

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

IN RE:

**Aquamar Pool Supplies, Inc.
Debtor in Possession**

CASE NO. 18-1753

CHAPTER 11

DEBTOR'S DISCLOSURE STATEMENT

TO THE HONORABLE COURT:

COMES NOW, the named Debtor Aquamar Pool Supplies, Inc., and respectfully states and prays as follows:

I. INTRODUCTION

This is the disclosure statement (the "Disclosure Statement") in the small business chapter 11 case of Debtor, **Aquamar Pool Supplies, Inc.** (the "Debtor"). This Disclosure Statement contains information about the Debtor and describes the Proposed Plan of Reorganization. Your rights may be affected by it.

Debtors recommend that you vote accepting the Plan. Each creditor, however, should review the Plan and this Disclosure Statement carefully and discuss them with its attorney. If you do not have an attorney, you may wish to consult one. The description of the Plan in this Disclosure Statement is in summary form and is qualified by reference to the actual terms and conditions of the Plan, which should be reviewed carefully before making a decision to accept or reject the Plan.

The information contained in this Disclosure Statement has been provided by Debtor based upon its knowledge of its records, business and affairs. Except as otherwise expressly indicated, such information has not been subject to audit or independent review. Although great effort has been made to be accurate, Debtors, its counsel and other professional advisors do not warrant the accuracy of the information contained herein.

The proposed distributions under the Plan are discussed in this Disclosure Statement. Priority unsecured creditors will receive a distribution of no less than 100 % of their allowed claims over a period of five years, and as fully set forth in the Plan. General unsecured creditors shall be paid over a period of 7 years after priority claims are paid. Accordingly, debtor urges all creditors to vote in favor of its Plan.

A. Purpose of This Document

This Disclosure Statement describes:

1. The Debtors and significant events during the bankruptcy case;
2. 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);
3. Who can vote on or object to the Plan;
4. What factors the Bankruptcy Court (the "Court") will consider when deciding whether to confirm the Plan;
5. Why Debtors 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
6. The effect of confirmation of the Plan.

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

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

The Court has not yet confirmed the Plan described in this Disclosure Statement. The Court will set a hearing at which the Court will determine whether to finally approve this Disclosure Statement and confirm the Plan. This hearing will take place at a time and date to be noticed by the Court at a later date. Within twenty-five (25) days after service as evidenced by the certification, and an additional three (3) days pursuant to Fed. R. Bank. P. 9006(f) if you were served by mail, any party against whom this Disclosure Statement has been served, or any other party to the action who objects to the relief sought herein, shall serve and file an objection or other appropriate response to this Disclosure Statement with the Clerk's office of the U.S. Bankruptcy Court for the District of Puerto Rico.

C. Voting Requirements

In order for the Plan to be confirmed by the Bankruptcy Court, the Bankruptcy Code requires that the Plan be approved by all classes of creditors and interest holders or that the Court find that the Plan is "fair and equitable" as to any dissenting class. As provided by 11 U.S.C. 1124, a class of claims or interests is unimpaired under a plan unless, with respect to each claim or interest of such a class, if the plan: (i) leaves unaltered the legal, equitable, and contractual rights to which such claim or interest entitles the holder of such claim or interest; or (ii) notwithstanding any contractual provision or applicable law that entitles the holder of such claim or interest to demand or receive accelerated payment of such claim or interest after the occurrence of a default, (a) cures any such default

that occurred before or after the commencement of the case under this title, other than a default of a kind specified in section 365(b)(2) of this title; (b) reinstates the maturity of such claim or interest as such maturity existed before such default; (c) compensates the holder of such claim or interest for any damages incurred as a result of any reasonable reliance by such holder on such contractual provision or such applicable law; and (d) does not otherwise alter the legal, equitable, or contractual rights to which such claim or interest entitles the holder of such claim or interest.

