & Equipment	1,019,239.00	(986,568.23)	32,670.77
Building Improvements	105,688.00	(105,688.00)	0.00
Motor Vehicles/Transport	189,506.14	(188,113.00)	1,393.14
Office Furnitures/Fixtures	11,079.00	(10,851.00)	228.00
Total	1,325,512.14	(1,291,220.23)	34,291.91

Note 4: Other Liabilities

Other liabilities as of January 31, 2017 consist of the Following:

IVU Service 4% payable	13,694.20
Account Payable to Officer	1,044.46
Municipal Tax Payable	4,996.54
VISA CORP 7350	4,511.00
Pridco-Payable	205,569.00
Autoridad de Los Puertos	102,969.00
AEE-Payable	1,830.84
Total Other Liabilities	334,615.04

Nova Terra, Inc.
Note to Financial Statement
For the Seven Months Ending January 31, 2017

Note 4: Long Term Liabilities

Long Term liabilities as of January 11, 2017 consist of the Following:

Description	Principal	Interest	Balance
BPPR Payable- Auto	4,254.89		4,254.89
L/P BPPR 90007	11,250.22	1,635.82	12,886.04
L/P BPPR 91001	149,923.89	50,551.19	50,551.19
L/P BPPR 2001	133,747.35	63,263.54	197,010.89
L/P BPPR 3001	95,472.00	23,885.91	119,357.91
C/L BPPR 8801	50,000.00	10,178.06	60,178.06
Sub-Total	444,648.35	149,514.52	594,162.87
 L/P SBA Loan Payable	 153,136.45		 153,136.45
Total Long-Term Liabilities			747,299.32

Note 5: Provision for income tax

The corporations subject to income tax under the laws and regulation of the treasury Department of the commonwealth of Puerto Rico. Following the provisions of the Statement of financial Accounting Standard No 109 “ Accounting For Income Taxes “ This Statement requires an assets and liability approach for financial accounting and reporting for income tax and permits the recognition of future tax benefit it of operating losses in certain circumstances.

EXHIBIT D

SEPTEMBER MONTHLY OPERATION REPORT

AND

SUMMARY OF MONTHLY OPERATION REPORTS

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

IN RE:

NOVA TERRA, INC.

DEBTOR

CASE NO.: **17-01968 (EAG)**

CHAPTER: **11 (SMALL BUSINESS)**

DEBTOR'S SMALL BUSINESS MONTHLY OPERATING REPORT FOR THE
PERIOD OF SEPTEMBER 1ST, 2018 TO SEPTEMBER 30TH, 2018

TO THE HONORABLE COURT

COMES NOW DEBTOR IN POSSESSION, through the undersigned, and respectfully files its operating report in accordance with the guidelines established by the United States Trustee and F.B.R.P. 2015.

RESPECTFULLY SUBMITTED

In Bayamón, Puerto Rico this 31st day of October of 2018.

/S/ RUBEN GONZALEZ MARRERO, Esq.

RUBEN GONZALEZ MARRERO, Esq.

USDC-PR: 216,503

CARR. 174: BLQ. 21-24

SANTA ROSA

BAYAMON, P.R. 00959

TEL: (787) 798-8600

E-MAIL: rgm@microjuris.com;

B 25C (Official Form 25C) (12/08)

UNITED STATES BANKRUPTCY COURT

In re NOVA TERRA INC,
Debtor

Case No. 17-01968-11

Small Business Case under Chapter 11

SMALL BUSINESS MONTHLY OPERATING REPORT

Month: SEPTIEMBRE 2018

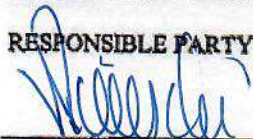
Date filed: 23/MARZO/2017

Line of Business: RECICLAJE

NAISC Code: 42393

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING SMALL BUSINESS MONTHLY OPERATING REPORT AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE.

RESPONSIBLE PARTY:



Original Signature of Responsible Party

VANESSA PIERESCHI

Printed Name of Responsible Party

Questionnaire: (All questions to be answered on behalf of the debtor.)

