

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF PUERTO RICO

In re:

ADLER GROUP, INC.

Debtor

Case No. 17-02727-MCF11

Chapter 11

**AMENDED PLAN OF REORGANIZATION**

**OF**

**ADLER GROUP, INC.**

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Adler Group, Inc. (“Adler”), Debtor and Debtor-in-possession in the above captioned case (“Debtor”) hereby proposes the following Amended Chapter 11 Plan of Reorganization (the “Amended Plan”) under Section 1121 of Title 11 of the United States Code.

## ARTICLE I

### DEFINITIONS AND CONSTRUCTION OF TERMS

For purposes of this Amended Plan, the following terms shall have the meanings specified in this Article I. A term used but not defined herein, which is also used in the Bankruptcy Code, shall have the meaning ascribed to that term in the Bankruptcy Code. Wherever from the context it appears appropriate, each term stated shall include both the singular and the plural, and pronouns shall include the masculine, feminine and neuter, regardless of how stated. The words “herein,” “hereof,” “hereto,” “hereunder” and other words of similar import refer to the Amended Plan as a whole and not to any particular Section, sub-Section or clause contained in the Amended Plan. The rules of construction contained in Section 102 of the Bankruptcy Code shall apply to the terms of the Amended Plan. The headings in the Amended Plan are for convenience of reference only and shall not limit or otherwise affect the provisions hereof.

“Administrative Claim” shall mean a Claim that is Allowed under Section 503(b) of the Bankruptcy Code and that is entitled to priority under Section 507(a)(1) of the Bankruptcy Code, including, without limitation:

- (a) fees and expenses of Professionals Allowed pursuant to a Final Order entered under Sections 330, 331, or 503 of the Bankruptcy Code, and
- (b) all fees and charges assessed against Debtor pursuant to 28 U.S.C. §1930.

“Allowed” shall mean, with reference to any Claim:

(a) a Claim that has been listed by the Debtor in its Schedules, as amended, and (i) is not listed as disputed, contingent or unliquidated, and (ii) is not a Claim as to which a proof of claim has been filed;

(b) a Claim as to which a timely proof of claim has been filed by the Bar Date and either (i) no objection thereto, or application to estimate, equitably subordinate or otherwise limit recovery, has been made on or before any applicable deadline, or (ii) if an objection thereto, or application to estimate, subordinate or otherwise limit recovery has been interposed, the extent to which such Claim has been Allowed (whether in whole or in part) by a Final Order;

(c) a Claim arising from the recovery of property under Section 550 or 553 of the Bankruptcy Code and Allowed in accordance with Section 502(h) of the Bankruptcy Code; or any Claim expressly Allowed under the Amended Plan or pursuant to the Confirmation Order.

“Amended Plan” shall mean this Amended Plan of Reorganization under Chapter 11 of the Bankruptcy Code, including, without limitation, the Amended Plan Documents, if any, and all exhibits, supplements, appendices and schedules hereto and thereto, either in their present form or as the same may be altered, amended or modified from time to time.

“Amended Plan Documents” shall mean and include such agreements, instruments, documents as may be required to effectuate the terms of the Amended Plan.

“Bankruptcy Case” shall mean Debtor’s Chapter 11 case pending in the Bankruptcy Court.

“Bankruptcy Code” shall mean Title 11 of the United States Code, as amended from time to time, as applicable to the Bankruptcy Case.

“Bankruptcy Court” shall mean the United States Bankruptcy Court for the District of Puerto Rico where the Bankruptcy Case is pending.

“Bankruptcy Rules” shall mean the Federal Rules of Bankruptcy Procedure as promulgated under 28 U.S.C. §2075, and any local rules of the Bankruptcy Court.

“Bar Dates” shall mean August 31, 2017 and October 24, 2016, as to Debtor’s Bankruptcy Case, respectively fixed as the last dates for the filing of proof of claims by creditors asserting Claims against the Debtor, other than governmental units, and by governmental units, as stated in the “Notices of Chapter 11 Bankruptcy Case, Meeting of Creditors and Deadlines” dated April 27, 2017, issued by the Clerk of the Bankruptcy Court, or otherwise be forever barred from asserting a Claim against Debtor or its property and from voting on the Amended Plan and/or sharing in distributions under the Amended Plan.

“Business Day” shall mean any day other than a Saturday, Sunday or legal holiday recognized in the Commonwealth of Puerto Rico.