Ordinarily, but not in all circumstances, a plan may not be confirmed unless at least one impaired class, assuming there is at least one impaired class, accepts the plan. A class has accepted the plan if such a plan has been accepted by creditors, other than those under 11 U.S.C. 1126(e), that hold at least two-thirds (2/3) in amount and more than one-half ($1/2$) in number of the allowed claims of such class held by creditors, that have accepted or rejected such plan, those actually voting for the Plan. Creditors may vote for the acceptance or rejection of the plan.

Each creditor is urged to consult with its own attorney and obtain advice on the proposals and dispositions of this Disclosure Statement and Plan of Reorganization. The statements contained herein are only a brief summary of the confirmation process and should not be relied upon in making your determination as to whether to vote in favor of or against the Plan. Creditors should consult their attorneys before making a determination to vote for or against the Plan.

Creditors are expressly referred to the Debtors's schedules of assets and liabilities and the statement of financial affairs and all other documents duly filed with the Bankruptcy Court. Although Debtors is confident it will comply with the Plan, this Plan is predicated upon certain assumptions that may not materialize, and you are urged to give consideration to such assumptions.

No representation concerning Debtors, or as to the actual or realizable value of its property is authorized by the Debtors other than as set forth in this Disclosure Statement. Any amendments or clarifications to this Disclosure Statement or the Plan shall be in writing and filed with the Court.

D. Deadline for Voting to Accept or Reject the Plan

If you are entitled to vote to accept or reject the plan you will receive a ballot, you have to vote on the ballot and return the ballot in the enclosed envelope **TO AQUAMAR POOL SUPPLIES, INC. C/O Robert Millan, Esq.,** Calle San José #250, San Juan, PR 00901. Your ballot must be received by the due date that will be set by the Court, or it will not be counted.

E. Deadline for Objecting to the Disclosure Statement 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 counsel for Debtors by within twenty-five (25) days after service as evidenced by the certification, and an additional three (3) days pursuant to Fed. R. Bank. P. 9006(f) if you were served by mail, any party against whom this Disclosure Statement has been served, or any other party to the action who objects to the relief sought herein, shall serve and file an objection or other appropriate response to this Disclosure Statement with the Clerk's office of the U.S. Bankruptcy Court for the District of Puerto Rico or any such other date as noticed by the Court.

F. Identity of Person to Contact for More Information

- 1) If you want additional information about the Plan, you should contact Debtors' Counsel

**ROBERT MILLAN, ESQ,
MILLAN LAW OFFICES
CALLE SAN JOSE #250
SAN JUAN, PUERTO RICO, 00901-0000
(787) 725-0946/ (787) 579-1533
rmi3183180@aol.com**

G. Disclaimer

Creditors are advised that the financial information contained in this Disclosure Statement has not been the object of an audit and is not certified by independent public accountants, except where expressly stated otherwise. Debtors do not warrant or represent that the information contained herein is without inaccuracy notwithstanding the efforts to disclose all matters with careful attention to accuracy and completeness.

The Court has not yet determined whether the Plan meets the legal requirements for confirmation, and the fact that the Court approves 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 is a Corporation incorporated under the laws of the Commonwealth of Puerto Rico on 2012, registry number 311348 and began operations on the same date. Debtor operates a business that is dedicated to the rental of real estate

property. This is not small business case as its total indebtedness does not exceed the limits specified in 11 U. S. C. § 101(51D) of the Bankruptcy Code.

B. Assets

Debtor, **AQUAMAR POOL SUPPLIES, INC.**, is not the owner of any real estate property. Its only assets consist of its inventory.

C. Insiders of the Debtor

There are no insiders as defined in §101(31) of the United States Bankruptcy Code in this case.

D. Management of the Debtor Before and During the Bankruptcy

Mr. Felix Arriaga Barreto the corporation's President and is the administrator of the corporation's affairs.

Mr. Felix Arriaga Barreto, the corporation President, shall be the person that after the effective date of the order confirming the Plan, will be responsible for the distributions under the Plan.