	Yes	No
1. IS THE BUSINESS STILL OPERATING?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. HAVE YOU PAID ALL YOUR BILLS ON TIME THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3. DID YOU PAY YOUR EMPLOYEES ON TIME?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. HAVE YOU DEPOSITED ALL THE RECEIPTS FOR YOUR BUSINESS INTO THE DIP ACCOUNT THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. HAVE YOU FILED ALL OF YOUR TAX RETURNS AND PAID ALL OF YOUR TAXES THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. HAVE YOU TIMELY FILED ALL OTHER REQUIRED GOVERNMENT FILINGS?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. HAVE YOU PAID ALL OF YOUR INSURANCE PREMIUMS THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. DO YOU PLAN TO CONTINUE TO OPERATE THE BUSINESS NEXT MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. ARE YOU CURRENT ON YOUR QUARTERLY FEE PAYMENT TO THE U.S. TRUSTEE?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. HAVE YOU PAID ANYTHING TO YOUR ATTORNEY OR OTHER PROFESSIONALS THIS MONTH?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
11. DID YOU HAVE ANY UNUSUAL OR SIGNIFICANT UNANTICIPATED EXPENSES THIS MONTH?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
12. HAS THE BUSINESS SOLD ANY GOODS OR PROVIDED SERVICES OR TRANSFERRED ANY ASSETS TO ANY BUSINESS RELATED TO THE DIP IN ANY WAY?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
13. DO YOU HAVE ANY BANK ACCOUNTS OPEN OTHER THAN THE DIP ACCOUNT?	<input type="checkbox"/>	<input checked="" type="checkbox"/>

B 25C (Official Form 25C) (12/08)

- | | | |
|---|--------------------------|-------------------------------------|
| 14. HAVE YOU SOLD ANY ASSETS OTHER THAN INVENTORY THIS MONTH? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 15. DID ANY INSURANCE COMPANY CANCEL YOUR POLICY THIS MONTH? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 16. HAVE YOU BORROWED MONEY FROM ANYONE THIS MONTH? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 17. HAS ANYONE MADE AN INVESTMENT IN YOUR BUSINESS THIS MONTH? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 18. HAVE YOU PAID ANY BILLS YOU OWED BEFORE YOU FILED BANKRUPTCY? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

TAXES

DO YOU HAVE ANY PAST DUE TAX RETURNS OR PAST DUE POST-PETITION TAX OBLIGATIONS? ☐ ☒

IF YES, PLEASE PROVIDE A WRITTEN EXPLANATION INCLUDING WHEN SUCH RETURNS WILL BE FILED, OR WHEN SUCH PAYMENTS WILL BE MADE AND THE SOURCE OF THE FUNDS FOR THE PAYMENT.

(Exhibit A)

INCOME

PLEASE SEPARATELY LIST ALL OF THE INCOME YOU RECEIVED FOR THE MONTH. THE LIST SHOULD INCLUDE ALL INCOME FROM CASH AND CREDIT TRANSACTIONS. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL INCOME \$ 32,729.03

SUMMARY OF CASH ON HAND

Cash on Hand at Start of Month \$ 5,865.91

Cash on Hand at End of Month SEE ATTACHMENT \$ 3,198.06

PLEASE PROVIDE THE TOTAL AMOUNT OF CASH CURRENTLY AVAILABLE TO YOU **TOTAL** \$ 3,198.06

(Exhibit B)

EXPENSES

PLEASE SEPARATELY LIST ALL EXPENSES PAID BY CASH OR BY CHECK FROM YOUR BANK ACCOUNTS THIS MONTH. INCLUDE THE DATE PAID, WHO WAS PAID THE MONEY, THE PURPOSE AND THE AMOUNT. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL EXPENSES \$ 41,167.34

(Exhibit C) SEE ATTACHMENT

CASH PROFIT

INCOME FOR THE MONTH (TOTAL FROM EXHIBIT B) \$ 32,729.03

EXPENSES FOR THE MONTH (TOTAL FROM EXHIBIT C) \$ 41,167.34

(Subtract Line C from Line B) **CASH PROFIT FOR THE MONTH** \$ -8,438.31

B 25C (Official Form 25C) (12/08)

UNPAID BILLS

PLEASE ATTACH A LIST OF ALL DEBTS (INCLUDING TAXES) WHICH YOU HAVE INCURRED SINCE THE DATE YOU FILED BANKRUPTCY BUT HAVE NOT PAID. THE LIST MUST INCLUDE THE DATE THE DEBT WAS INCURRED, WHO IS OWED THE MONEY, THE PURPOSE OF THE DEBT AND WHEN THE DEBT IS DUE. *(THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)*