“Cash” shall mean lawful currency of the United States of America (including wire transfers, cashier’s checks drawn on a bank insured by the Federal Deposit Insurance Corporation, certified checks, and money orders).

“Claim” shall mean a claim against a Person or its property as defined in Section 101(5) of the Bankruptcy Code, including, without limitation, (i) any right to payment, whether or not such right is reduced to judgment, and whether or not such right is liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured; or (ii) any 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, or is fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured.

“Claims Objection” means the objections to claims that have been or may be filed

against the Holders (or purported Holders) of Claims.

“Class” shall mean those classes designated in Article III of the Amended Plan.

“Collateral” shall mean (a) any property or interest in property of the Estate subject to a Lien to secure the payment or performance of a Claim, which Lien is not subject to avoidance or otherwise invalid under the Bankruptcy Code or applicable law.

“Confirmation Date” shall mean the date on which the Clerk of the Bankruptcy Court enters the Confirmation Order on the docket in this Bankruptcy Case.

“Confirmation Order” shall mean the order of the Bankruptcy Court confirming the Amended Plan pursuant to the provisions of the Bankruptcy Code.

“Contingent or Unliquidated Claim” shall mean any Claim for which a proof of claim has been filed with the Bankruptcy Court but which was not filed in a sum certain, or which has not occurred and is dependent upon a future event that has not occurred or may never occur, and which has not been Allowed.

“Debtor” shall mean Adler Group, Inc.

“Disclosure Statement” shall mean the disclosure statement relating to the Amended Plan, including, without limitation, all exhibits, and schedules thereto, in the form approved by the Bankruptcy Court pursuant to Section 1125 of the Bankruptcy Code.

“Disputed Claim” shall mean: if no proof of claim relating to a Claim has been filed, a claim that is listed in the Schedules as unliquidated, disputed or contingent; or

(a) if a proof of claim relating to a Claim has been filed, a Claim as to which a timely objection or request for estimation, or request to equitably subordinate or otherwise limit recovery in accordance with the Bankruptcy Code and the Bankruptcy Rules has been made, or which is otherwise disputed by the Debtor in accordance with applicable law, which objection,

request for estimation, action to limit recovery or dispute has not been withdrawn or determined by Final Order; or

(b) a Claim which is a Contingent or Unliquidated Claim.

“Disputed Claim Amount” shall mean the amount set forth in the proof of claim relating to a Disputed Claim or an amount estimated pursuant to an order of the Bankruptcy Court in respect of a Disputed Claim in accordance with Section 502(c) of the Bankruptcy Code.

“Disputed Claims Reserve” shall have the meaning set forth in Section 6.5 hereof.

“Distribution Record Date” shall mean the Business Day preceding the Effective Date.

“Effective Date” shall mean the date which is sixty (60) days after the Confirmation Date, or if such date is not a Business Day, the next succeeding Business Day; provided, however, that if, as of such date, all conditions precedent to the occurrence of the Effective Date set forth in Article X of the Amended Plan have not been satisfied or waived pursuant to Section 10.2 of the Amended Plan, then the first Business Day immediately following the day upon which all such conditions have been satisfied or waived.

“Equity Holders” shall mean Jose Torres Gonzalez, Rene Rivera Vega and Oscar Vazquez Melendez, holders of the Equity Interests in Debtor.

“Equity Interest” shall mean the interest of any holder of Debtor’s common equity securities and all options, warrants and rights, contractual or otherwise, to acquire any such equity securities in Debtor, as such interests exist immediately prior to the Effective Date.

“Final Order” shall mean an order or judgment which has not been reversed, stayed, modified or amended and, as to which (i) the time to appeal or seek review or rehearing has expired and no appeal or petition for *certiorari*, review or rehearing is pending, or (ii) if an appeal, review, reargument or *certiorari* of the order has been sought, the order has been

affirmed or the request for review, reargument or *certiorari* has been denied and the time to seek a further appeal, review, reargument or *certiorari* has expired, and as a result of which such order shall have become final and non-appealable in accordance with applicable law; provided, however, that the possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules, may be filed with respect to such order shall not cause such order not to be a Final Order.

“General Unsecured Claim” shall mean a Claim that is not a Secured Claim or that is not entitled to priority of payment under Section 507 of the Bankruptcy Code.

“Holder” shall mean a Person or Entity who holds a Claim or Interest.