The responsibilities and compensation of these Post Confirmation Managers are described in section III D 2 of this Disclosure Statement.

E. Events Leading to Chapter 11 Filing

Reason for Filing the Petition: Prior to the filing of the bankruptcy petition in March of 2018, Aquamar Pool Supplies, Inc., was notified of the accumulation of Sales Taxes due to accounting problems and was unable to meet his obligations with the Puerto Rico Treasury Department. Added to the aforementioned situation was the passage of Hurricane Maria, which adversely affected the financial status and income of the corporation.

Since that time, debtor has contracted new accounting services that have resolved the problems that led it to accumulate the debt with the PR Treasury Department, in addition to increasing its income due to the corporation's reorganization.

F. Significant Events During the Bankruptcy Case

1. This Bankruptcy case was filed as a Chapter 11 on March 30, 2018. Debtor has submitted its Schedules and the Statement of Financial Affairs. Since that date, Debtor has remained managing its affairs as a debtor in possession and has complied with all the requirements of the bankruptcy process.

- 2) Robert Millan Esq, from Millan Law Offices, was authorized by this court as the lawyer for the debtor on March 23, 2018. (See Docket 15)
- 3) At this time, the debtor anticipates the generating of funds from the sale of pools supplies and pool maintenance.
- 4) Management has taken the following steps to improve operations and profitability of the debtor: Debtor's efforts in reducing expenses and increasing income was accomplished by increasing maintenance services.

G. Projected Recovery of Avoidable Transfers

There are None.

H. 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 will be set forth in the Plan.

I. Current and Historical Financial

Conditions Assets as of Petition Date

Assets listed on debtor's schedules are an integral reference to this Disclosure Statement and to the best of Debtor's understanding are accurate as of the filing of the bankruptcy petition. If debtor understands that these schedules should be amended, they will do so within 20 days after the hearing to discuss the adequacy of the instant Disclosure Statement.

Liabilities as of Petition Date

Debtor's schedules of liabilities, as referenced to the proof of claims filed in this case, show creditors in this case and to the best of Debtor's understanding are accurate as of the filing of the bankruptcy petition. If Debtor understand that these schedules should be amended, they would do so within 20 days after the hearing to discuss the adequacy of the instant Disclosure Statement.

Bankruptcy Proceedings

The United States Trustee convened the Initial Debtors Interview for April 27, 2018 and the first meetings of creditors pursuant to Section 341 of the Bankruptcy

Code in the instant case was held on May 7, 2018. The Section 341 meeting was closed.

Debtor in possession complied with §1116 of the Bankruptcy Code, 11 U.S.C. §1116 by attaching the most recently prepared balance sheet and statement of operations and most recently filed tax return.

The most recent post-petition operating report filed since the commencement of the Debtor's bankruptcy case are set forth in dockets 32, 26 and 37.

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

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

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

B. Unclassified Claims

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

1. Administrative Expenses

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

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

Type	Estimated Amount	Proposed Treatment
	Owed	
Expenses Arising in the Ordinary Course of Business After the Petition Date	\$ 0	Paid in full on the effective date of the Plan, or according to terms of obligation if later
Professional Fees, as approved by the Court.	\$7,000.00	Paid in full on the effective date of the Plan, or according to separate written agreement, or according to court order if such fees have not been approved by the Court on the effective date of the Plan
Clerk's Office Fees	\$0	Paid in full on the effective date of the Plan
Other administrative expenses	\$0	Paid in full on the effective date of the Plan or according to separate written agreement
Office of the U.S. Trustee Fees	\$0	Paid in full on the effective date of the Plan
TOTAL	\$7,000.00	

2. Priority Tax Claims

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

The Priority tax claim presented by CRIM will be paid in full over a period not exceeding 5 years from the order of relief.

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

There are no secured claims.

