

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:	§	
	§	
P & L GAS DISPENSERS, LLC	§	Case No. 16-30165-H5-11
	§	(Chapter 11)
Debtor.	§	

**DEBTOR'S SECOND AMENDED PLAN OF REORGANIZATION
AND DISCLOSURE STATEMENT**

THIS DISCLOSURE STATEMENT IS SUBMITTED TO ALL CREDITORS OF THE DEBTOR, ENTITLED TO VOTE ON THE PLAN OF REORGANIZATION HEREIN DESCRIBED AND CONTAINS INFORMATION THAT MAY AFFECT YOUR DECISION TO ACCEPT OR REJECT THE DEBTOR'S PLAN OF REORGANIZATION UNDER CHAPTER 11 OF THE UNITED STATES BANKRUPTCY CODE. THIS DISCLOSURE STATEMENT IS INTENDED TO PROVIDE ADEQUATE INFORMATION AS REQUIRED BY THE BANKRUPTCY CODE AS TO THE DEBTOR'S PLAN OF REORGANIZATION. ALL CREDITORS AND INTEREST HOLDERS ARE URGED TO READ THE DISCLOSURE STATEMENT AND ATTACHMENTS WITH CARE AND IN THEIR ENTIRETY.

THIS DISCLOSURE STATEMENT HAS NOT YET BEEN APPROVED BY THE COURT AS CONTAINING ADEQUATE INFORMATION UNDER SECTION 1125(b) OF THE BANKRUPTCY CODE. ALL CREDITORS HAVE THE RIGHT TO OBJECT TO THIS DISCLOSURE STATEMENT AS NOT CONTAINING ADEQUATE INFORMATION AS REQUIRED UNDER SECTION 1125(b). THAT ISSUE WILL BE DECIDED AT THE HEARING SET FOR CONFIRMATION IN COURTROOM 403, 4TH FLOOR OF THE FEDERAL COURTHOUSE, 515 RUSK, HOUSTON, TEXAS.

I. Introduction

1. General Information Concerning Disclosure Statement and Plan.

P & L Gas Dispensers, LLC submits this Plan and Disclosure Statement under §1125 of the Bankruptcy Code and Bankruptcy Rule 3016 to all of its known creditors. The information contained in this Disclosure Statement has been obtained from the books and records of the Debtor's business and from the pleadings, schedules and monthly operating reports on file in this case. The purpose of this Disclosure Statement is to disclose information adequate to enable creditors who are entitled to vote to arrive at a reasonably informed decision in exercising their

rights to vote on the Plan of Reorganization ("Plan"). A copy of the Plan is attached as Section IV of this document. All section references in this Plan or Disclosure Statement are to the Bankruptcy Code unless otherwise indicated.

The Debtor has submitted the Plan consistent with the provisions of the Bankruptcy Code. The purpose of the Plan is to pay off the debts of the debtor in an orderly fashion, thereby allowing the secured and unsecured creditor to receive more than they would in a forced liquidation of the Debtor.

This disclosure statement is submitted as an aid and supplement to your review of the Plan to explain the terms of the Plan. Every effort has been made to explain fully various aspects of the Plan as they affect the creditors. If any questions arise, the Debtor urges you to contact the Debtor's counsel and he will attempt to resolve your questions. You may, of course, wish to consult with your own counsel.

1. Disclaimers.

NO SOLICITATION OF VOTES HAS BEEN OR MAY BE MADE EXCEPT PURSUANT TO THIS DISCLOSURE STATEMENT AND SECTION 1125 OF THE BANKRUPTCY CODE, AND NO PERSON HAS BEEN AUTHORIZED TO USE ANY INFORMATION CONCERNING THE DEBTOR TO SOLICIT ACCEPTANCES OR REJECTIONS OF THE PLAN OTHER THAN THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT. CREDITORS AND EQUITY INTEREST HOLDERS SHOULD NOT RELY ON ANY INFORMATION RELATING TO THE DEBTOR OTHER THAN THAT CONTAINED IN THIS DISCLOSURE STATEMENT AND THE EXHIBITS AND SCHEDULES ATTACHED.

EXCEPT AS SET FORTH IN THIS DISCLOSURE STATEMENT AND THE EXHIBITS, NO REPRESENTATION CONCERNING THE DEBTOR, ITS ASSETS, PAST OR FUTURE OPERATIONS, OR CONCERNING THE PLAN IS AUTHORIZED, NOR ARE ANY SUCH REPRESENTATIONS TO BE RELIED UPON IN ARRIVING AT THE DECISION WITH RESPECT TO THE PLAN. ANY REPRESENTATIONS MADE TO SECURE ACCEPTANCE OR REJECTION OF THE PLAN OTHER THAN AS CONTAINED IN THIS DISCLOSURE STATEMENT SHOULD BE REPORTED TO COUNSEL FOR THE DEBTOR.