“Initial Distribution Date” shall mean the date at least sixty (60) days after the Effective Date, or the next succeeding Business Day if such sixtieth day is not a Business Day when funds are available for distribution.

“Internal Revenue Code” shall mean Title 26 of the United States Code, as amended from time to time.

“Lien” shall have the meaning set forth in Section 101(37) of the Bankruptcy Code, except that a lien that has been avoided in accordance with Sections 544, 545, 546, 547, 548, 549, or 553 of the Bankruptcy Code shall not constitute a Lien.

“Order of Relief” shall mean the date of the entry of the order of relief.

“Organizational Documents” shall mean the corporate bylaws, certificate of incorporation, together with all of Debtor’s other corporate documents necessary to effectuate the provisions of the Amended Plan.

“Person” shall mean any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated association or organization, governmental agency or

political subdivision thereof.

“Petition Date” shall mean April 20, 2017, the date on which Debtor filed its voluntary Chapter 11 petition with the Bankruptcy Court, pursuant to the Bankruptcy Code.

“Priority Claims” shall mean any and all Claims (or portions thereof), entitled to priority under Section 507(a) of the Bankruptcy Code other than Priority Tax Claims and Administrative Expense Claims.

“Priority Tax Claims” shall mean any Claim of a governmental unit entitled to priority under Section 507(a)(8) of the Bankruptcy Code.

“Professionals” shall mean those Persons (i) employed pursuant to an order of the Bankruptcy Court in accordance with Sections 327 or 1103 of the Bankruptcy Code and to be compensated for services pursuant to Sections 327, 328, 329, 330, and 331 of the Bankruptcy Code, or (ii) for which compensation and reimbursement is allowed by the Bankruptcy Court pursuant to Section 503(b)(4) of the Bankruptcy Code.

“Schedules” shall mean the schedules of assets and liabilities, the list of holders of interests and the statements of financial affairs filed by the Debtor under Section 521 of the Bankruptcy Code and Bankruptcy Rule 1007, as such schedules, lists and statements have been or may be supplemented or amended from time to time.

“Secured Claim” shall mean any Claim that is secured by Collateral, to the extent of the value of such Collateral, as determined in accordance with Section 506(a) of the Bankruptcy Code, or, in the event that such Claim is a claim of setoff under Section 553 of the Bankruptcy Code, to the extent of the amount of such setoff.

## ARTICLE II

### TREATMENT OF ALLOWED ADMINISTRATIVE EXPENSE CLAIMS AND



### ALLOWED PRIORITY TAX CLAIMS

21 **Non-Classification**. In accordance to Section 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims and Priority Tax Claims are not classified for the purposes of voting on, or receiving distributions under the Amended Plan. All such Claims are instead treated separately in accordance with the terms set forth in this Article I.

22 **Administrative Expense Claims**.

(a) **General**. Except as otherwise agreed to by Debtor and the holder of an Allowed Administrative Expense Claim, each such holder shall be paid in full in the regular course of business or as authorized by the Court on or before the Effective Date.

If Debtor disputes any portion of an Administrative Expense Claim, Debtor shall pay such Claim within thirty (30) days after the entry of a Final Order with respect to the allowance of such disputed Administrative Expense Claim. Debtor will reserve the necessary funds to meet these payments.

(b) **U.S. Trustee's Fees**. The United States Trustee's quarterly fees shall be paid in full when due pursuant to 11 U.S.C. § 1930.

(c) **Professionals Compensation and Expense Reimbursement Claims**.

(1) Professionals shall file final applications for the allowance of compensation for services rendered or reimbursement of expenses incurred through and including the Confirmation Date within thirty (30) days thereafter. Any award granted by the Bankruptcy Court shall be paid (i) on the date such Administrative Expense Claim becomes an Allowed Administrative Expense Claim, or as soon thereafter as is practicable, or (ii) upon such other terms as may be mutually agreed upon between the holder of an Allowed Administrative Expense Claim and Debtor.

(2) All fees and expenses of Professionals for services rendered after the Confirmation Date in connection with the Bankruptcy Case and the Amended Plan including, without limitation, those relating to the occurrence of the Effective Date, shall be paid by Debtor upon receipt of reasonably detailed invoices therefore in such amounts and on such terms as such Professionals and Debtor may agree, without the need for further Bankruptcy Court authorization or entry of a Final Order.