TOTAL PAYABLES \$ 60,868.04

(Exhibit D) SEE ATTACHMENT

MONEY OWED TO YOU

PLEASE ATTACH A LIST OF ALL AMOUNTS OWED TO YOU BY YOUR CUSTOMERS FOR WORK YOU HAVE DONE OR THE MERCHANDISE YOU HAVE SOLD. YOU SHOULD INCLUDE WHO OWES YOU MONEY, HOW MUCH IS OWED AND WHEN IS PAYMENT DUE. *(THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)*

TOTAL RECEIVABLES \$ 56,218.18

(Exhibit E) SEE ATTACHMENT

BANKING INFORMATION

PLEASE ATTACH A COPY OF YOUR LATEST BANK STATEMENT FOR EVERY ACCOUNT YOU HAVE AS OF THE DATE OF THIS FINANCIAL REPORT OR HAD DURING THE PERIOD COVERED BY THIS REPORT.

(Exhibit F)

EMPLOYEES

NUMBER OF EMPLOYEES WHEN THE CASE WAS FILED?

0

NUMBER OF EMPLOYEES AS OF THE DATE OF THIS MONTHLY REPORT?

5

PROFESSIONAL FEES

BANKRUPTCY RELATED:

PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD?

\$ 2,600.33

TOTAL PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE?

\$ 23,440.29

NON-BANKRUPTCY RELATED:

PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD?

\$ 11,230.00

TOTAL PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE?

\$ 149,006.93

B 25C (Official Form 25C) (12/08)

PROJECTIONS

COMPARE YOUR ACTUAL INCOME AND EXPENSES TO THE PROJECTIONS FOR THE FIRST 180 DAYS OF YOUR CASE PROVIDED AT THE INITIAL DEBTOR INTERVIEW.

	Projected	Actual	Difference
INCOME	\$ _____	\$ 32,729.03	\$ _____
EXPENSES	\$ _____	\$ 41,167.34	\$ _____
CASH PROFIT	\$ _____	\$ -8,438.31	\$ _____

TOTAL PROJECTED INCOME FOR THE NEXT MONTH: \$ _____

TOTAL PROJECTED EXPENSES FOR THE NEXT MONTH: \$ _____

TOTAL PROJECTED CASH PROFIT FOR THE NEXT MONTH: \$ _____

ADDITIONAL INFORMATION

PLEASE ATTACH ALL FINANCIAL REPORTS INCLUDING AN INCOME STATEMENT AND BALANCE SHEET WHICH YOU PREPARE INTERNALLY.