WHILE THE INFORMATION PROVIDED HEREIN IS BELIEVED RELIABLE, THE DEBTOR HAS NOT UNDERTAKEN TO VERIFY OR INVESTIGATE SUCH INFORMATION, AND MAKES NO REPRESENTATION AS TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION.

DISTRIBUTION OF THIS DISCLOSURE STATEMENT SHOULD NOT BE CONSTRUED AS ANY REPRESENTATION OR WARRANTY AT ALL, EITHER EXPRESS OR IMPLIED, BY THE DEBTOR OR ITS RESPECTIVE PROFESSIONAL CONSULTANTS THAT THE PLAN IS FREE FROM RISK, THAT THE ACCEPTANCE OF THE PLAN WILL RESULT IN A RISK-FREE RESTRUCTURING OF THE

DEBTOR'S OBLIGATIONS OR THAT THE DEBTOR'S OBLIGATIONS AS RESTRUCTURED BY THE PLAN WILL BE FULLY PERFORMED IN THE FUTURE WITHOUT RISK OF FURTHER DEFAULT.

THE CONDITIONAL APPROVAL BY THE BANKRUPTCY COURT OF THIS DISCLOSURE STATEMENT DOES NOT CONSTITUTE AN ENDORSEMENT BY THE BANKRUPTCY COURT OF THE PLAN OR A GUARANTEE OF THE ACCURACY OR THE COMPLETENESS OF THE INFORMATION CONTAINED HEREIN.

READ THIS DOCUMENT CAREFULLY IF YOU WANT TO KNOW:

- The history of the Debtor and significant events before and during the bankruptcy case.
- The treatment of your claim (*i.e.*, what your claim will receive if the Plan is confirmed.)
- Who can vote or object.
- How the court will decide whether to confirm the Plan.
- The effect of Plan confirmation.
- Why the Debtor believes the Plan is feasible and how the treatment of your claim under the Plan compares to what you would receive in liquidation.

II. Answers to Commonly Asked Questions.

As part of the Debtor's effort to inform creditors regarding the Plan and the Plan confirmation process, the following summary provides answers to questions which parties who receive a disclosure statement often ask.

1. Who is the Debtor?

P & L Gas Dispensers, LLC was originally opened as P & L Maintenance as a sole proprietorship with Pedro Gonzalez Navarro as owner. In 2003 the company became P & L Gas Dispensers, LLC, with Mr Navarro as the Manager of the Debtor, and sole member.

2. What is a Chapter 11 bankruptcy?

Chapter 11 is the principal reorganization chapter of the Bankruptcy Code that allows financially distressed businesses to reorganize their debts. The commencement of a Chapter 11 case creates an estate containing all the legal and equitable interests of the Debtor in property as of the date the petition is filed. Sections 1101, 1107 and 1108 of the Bankruptcy Code provide that a debtor may continue to operate the debtor's business as a debtor-in-possession. The Debtor remains in possession of its properties and assets. When a Chapter 11 bankruptcy case is filed, creditors are prohibited from attempting to collect debts or enforce liens against the Debtor or its

assets without first obtaining approval from the Bankruptcy Court.

3. If the Plan governs how my claim is treated, what is this Disclosure Statement?

The Bankruptcy Code requires that Debtor solicit acceptances and rejections of a proposed Plan from creditors and shareholders whose claims and interests are impaired before the Plan can be confirmed by the bankruptcy court. Before debtors may solicit acceptances of a Plan, however, the bankruptcy court must approve a disclosure statement and determine that the disclosure statement contains information adequate to allow creditors and shareholders to make an informed judgment about the Plan.

4. Do I have to attend the hearing on the Disclosure Statement and Plan?

If you do not believe that the disclosure statement contains adequate information or if you believe that there is a problem with the Debtor's Plan, you want to either get additional information from the Debtor or object to the Plan. To do so, you need to file a written objection stating your position and come to hearing. Debtor's counsel can discuss your concerns from the Debtor's perspective, but cannot give you legal advice and you may wish to consult your own counsel.