23 **Priority Tax Claims.** Priority Tax Claims are Claims entitled to priority pursuant to Section 507(a)(8) of the Bankruptcy Code. Such Priority Tax Claims consist of taxes accrued prior to the Petition Date. The Holders of Allowed Priority Tax Claims, Secured and Unsecured, shall be paid by Debtor as follows:

(i) The Holders of Allowed Unsecured Priority Tax Claims, shall be paid 100%, in deferred equal consecutive monthly installments as shown in the Exhibit B hereto, commencing on the Effective Date of the Amended Plan and continuing on the last day of each month thereafter over a 60-month period after the Effective Date, equal to the amount of such Allowed Priority Tax Claims, plus the statutory rate of interest prevailing during the month the Amended Plan is confirmed, estimated at 4.25% per annum. Payments are estimated to be \$2,372.21 per month.

### ARTICLE III

#### CLASSIFICATION OF CLAIMS AND EQUITY INTEREST

As of the Petition Date, Debtor had secured claims due to Oriental bank (“Oriental”) and Small Business Administration (“SBA”), as more particularly described below. The Amended Plan classifies the various claims against Debtor. A description of all classes of Claims and the Equity Interest, the estimated principal amount due to each Class as of the Effective Date and its treatment are set forth

below. The Classes of Claims and the Interest in Debtor set forth in the Amended Plan are as follows:

**Class 1 – The Secured Claim of Oriental** – Class 1 consists of the Allowed Secured Claims of Oriental for \$2,113,480.10, arising from a Commercial Loan executed on March 24, 2015, (the “Agreement”) by and between Oriental and Debtor.

**Class 2 – The Secured Claim of SBA** - Class 2 consists of SBA’s Claim in the amount of \$1,594,467.39 resulting from a Commercial Loan executed on March 24, 2015 by and between SBA and Debtor, which is partially secured by Debtor’s real property.

**Class 3 – The Holders of Allowed General Unsecured Claims** - Class 3 consists of the Holders of Allowed General Unsecured Claims.

**Class 4 – Debtor's Shareholders** – Class 4 consists of the Holders of the Equity Interest in Debtor.

#### ARTICLE IV

##### TREATMENT OF CLASSES OF CLAIMS AND EQUITY INTEREST

###### **Class 1 – The Secured Claim of Oriental**

- (a) Impairment and Voting – Class 1 is impaired under the Amended Plan and is entitled to vote to accept or reject the Amended Plan.
- (b) Distribution – Oriental’s secured claims resulting from a Commercial Loan executed on March 24, 2015 by and between Oriental and Debtor (the “Agreement”), shall be paid in equal monthly installments of \$16,382.00, for principal and interest, for a period of sixty (60) months, with a balloon payment for the outstanding balance. Monthly payments include 7% annual interest and principal amortization term of twenty years.

###### **Class 2 - The Secured Claim of SBA**

- (a) Impairment and Voting - Class 2 is impaired under the Amended Plan and is entitled to vote to accept or reject the Amended Plan.
- (b) Treatment - SBA's Claim resulting from a Commercial Loan executed on March 24, 2015 by and between SBA and Debtor shall receive distribution under Class 3 of this Amended Plan. This claim was filed as a secured claim, nevertheless, pursuant to Section 506 of the Bankruptcy Code, the same is deemed partially secured and, thus, shall also receive distribution under Class 3 of this Amended Plan. Debtor has estimated the secured portion of the claim in \$586,519.90 dollars payable in 240 monthly installments of \$3,631.93 each for principal and annual interest of 4.25%, and twenty years amortization term. The unsecured amount has been estimated in \$1,007,947.49 and treated within the general unsecured claims (Class 3).

**Class 3- Holders of Allowed General Unsecured Claims**

- (a) Impairment and Voting – Class 3 is impaired under the Amended Plan and is entitled to vote to accept or reject the Amended Plan.
- (b) Treatment – The Holders of Allowed General Unsecured Claims will receive a lump-sum distribution of \$15,000.00 dollars, equivalent to 0.60% of their allowed claims. The lump-sum will be distributed on the Effective Date in a pro-rata basis calculated over the allowed amount.

**Class 4 – The Interest of Debtor's Shareholder**

- (a) Impairment and Voting - Class 4 is impaired under the Amended Plan, is not entitled to vote to accept or reject the Amended Plan, as it is deemed to have rejected the Amended Plan pursuant to 11USC § 1126 (g).