NOVATERRA, INC.: 2017-01968 (EAG)
CHAPTER 11 (SMALL BUSINESS)
SUMMARY OF MONTHLY OPERATING REPORTS

	Month Mar-17	Month Apr-17	Month May-17	Month Jun-17	Month Jul-17	Month Aug-17	Month Sep-17	Month Oct-17	Month Nov-17	Month Dec-17	Month Jan-18	Month Feb-18	Month Mar-18	Month Apr-18	Month May-18	Month Jun-18	Month Jul-18	Month Aug-18	Month Sep-18	Petition to Date
Receipts:																				
Funds At The Beginning	\$32,072.31	* \$48,467.00	\$50,220.96	\$24,157.16	\$8,083.17	\$9,450.75	-\$1,103.35	-\$2,513.20	-\$1,754.95	\$1,395.69	\$24,554.32	\$12,618.63	\$7,196.52	\$4,705.58	\$4,130.88	\$6,024.17	-\$396.92	-\$936.34	\$5,866.91	\$32,072.31
Cash Sales	\$23,625.68	\$22,809.67	\$18,707.44	\$16,292.97	\$32,644.46	\$26,627.77	\$14,191.07	\$39,818.60	\$40,782.23	\$51,973.51	\$21,697.84	\$17,382.28	\$38,206.05	\$34,682.10	\$26,674.29	\$26,707.20	\$30,025.03	\$52,891.90	\$32,729.03	\$568,469.12
Cash Adjustments	\$0.00	\$0.00	\$0.00	\$361.99	\$5,207.48	-\$28.89	-\$3,204.92	-\$3,448.64	-\$2,019.88	\$728.02	\$320.16	\$437.52	-\$17,451.08	\$0.00	\$6,275.53	-\$4,638.03	-\$36.41	-\$11.15	\$5,770.46	-\$11,737.84
Total Receipts	\$23,625.68	\$22,809.67	\$18,707.44	\$16,654.96	\$37,851.94	\$26,598.88	\$10,986.15	\$36,369.96	\$38,762.35	\$52,701.53	\$22,018.00	\$17,819.80	\$20,754.97	\$34,682.10	\$32,949.82	\$22,069.17	\$29,988.62	\$52,880.75	\$38,499.49	\$556,731.28
Total cash available	\$55,697.99	\$71,276.67	\$68,928.40	\$40,812.12	\$45,935.11	\$36,049.63	\$9,882.80	\$33,856.76	\$37,007.40	\$54,097.22	\$46,572.32	\$30,438.43	\$27,951.49	\$39,387.68	\$37,080.70	\$28,093.34	\$29,591.70	\$51,944.41	\$44,366.40	\$588,803.59
CASH DISBURSEMENTS																				
Operating expenses	\$7,230.99	\$21,055.71	\$44,771.24	\$32,728.95	\$36,484.36	\$37,152.98	\$12,396.00	\$35,611.71	\$35,611.71	\$29,542.90	\$33,953.69	\$23,241.91	\$23,245.91	\$35,256.80	\$31,056.53	\$28,490.26	\$30,528.04	\$46,077.50	\$41,167.34	\$585,604.53
Total disbursements	\$7,230.99	\$21,055.71	\$44,771.24	\$32,728.95	\$36,484.36	\$37,152.98	\$12,396.00	\$35,611.71	\$35,611.71	\$29,542.90	\$33,953.69	\$23,241.91	\$23,245.91	\$35,256.80	\$31,056.53	\$28,490.26	\$30,528.04	\$46,077.50	\$41,167.34	\$585,604.53
Ending cash balance	\$48,467.00	\$50,220.96	\$24,157.16	\$8,083.17	\$9,450.75	-\$1,103.35	-\$2,513.20	-\$1,754.95	\$1,395.69	\$24,554.32	\$12,618.63	\$7,196.52	\$4,705.58	\$4,130.88	\$6,024.17	-\$396.92	-\$936.34	\$5,866.91	\$3,199.06	\$3,199.06

This schedule is an integral part of Debtor's Disclosure Statement & Plan of Reorganization.

* The amount was attached by BPPR. An adversary proceeding was filed.

EXHIBIT E

**PROJECTION OF CASH FLOW
FOR
POST-CONFIRMATION PERIOD**

NOVATERRA, INC.
17-01968 (EAG)
AMENDED OPERATING INFLOWS AND OUTFLOWS FOR YEARS 1 TO 5
CHAPTER 11 (SMALL BUSINESS)

	Year 1	Year 2	Year3	Year 4	Year 5
Inflows from operations:					
Gross Revenues	540,806.00	525,867.00	493,893.00	478,847.00	489,964.00
New venture Processing services	22,500.00	79,087.00	101,873.00	102,298.00	103,540.00
New venture Equipment rent	8,400.00	33,600.00	33,600.00	34,800.00	34,800.00
Total Inflows	571,706.00	638,554.00	629,366.00	615,945.00	628,304.00
Cash Disbursements:					
Salaries and Wages	94,132.00	94,850.00	94,850.00	94,850.00	94,850.00
Payroll taxes	11,923.00	12,014.00	12,014.00	12,014.00	12,014.00
Christmas Bonus	1,800.00	1,800.00	1,900.00	1,900.00	2,400.00
Operating Contracted services	59,716.00	57,540.00	60,495.00	50,450.00	52,500.00
Professional fees	36,720.00	36,720.00	10,200.00	10,200.00	10,200.00
Other Fixed & Variable costs	217,050.00	255,494.00	253,590.00	238,446.00	260,916.00
Total cash outflows	421,341.00	458,418.00	433,049.00	407,860.00	432,880.00
Net Cash Flows from Operations	150,365.00	180,136.00	196,317.00	208,085.00	195,424.00
Cash at beginning	3,198.06	42.06	11,671.06	31,384.06	102,246.06
Cash available for plan	153,563.06	180,178.06	207,988.06	239,469.06	297,670.06
Plan Payments:					
Secured Claims	106,974.00	121,960.00	130,057.00	123,736.00	117,406.00
Priority Claims	33,060.00	33,060.00	33,060.00	0.00	0.00
Unsecured General Claims	13,487.00	13,487.00	13,487.00	13,487.00	13,487.00
Total Plan Payments	153,521.00	168,507.00	176,604.00	137,223.00	130,893.00
Cash available after Operations and Plan Payments	42.06	11,671.06	31,384.06	102,246.06	166,777.06