2. Classes of Priority Unsecured Claims

Certain priority claims that are referred to in §§ 507(a)(1), (4), (5), (6), and (7) of the Code are required to be placed in classes. The Code requires that each holder of such a claim receive cash on the effective date of the Plan equal to the allowed amount of such claim. However, a class of holders of such claims may vote to accept different treatment. The only Priority Unsecured Claims are the Priority tax claims.

3. Classes of General Unsecured Claims

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

4. Classes of Equity Interest Holders

None.

D. Means of Implementing the Plan

1. Source of Payments

Payments and distributions under the Plan will be funded by income generated from the sales of pool supplies And pool maintenance performed by debtor.

2. Post-confirmation Management

The Post-Confirmation Managers of the debtor, and their compensation, shall be as follows: Is dependent upon the funds available after reorganization.

E. Risk Factors

The proposed Plan has the following risks:

Debtor does not foresee any problems achieving its financial projections and payment plan. The plan contemplates the payment of priority claims within the five years of the plan. Upon the successful completion of payments, the attorney's fees, which form part of the claim may be eliminated, reducing the overall amount owed.

F. Executory Contracts and Unexpired Leases

The Plan, in Exhibit H, includes 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 that the debtor as lessor has entered into.

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.

G. Tax Consequences of Plan

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

IV. CONFIRMATION REQUIREMENTS AND PROCEDURES

To be confirmable, the Plan must meet the requirements listed in §§ 1129(a) or (b) of the Code. These include the requirements that: The Plan must be proposed in good faith; at least one impaired class of claims must accept the plan, without counting votes of insiders; the Plan must distribute to each creditor and equity interest holder at least as much as the creditor or equity interest holder would receive in a chapter 7 liquidation case, unless the creditor or equity interest holder votes to accept the Plan; and the Plan must be feasible. These requirements are not the only requirements listed in § 1129, and they are not the only requirements for confirmation.

A. Who May Vote or Object

Any party in interest may object to the confirmation of the Plan if the party believes that the requirements for confirmation are not met.

Many parties in interest, however, are not entitled to vote to accept or reject the Plan. A creditor or equity interest holder has a right to vote for or against the Plan only if that creditor or equity interest holder has a claim or equity interest that is both (1) allowed or allowed for voting purposes and (2) impaired.

In this case, the Plan Proponent believes that classes 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 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 has scheduled the claim on the Debtor's schedules, unless the claim has been scheduled as disputed, contingent, or unliquidated, or (2) the creditor has filed a proof of claim or equity interest, unless an objection has been filed to such proof of claim or equity interest. When a claim or equity interest is not allowed, the creditor or equity interest holder holding the claim or equity interest cannot vote unless the Court, after notice and hearing, either overrules the objection or allows the claim or equity interest for voting purposes pursuant to Rule 3018(a) of the Federal Rules of Bankruptcy Procedure.

The deadline for filing a proof of claim in this case was August 6, 2018 and governmental units on October 1, 2018.

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

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

3. Who is Not Entitled to Vote

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

a holder of claims and equity interests that have been disallowed by an order of the Court;

a) 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.

b) holders of claims or equity interests in unimpaired classes;

c) holders of claims entitled to priority pursuant to §§ 507(a)(2), (a)(3), and (a)(8) of the Code; and

d) holders of claims or equity interests in classes that do not receive or retain any value under the Plan;

e) administrative expenses.

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

4. *Who Can Vote in More Than One Class*

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

B. Votes Necessary to Confirm the Plan

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

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 No Accepting Classes*

Even if one or more impaired classes reject the Plan, the Court may nonetheless confirm the Plan if the no accepting classes are treated in the manner prescribed by § 1129(b) of the Code. A plan that binds no accepting classes is commonly referred to as a cram down plan. The Code allows the Plan to bind no accepting classes of claims or equity interests if it meets all the requirements for consensual confirmation except the voting requirements of § 1129(a)(8) of the Code, does not discriminate unfairly, and is fair and equitable toward each impaired class that has not voted to accept the Plan.

You should consult your own attorney if a cram down confirmation will affect your claim or equity interest, as the variations on this general rule are numerous and complex.