- (b) Distribution – The Holders of Equity Interest in Debtor will not receive any distribution under the Amended Plan.

## ARTICLE V

### MEANS FOR EXECUTION OF THE AMENDED PLAN

Except as otherwise provided in the Amended Plan, Debtor will effect payments of pending Administrative Expense Claims on or before the Effective Date from the estimated cash balance in its DIP accounts.

Secured Claims, General Unsecured Claims, as well as Priority Tax Claims, will be paid through the payment plans as set forth above and on Debtor's Amended Plan, from the cash resulting from Debtor's Operations.

## ARTICLE VI

### IMPLEMENTATION OF THE AMENDED PLAN

#### 6.1 Method of Distributions under the Amended Plan.

(a) In General. Subject to Bankruptcy Rule 9010, all distributions under the Amended Plan to the Holders of Allowed Claims shall be mailed by first class mail, postage prepaid, to the address of each Holder as listed on the Master Address List of the Bankruptcy Case, as the same may have been amended, as of the Distribution Record Date, unless Debtor has been notified in writing of a change of address, including, without limitation, by the filing of a proof of claim or notice of transfer of a Claim filed by a Holder of an Allowed Claim that provides an address for such Holder different from the address reflected on the Master Address List.

Debtor shall have no obligation to locate such Holders of Allowed Claims whose distributions or notices are properly mailed but nevertheless returned.

- (b) Distribution to be on Business Day. Any payment or distribution required to be

made under the Amended Plan on a day other than a Business Day shall be made on the next succeeding Business Day.

(c) Fractional Dollars. Whenever any payment of a fraction of a dollar would otherwise be called for, the actual payment shall reflect a rounding of such fraction to the nearest whole dollar (rounding down in the case of less than \$0.50 and rounding up in the case of more than \$0.50).

(d) Distribution to Holders as of the Distribution Record Date. As of the close of business on the Distribution Record Date, the claims register shall be closed. Debtor shall have no obligation to recognize any transfer of any Claims occurring after the close of business on the Distribution Record Date and shall instead be entitled to recognize and deal for all purposes under the Amended Plan with only those Holders of record as of the close of business on the Distribution Record Date, unless otherwise provided for by order of the Bankruptcy Court.

**6.2 Objections to Disputed Claims**. Any objections to Claims against Debtor shall be prosecuted by the Debtor, including any application to estimate or disallow Claims for voting purposes. However, to date, Debtor has prosecuted the claims objections, and at this time does not foresee further objections.

**6.3 Estimation of Claims**. Debtor, may, at any time, request that the Bankruptcy Court estimate any Disputed Claim pursuant to Section 502(c) of the Bankruptcy Code, and the Bankruptcy Court shall have jurisdiction to estimate such Claim at any time, including, without limitation, during litigation concerning the Claim or an objection thereto. Debtor shall be entitled to request that the Bankruptcy Court determine either the Allowed amount of such Claim or a maximum limitation in reference thereof. If the Bankruptcy Court determines the maximum limitation of such Claim, the determination shall not preclude Debtor from pursuing any

additional proceedings to object to any ultimate payment of the Claim. If the Bankruptcy Court determines the Allowed amount of such Claim, the amount so determined shall be deemed the amount of the Disputed Claim for all purposes under this Amended Plan. All those proceedings are cumulative and not exclusive remedies.

**6.4 Reversion of Unclaimed Checks and Disputed Claims Reserve.** The following amounts shall revert and be vested in the Debtor, as to the claims to be paid under the Amended Plan, free and clear of any claim or interest of any Holder of that Claim under the Amended Plan: the amount of any checks issued for distributions under the Amended Plan that remain uncashed for a period of 180 days after the date of the distributions.

**6.5 Good Standing.** To the extent Debtor is not in compliance as of the Effective Date with any state or local law requirements necessary to remain a corporation in good standing and/or remain authorized as a corporation to conduct business in any jurisdiction, Debtor, shall be deemed to be in compliance with any such laws if it complies therewith within six (6) months after the Effective Date.

## ARTICLE VII

### VOTING ON THE AMENDED PLAN

**7.1 Voting of Claims.** Each holder of an Allowed Claim in an impaired Class which receives payments under the Amended Plan shall be entitled to vote separately to accept or reject the Amended Plan and indicate such vote on a duly executed and delivered ballot as provided in such order as is entered by the Bankruptcy Court establishing certain procedures with respect to the solicitation and tabulation of votes to accept or reject the Amended Plan.