5. How do I determine how my Claim or Interest is classified?

To determine the classification of your Claim you must determine the nature of your claim or interest. under the Plan. Claims and interests are classified into a series of Classes. The pertinent sections of the Disclosure Statement and Plan disclose, among other things, the treatment that each class of Claims or Interests will receive if the Plan is confirmed.

6. What does it mean if my Claim is Impaired?

The Bankruptcy Code requires that Claims be treated as either impaired or as unimpaired under the Plan. Unimpaired claims are claims that are satisfied in accordance with non-bankruptcy law. Impaired claims are claims that are satisfied in a manner other than in accordance with non-bankruptcy law.

7. Why is confirmation of the Plan important?

The Bankruptcy Court's confirmation of the Plan is a condition to the Debtor's right to carry out the treatment of creditors and shareholders under the Plan. Unless the Plan is confirmed, and any other conditions to confirmation or to the effectiveness of the Plan are satisfied, the Debtor is legally prohibited from satisfying claims or equity interests as provided in the Plan.

8. What is necessary to confirm the Plan?

Under applicable provisions of the Bankruptcy Code, confirmation of the Plan requires, among other things, that at least one class of impaired claims or interests vote to accept the Plan. Acceptance by a class of claims means that at least two-thirds in the total dollar amount and more than one-half in number of the allowed claims actually voting in the class vote in favor of the Plan. Because only those claims or interests who vote on a Plan will be counted for purposes of determining acceptance or rejection of a Plan by an impaired class, a Plan can be approved with the affirmative vote of members of an impaired class who own less than two-thirds in amount and one-half in number of the claims. Besides acceptance of the Plan by each class of impaired creditors or interests, a bankruptcy court also must find that a Plan meets a number of statutory tests before it may confirm the Plan. These requirements and statutory tests generally are designed to protect the interests of holders of impaired claims or interests who do not vote to accept a Plan but who will nonetheless be bound by the Plan's provisions if a bankruptcy court confirms a Plan. If one or more classes vote to reject a Plan, a debtor may still request that the bankruptcy court confirm a Plan under section 1129(b). To confirm a Plan not accepted by all classes, a debtor must demonstrate that the Plan does not discriminate unfairly, and is fair and equitable with respect to each class of claims or interests that is impaired under, and that has not accepted, the Plan. This method of confirming a Plan is commonly called a "cramdown." In addition to the statutory requirements imposed by the Bankruptcy Code, the Plan itself also provides for certain conditions that must be satisfied as conditions to confirmation.

9. Is there a Creditors' Committee?

In this case no Creditors' Committee was formed.

10. Deadlines for Voting and Objecting; Date of Confirmation Hearing

The court has not yet confirmed the Plan set forth in this document. This section describes the procedures pursuant by which the Plan will or will not be confirmed.

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

The hearing at which the court will determine whether to confirm this Plan will take place on _____, 2017, at _____m. before the Honorable Karen K. Brown, United States Bankruptcy Judge, United States Courthouse, Courtroom 403, 515 Rusk, Houston, Texas 77024.

b. Deadline for Voting to Accept or Reject this Plan

If you are entitled to vote to accept or reject the Plan, vote on the enclosed ballot and return the ballot in the enclosed envelope to:

James P. Brady
Attorney at Law
1100 NASA Parkway, Suite 211C
Houston, Texas 77058

Your ballot must be received by _____, 2017, or it will not be counted.

c. Deadline for Objecting to the Adequacy of Disclosure and Confirmation of the Plan

Objections to the adequacy of information contained in this Disclosure Statement or to the confirmation of the Plan must be filed with the Clerk of the Court and served upon the attorney for the Debtor:

James P. Brady
Attorney at Law
1100 NASA Parkway, Suite 211C
Houston, Texas 77058

all by _____, 2017

d. Identity of the Person to Contact for More Information

If you want additional information about the Plan, you should contact counsel for the Debtor at one of the following:

James P. Brady
Attorney at Law
1100 NASA Parkway, Suite 211C
Houston, Texas 77058
mail@jpatbradylaw.com E-mail

IT IS IMPORTANT THAT ALL IMPAIRED CREDITORS VOTE ON THE PLAN. THE DEBTOR BELIEVES THAT THE PLAN PROVIDES THE BEST POSSIBLE RECOVERY TO CREDITORS. THE DEBTOR THEREFORE BELIEVES THAT ACCEPTANCE OF THE PLAN IS IN THE BEST INTEREST OF CREDITORS AND RECOMMENDS THAT ALL IMPAIRED CREDITORS VOTE TO ACCEPT THE PLAN.