Liquidation Analysis

To confirm the Plan, the Court must find that all creditors and equity interest holders who do not accept the Plan will receive at least as much under the Plan as such claim and equity interest holders would receive in a chapter 7

liquidation. A liquidation analysis is attached to this Disclosure Statement as Exhibit C.

C. 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.

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. Tables showing the amount of cash on hand on the effective date of the Plan, and the sources of that cash are attached to this disclosure statement as Exhibit A.

1. 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.

V. EFFECT OF CONFIRMATION OF PLAN

A. DISCHARGE OF DEBTOR

Discharge. 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 § 1141(d)(1)(A) of the Code, except that the Debtor shall not be discharged of any debt (i) imposed by the Plan, (ii) of a kind specified in § 1141(d)(6)(A) if a timely complaint was filed in accordance with Rule 4007(c) of the Federal Rules of Bankruptcy Procedure, or (iii) of a kind specified in § **1141(d)(6)(B)**. After the effective date of the Plan your claims against the Debtor will be limited to the debts described in clauses (i) through (iii) of the preceding sentence.

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

A. Disputed Claims

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

No distribution will be made on account of a disputed claim unless such claim is allowed by a final non-appealable order. The Debtors will have the power and authority to settle and compromise a disputed claim with court approval and compliance with Rule 9019 of the Federal Rules of Bankruptcy Procedure.

B. Definitions and Rules of Construction

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

1. **"Administrative Creditor"** shall mean a person entitled to payment of an Administrative Expense Claim.
2. **"Administrative Expense Claim"** shall mean any Claim constituting a cost or expense of administration of the Chapter 11 proceeding allowed under 11 U.S.C. Sec. 503(b) and 507(a)(1).
3. **"Allowed Claim"** shall mean any Claim, proof of which was properly filed on or before the Bar Date set by the Bankruptcy Court, namely March 18, 2015, or if no proof of claim has been so filed, which has been or hereafter is listed as liquidated in amount and not disputed or contingent in the Debtor's schedules of assets and liabilities filed with the Bankruptcy Court (as they may be amended or supplemented from time to time according to the Bankruptcy Rules) and, in either case, a Claim to which no objection to the allowance thereof has been interposed within the applicable period of limitation (if any) fixed by the Bankruptcy Court, or about which any objection has been determined by a Final Order. Unless otherwise provided for in this Plan; "Allowed Claim" shall not include interest, costs, fees, expenses or other charges on the principal amount of such Claim from and after the Petition Date.