**7.2 Nonconsensual Confirmation.** If any impaired Class entitled to vote shall not accept the Amended Plan by the requisite statutory majorities provided for in Sections 1126(c) or

1126(d) of the Bankruptcy Code, as applicable, or if any impaired class is deemed to have rejected the Amended Plan, Debtor reserves the right (i) to confirm the Amended Plan under Section 1129(b) of the Bankruptcy Code, and (ii) to amend the Amended Plan in accordance with Section 12.3 hereof to the extent necessary to obtain the entry of a Confirmation Order.

## ARTICLE VIII

### EXECUTORY CONTRACTS, UNEXPIRED LEASES, AND POST-PETITION

#### CONTRACTS

**81 Rejection of Executory Contracts and Unexpired Leases.** All executory contracts and/or unexpired leases not listed on **Schedule G** of Debtor's Chapter 11 Schedules, which have not expired by their own terms or have been assumed on or prior to the Confirmation Date, shall be deemed rejected on the Effective Date, and the entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of such rejections pursuant to Sections 365(a) and 1123(b)(2) of the Bankruptcy Code.

**82 Rejection Damage Claims.** If the rejection of an executory contract or unexpired lease pursuant to Section 8.1 hereof results in a claim for damages to the other party or parties to such contract or lease, any claim for such damages, if not evidenced by a filed proof of claim, shall be forever barred and shall not be enforceable against Debtor, or its properties or agents, successors, or assigns, unless a proof of claim is filed with the Bankruptcy Court and served upon counsel for Debtor or the Reorganized Debtor on or before forty-five (45) days following the Confirmation Date. Debtor retains the right to object to any rejection damage claim filed in accordance with this Section.

**83 Post-Petition Agreements Unaffected by Amended Plan.** Except as otherwise expressly provided herein, nothing contained in the Amended Plan shall alter, amend or



supersede any agreements or contracts entered into by Debtor after the Petition Date that were otherwise valid, effective and enforceable against Debtor as of the Confirmation Date.

## ARTICLE IX

### RELEASE OF CLAIMS

**91 Release.** Except as otherwise expressly provided in Section 1141 of the Bankruptcy Code or the Amended Plan, the distributions made pursuant to and in accordance with the applicable terms and conditions of the Amended Plan are in full and final satisfaction, settlement, release of Debtor of any debt of Debtor that arose before the Effective Date, and any debt of Debtor of a kind specified in Section 502(g), 502(h), or 502(i) of the Bankruptcy Code, and all Claims against Debtor of any nature, including, without limitation, any interest accrued thereon from and after the Petition Date, whether or not (i) a proof of claim based on such debt, obligation or equity interest is filed or deemed filed under Section 501 of the Bankruptcy Code; (ii) such Claim is Allowed under Section 502 of the Bankruptcy Code; or (iii) the holder of such Claim has accepted the Amended Plan.

**92 Injunction Relating to the Amended Plan.** As of the Effective Date, all Persons will be permanently enjoined from commencing or continuing, in any manner or in any place, any action or other proceeding, whether directly, indirectly, derivatively or otherwise against Debtor, on account of, or respecting any Claims, debts, rights, Causes of Action or liabilities released pursuant to the Amended Plan, except to the extent expressly permitted under the Amended Plan.

**93 Cancellation of Existing Indebtedness and Liens.** Except as may otherwise be provided for in the Amended Plan, on the Effective Date, all credit agreements, promissory notes, security agreements, invoices, contracts, agreements and any other documents or

instruments evidencing Claims against Debtor, shall be cancelled, discharged and released without further act or action by any Person under any applicable agreement, law, regulation, order or rule, and Debtor's obligations thereunder shall be deemed cancelled, and released. To the extent deemed necessary or advisable by Debtor, any holder of a Claim shall promptly provide Debtor with an appropriate instrument of cancellation, or release, as the case may be, in suitable form for recording wherever necessary to evidence such cancellation, or release, including the cancellation, or release of any Lien securing the Claim.

**94** **Setoffs**. Except as otherwise provided herein, nothing contained in the Amended Plan shall constitute a waiver or release by Debtor of any rights of setoff Debtor may have against any Person.