4. **"Allowed secured Claim"** shall mean any Claim, which is Secured by a perfected lien over property of the estate and shall include in the amount thereof -- unless otherwise stated in this Plan - all interest accrued on or after the Petition Date, up to exhaustion of the value of the assets that constitute the collateral, as the Bankruptcy Court may approve for payment under the plan.
5. **"Bankruptcy Code" or "Code"** shall mean the provision of Title 11 of the United States Code, 11 U.S.C. Sections 1101 et seq., as amended from time to time.
6. **"Bankruptcy Court"** shall mean the United States Bankruptcy Court for the District of Puerto Rico, having jurisdiction over this Chapter 11 proceeding, or such other court as may be exercising jurisdiction over this Chapter 11 proceeding.
7. **"Bankruptcy Rules" or "Rules"** shall mean the Federal Rules of Bankruptcy Procedures, as amended from time to time.
8. **"Bar Date"** shall mean the deadline of March 18, 2015, after which any proof of claim filed will not have any effect on this Plan and will not entitle its holder to participate with other Claims under this Plan. The government bar date is 180 days after the filing date.
9. **"Class"** shall mean a category of holders of Claims or Interests that is substantially similar to other claims or Interests in such Class.
10. **"Confirmation Date"** shall mean the date in which the Order Confirming and approving the Plan of Reorganization by the Bankruptcy Court in this Chapter 11, entered in accordance with the provisions of 11 U.S.C. Section 1129.
11. **"Consummation Date"** shall mean the date by which all of the conditions precedent to consummation set forth in this Plan, shall have been met or waived.
12. **"Cramdown"** shall mean the confirmation of the Plan under the provisions of 11 U.S.C. §1129 (b).
13. **"Debtor"** shall mean **ORIENTAL CANTONES, INC.**
14. **"Disclosure Statement"** shall mean the Disclosure Statement filed by the Debtor with the Bankruptcy Court in this Chapter 11 Proceeding and dated March 20, 2015 pursuant to 11 U.S.C. Section 1125, approved by the Bankruptcy Court and distributed to all Creditors and parties in Interest, according to the provisions of the Code and Rules.
15. **"Effective Date of Plan"** shall mean thirty (30) calendar days following the date of the entry of the Order of Confirmation and shall be the date on which there shall be made all initial cash payments required by the Plan. But if a stay of the confirmation order is in effect on that date, the effective date will be the first business day after that date on which no stay of the confirmation order is in effect, provided that the confirmation order has not been vacated.
16. **"Estate"** shall mean the Property owned by the Debtor that comprises the Chapter 11 estate of the Debtor in the above-captioned Chapter 11 proceeding.
17. **"Final Order"** shall mean an Order of the Bankruptcy Court (or other court of appropriate jurisdiction) which shall not have been reversed, stayed, modified or amended and the time to appeal from or to seek review or rehearing of such order shall have expired, and about which, no appeal or petition for review or rehearing or certiorari proceeding is pending, as a result of which such Order shall have become final according to Rule 8002 of the Rules of

Bankruptcy Procedure, as such Rules may be amended from time to time.

18. **"Lien"** shall mean an encumbrance, mortgage, pledge, judgment encumbrance, security interest, charging order, or other charge or encumbrance on Property as is effective under applicable Puerto Rico law as of the Petition Date.

19. **"Liquidation"** shall mean the complete liquidation of the Property of the Debtor's Estate, by a duly appointed trustee, according to the provisions of Chapter 7 of the Bankruptcy Code.

20. **"Liquidation Analysis"** shall mean a comparison of the value generated by the assets of the estate with the dollar value of the liabilities of the Debtor, in order to determine the net surplus available to creditors, per class, in case of a liquidation under a Chapter 7 scenario.

21. **"Liquidation Value"** shall mean the value that, any asset of the Debtor's estate can be expected to generate in case of liquidation or a rapid forced sale.

22. **"Order of Confirmation"** shall mean the Order of the Bankruptcy Court confirming the Plan according to the provisions of Chapter 11 of the Bankruptcy Code.

23. **"Petition Date"** shall mean April 8, 2016, the date on which Debtor filed its voluntary petition and commenced the instant Chapter 11 proceeding.

24. **"Priority Claim"** shall mean any Allowed Claim, other than an Administrative Expense Claim or Priority Tax Claim, to the extent entitled to priority in payment under 11 U.S.C. Section 507(a).

25. **"Priority Creditor"** shall mean any Creditor that is the holder of a Priority Claim.

26. **"Priority Tax Claim"** shall mean any Allowed Claim of any Person who is entitled to a priority in payment under 11 U.S.C. Section 507(a)(8).

27. **"Priority Wage Claim"** shall mean any Allowed Claim of any Person who is entitled to a priority in payment under 11 U.S.C. Section 507(a)(3).

28. **"Pro Rata"** shall mean in the proportion that a Claim or Interest in a given Class bears to the aggregate amount of all Claims (including disputed Claim until allowed or disallowed) or the aggregate number of all Interests in such Class, and the right to distribution in accordance with their respective rank and priority for distribution.

29. **"Secured Claim"** shall mean a Claim, the holder of which is vested with a perfected, non-voidable Lien on Property in which the Debtor has an interest, which Lien is valid, perfected, and enforceable under applicable law and not subject to avoidance under the Bankruptcy Code or other applicable non bankruptcy law, and is duly established in this case, to the extent of the value of such holder's interest in the Debtor's interest in such Property, as determined according to 11 U.S.C. Section 506.