## ARTICLE X

### CONDITIONS PRECEDENT TO EFFECTIVE DATE

**10.1** **Conditions Precedent to Effectiveness**. The Amended Plan shall not become effective and the Effective Date shall not occur, unless and until the following conditions shall have been satisfied or such conditions shall have been waived pursuant to Section 10.2 hereof:

(a) the Confirmation Order, in form and substance reasonably acceptable to Debtor, shall have been entered by the Bankruptcy Court and shall have become a Final Order;

(b) each of the Amended Plan Documents, in form and substance reasonably acceptable to Debtor; (i) shall have been executed, delivered and, if necessary, properly recorded; (ii) shall have become effective; and (iii) shall have been filed with the Bankruptcy Court;

(c) all actions, other documents and agreements necessary to implement the Amended Plan shall have been executed, delivered and, if necessary, properly recorded, and

shall have become effective; and

(d) Debtor shall have sufficient Cash to meet all Cash funding obligations under the Amended Plan required to be made on the Effective Date.

**10.2 Waiver of Conditions.** Debtor may waive one or more of the conditions precedent to the effectiveness of the Amended Plan set forth in this Section, except that Debtor may not waive the condition that it will have sufficient Cash to meet all of Debtor's payment and funding obligations under the Amended Plan on the Effective Date.

## ARTICLE XI

### RETENTION OF JURISDICTION

**11.1 Retention of Jurisdiction.** After the Effective Date, the Bankruptcy Court shall have exclusive jurisdiction of the following specified matters arising out of, and related to the Bankruptcy Case and the Amended Plan pursuant to Sections 105(a) and 1142 of the Bankruptcy Code:

(a) to hear and determine any and all objections to the allowance of any Claims or any controversies as to the classification of any Claims or estimate any Disputed Claim;

(b) to hear and determine any and all applications by Professionals for compensation and reimbursement of expenses pursuant to Section 2.2(c) hereof;

(c) to hear and determine any and all pending applications for the rejection or assumption of executory contracts, unexpired leases and franchise agreements, and fix and allow any Claims resulting therefrom;

(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 determine all controversies, suits and disputes that may arise in connection with

the interpretation, enforcement or consummation of the Amended Plan;

(f) to enforce the provisions of the Amended Plan subject to the terms thereof;

(g) to correct any defect, cure any omission, or reconcile any inconsistency in the Amended Plan, the Amended Plan Documents or in the Confirmation Order as may be necessary to carry out the purpose and the intent of the Amended Plan;

(h) to determine such other matters as may be provided for in the Confirmation Order.

## ARTICLE XII

### MISCELLANEOUS

**12.1 Continuation of Injunctions or Stays until Effective Date.** All injunctions or stays provided for in the Bankruptcy Case under Sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the Effective Date.

**12.2 Exemption from Transfer Taxes.** In accordance with Section 1146(c) of the Bankruptcy Code,

(a) the issuance, transfer or exchange of any security under the Amended Plan or the making or delivery of any instrument of transfer pursuant to, in implementation of, or as contemplated by the Amended Plan, including any deeds, bills of sale or assignments executed in connection with any of the transactions contemplated under the Amended Plan,

(b) the making, delivery, creation, assignment, amendment or recording of any note or other obligation for the payment of money, or other security interest under, in furtherance of, or in connection with the Amended Plan,

(c) the making, delivery, or recording of any deed or other instrument of transfer under, in furtherance of, or in connection with, the Amended Plan, including, without limitation,

the Confirmation Order, shall not be subject to any document recording tax, stamp tax, conveyance fee or other similar tax, or other similar tax or governmental assessment. Consistent with the foregoing, officials of a governmental unit in which any instrument hereunder is to be recorded shall, pursuant to the Confirmation Order, be ordered and directed to accept such instrument, without requiring the payment of any documentary stamp tax, deed stamps, transfer tax, intangible tax or similar tax.