30. **"Secured Creditor"** shall mean a Creditor who has a Secured Claim.

31. **"Substantial Consummation"** of this Plan shall mean any of the events provided for on 11 U.S.C. Sec. 1101(2).

32. **"Unsecured Claim"** shall mean a Claim, which is other than an Administrative Expense Claim, a Secured Claim or a Priority Claim (including a Priority Tax Claim or a Priority Wage Claim), including any Claim specified in 11 U.S.C. Sections 502(g), 502(h) or 502(I).

33. **"Unsecured Creditor"** shall mean a creditor that is a holder of an Allowed General Unsecured Claim.

34. **"Voluntary Petition"** shall mean the voluntary Petition for Relief filed by the Debtor on the Petition Date.

35. **"Plan"** shall mean the Chapter 11 Reorganization Plan filed by the Debtor with the Bankruptcy Court in this Chapter 11 Proceeding and dated March 20, 2015, approved by the Bankruptcy Court and distributed to all Creditors and parties in Interest, according to the provisions of Chapter 11 of the Bankruptcy Code and Rules.

C. Effective Date of Plan

The Effective Date of this Plan will be thirty (30) calendar days following the date of the entry of the Order of Confirmation and shall be the date on which there shall be made all initial cash payments required by the Plan. But if a stay of the confirmation order is in effect on that date, the effective date will be the first business day after that date on which no stay of the confirmation order is in effect, provided that the confirmation order has not been vacated.

D. 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.

E. 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.

F. Captions

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

G. Controlling Effect

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

WHEREFORE, based on the
that this Court approves this

foregoing, debtor respectfully request
Disclosure Statement.

RESPECTFULLY SUBMITTED,

In San Juan, Puerto Rico, this November 26, 2018.

Aquamar Pool Supplies, Inc.
S/ Felix Arriaga Barreto
President

NOTICE: Within twenty-five (25) days after service as evidenced by the certification, and an additional three (3) days pursuant to Fed. R. Bank. P. 9006(f) if you were served by mail, any party against whom this paper has been served, or any other party to the action who objects to the relief sought herein, shall serve and file an objection or other appropriate response to this paper with the Clerk's office of the U.S. Bankruptcy Court for the District of Puerto Rico. If no objection or other response is filed within the time allowed herein, the paper will be deemed unopposed and may be granted unless: (i) the requested relief is forbidden by law; (ii) the requested relief is against public policy; or (iii) in the opinion of the Court, the interest of justice requires otherwise.

CERTIFICATE OF SERVICE: I hereby certify that on this same date the foregoing motion was filed with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to all CM/ECF participants.

In San Juan, Puerto Rico, this November 26, 2018.

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

IN RE:

**AQUAMAR POOL SUPPLIES, INC.
Debtor in Possession**

CASE NO. 18-1753

CHAPTER 11

DEBTOR'S DISCLOSURE STATEMENT AND PLAN

INDEX

I. Liquidation analysis..... **Exhibit A**

EXHIBIT A

LIQUIDATION ANALYSIS

Debtor's estate consists of an inventory of supplies in the amount of \$18,000.00. The estimates are based on creditor's determination of market value of the supplies. Due to a depressed market, the market value should be at least 35% less than the value reported in debtor's schedules.

The plan will provide for payment of priority claims to the Puerto Rico Treasury Department in the amount of \$172,331.08 and \$28,234.90 within five years as a Class 1 claim and unsecured claims filed by debtor after the payment of priority claims.

The liquidation analysis is furnished to permit creditors to compare the distribution upon liquidation with the payment provided by the plan. The liquidation analysis shows that the sum total value of properties of the debtor add up to \$18,00.00. Whereas, the total priority claims are in the amount of \$200,565.98. Debtor proposes the payment of the priority debt within five (5) years.