**12.3 Amendment or Modification of the Amended Plan.** Alterations, amendments, or modifications of the Amended Plan may be proposed in writing by Debtor at any time prior to the Confirmation Date, provided that the Amended Plan, as altered, amended, or modified, satisfies the conditions of Sections 1122 and 1123 of the Bankruptcy Code, and Debtor shall have complied with Section 1125 of the Bankruptcy Code. The Amended Plan may be altered, amended or modified at any time before or after the Confirmation Date and before substantial consummation, provided that the Amended Plan, as altered, amended or modified, satisfies the requirements of Sections 1122 and 1123 of the Bankruptcy Code and the Bankruptcy Court, after notice and a hearing, confirms the Amended Plan, as altered, amended or modified, under Section 1129 of the Bankruptcy Code. A holder of a Claim that has accepted the Amended Plan shall be deemed to have accepted the Amended Plan, as altered, amended, or modified, if the proposed alteration, amendment or modification does not materially and adversely change the treatment of the Claim of such holder. Debtor or the Reorganized Debtor may, without notice to holders of Claims insofar as it does not materially and adversely affect the interests of any such holders, correct any defect or omission in the Amended Plan and any exhibit thereto or in any Amended Plan Document.

**12.4 Severability.** If, prior to the Confirmation Date, any term or provision of the

Amended Plan is determined by the Bankruptcy Court to be invalid, void or unenforceable, the Bankruptcy Court may, upon Debtor's request, alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of the Amended Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a judicial determination that each term and provision of the Amended Plan, as it may have been altered or interpreted in accordance with the foregoing is valid and enforceable according to its terms.

**12.5 Revocation or Withdrawal of the Amended Plan.** Debtor reserves the right to revoke or withdraw the Amended Plan prior to the Confirmation Date. If Debtor revokes or withdraws the Amended Plan prior to the Confirmation Date, then the Amended Plan shall be deemed null and void. In such event, nothing contained herein shall constitute or be deemed a waiver or release of any Claims by or against Debtor or any other Person or to prejudice in any manner Debtor's rights or those of any Person in any further proceedings involving Debtor.

**12.6 Binding Effect.** The rights, duties, and obligations of any Person named or referred to in this Amended Plan shall be binding upon, and shall inure to the benefit of, the successors and assigns of such Person.

**12.7 Notices.** All notices, requests, and demands to or upon Debtor shall only be effective if in writing and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and confirmed, addressed as follows:

ADLER GROUP, INC.  
c/o MRO Attorneys at Law, LLC  
PO Box 367819  
San Juan, PR 00936-7819

**12.8 Governing Law.** Except to the extent the Bankruptcy Code, Bankruptcy Rules or other federal law is applicable, or to the extent the Amended Plan or the Amended Plan Documents provide otherwise, the rights and obligations arising under this Amended Plan shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Puerto Rico.

**12.9 Withholding and Reporting Requirements.** In connection with the consummation of the Amended Plan, Debtor shall comply with all withholding and reporting requirements imposed by any federal, state, local, or foreign taxing authority and all distributions hereunder shall be subject to any such withholding and reporting requirements.

**12.10 Amended Plan Documents.** Upon filing with the Bankruptcy Court, the Amended Plan Documents may be inspected at the office of the Clerk of the Bankruptcy Court during normal court hours. Holders of Claims may obtain a copy of the Amended Plan Documents upon written request to Debtor in accordance with Section 12.7 hereof. Any Amended Plan Documents are incorporated into and made a part of the Amended Plan, as if fully set forth herein.

**12.11 Post-Confirmation Fees, Final Decree.** Debtor shall be responsible for the payment of any post-confirmation fees due pursuant to 28 U.S.C. §1930(a)(6) and the filing of post-confirmation reports, until a final decree is entered or as otherwise provided by the Bankruptcy Court. A final decree shall be entered as soon as practicable after initial distributions have commenced under the Amended Plan.

**12.12 Headings.** Headings are used in the Amended Plan for convenience and reference

only, and shall not constitute a part of the Amended Plan for any other purpose.

**12.13 Filing of Additional Documents.** On or before substantial consummation of the Amended Plan, Debtor shall file with the Bankruptcy Court any agreements or other documents that may be necessary or appropriate to effectuate and further evidence the terms and conditions hereof.

**12.14 Inconsistency.** In the event of any inconsistency between the Amended Plan and the Disclosure Statement, the Amended Plan Documents or any other instrument or document created or executed pursuant to the Amended Plan, the terms of the Amended Plan shall govern.

**Adler Group, Inc.**  
HC 02 Box 16161  
Gurabo, PR 00778

s/ Jose Torres Gonzalez  
Jose Torres Gonzalez  
President and Treasurer of Debtor

RESPECTFULLY SUBMITTED.

In San Juan, Puerto Rico, this 12<sup>th</sup> day October 2018

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