III. Background

The Debtor commenced this case by the filing of its voluntary petition for relief under Chapter 11 of the Bankruptcy Code on January 5, 2016. The filing of a petition imposes an automatic stay that prohibits most collection efforts against the Debtor and its property, although there are certain exceptions set forth in §362(b) of the Bankruptcy Code.

The meeting of creditors pursuant to §341 of the Bankruptcy Code was held on February 8, 2016. The meeting took place as scheduled and was continued to February 18, 2016, and concluded on that date.

When the Debtor filed this bankruptcy, all of its property became property of its bankruptcy estate. Since the Debtor is a corporation, all of its assets are non-exempt and available for the payback of creditors.

1. Description of the Assets and Liquidation Analysis

The Debtor filed schedules of all its assets and liabilities on May 2, 2016. Complete copies are available from the Clerk of the Court or upon request to the undersigned in writing. The primary assets of the Debtor's bankruptcy estate, their estimated values and associated liens are as follows:

Description of Assets	Estimated Fair Market Value	Amount of Debts Secured By Liens Against This Asset	Value Available To Estate	Basis of Valuation
Cash – Business Checking	\$12,649.29 (4/30/2017)	\$0	\$0	Actual Value
Accounts receivable	\$932,630* (4/30/2017)	\$48,169 (First Global Capital lien on receivables)	\$606,209 (based on collectibility of 65%)	Estimated collectible value
Trucks and Trailers	\$77,455	\$22,422 (ad valorem tax claims)	\$15,000	N.A.D.A. and Debtor Estimate
Real Estate 2210 Pech Rd Houston, Texas	\$527,914	\$337,507 (Lien of Chase Bank)	\$190,406	HCAD.
Machinery, Equipment, Tools fixtures and supplies, used in business	\$182,551*	\$	\$35,000	Estimate (Based on age and condition of equipment)
Inventory, Parts and Supplies	\$78,636*	\$	\$22,000	Estimate (based on age, condition, and demand for parts).

Office Equipment	\$9,549.00		\$3,000	Estimate
2015 Mercedes Van	\$30,000.00	\$26,869.91 (Mercedes Finance)	\$3,130	N.A.D.A.
Liquidation Value			\$871,745	

Equipment values originally scheduled listed a number of pieces of equipment that are no longer operable. The values also assumed that the Debtor was a healthy business trying to sell discreet pieces of equipment to a willing buyer. By filing for bankruptcy, the Debtor's machinery and equipment were immediately devalued and the process of a liquidation sale will significantly reduce the amount the Debtor can receive for its assets. The liquidation analysis also assumes that the Debtor's machinery and equipment are to be sold in bulk, further depressing the value of the items owned by the Debtor.

The Debtor has taken the equipment values and deleted all machinery and equipment it no longer owns or which no longer functions. The Debtor believes that a reasonable value for the remaining items including the real estate is \$871,745, although much of the vehicles and equipment may be worth less based on its current condition

In computing a chapter 7 liquidation, the chapter 7 Trustee's fees, expenses and priority claims, and any costs of sale such as commissions, would be deducted from the estimated liquidation value of \$871,745. The resulting number would be the amount available for the payment of all unsecured claims. This would produce the following:

Liquidation Value	\$871,745
Minus Estimated Trustee's Fees and expenses	\$87,000
Minus Estimated priority claims	\$68,000
Equals total available for holders of unsecured claims	\$716,745
Estimated unsecured claims	\$223,036
Estimated percentage recovery in liquidation	100%

Section 1129(a)(7)(A) of the Bankruptcy Code requires that each holder of a claim must either accept the Plan or receive payments or property with a value of at least as much as would be available in a Chapter 7 liquidation of the Debtor's assets.

Because the Plan forecasts to pay holders of unsecured claims 100% of the amount of their claims, this Plan satisfies the liquidation test as to holders of unsecured claims.

As set forth above, each holder of a secured claim is either receiving its collateral or is being paid the value of its claim, with interest. This treatment satisfies the liquidation test under

§1129(a)(7)(A). Holders of priority claims are being paid in full, with interest. This also satisfies the requirements of § 1129(a)(7)

2. History of the Debtor and Events Leading to Bankruptcy

The Debtor operated as a sole proprietorship as P & L Maintenance and Services since 2001, and was organized as P & L Gas Dispensers, LLC in 2003. The Debtor operated profitably for a number of years, paying all its bills and returning a modest return to its owner. In 2015 a bank refused to extend an existing loan and began attempting to foreclose on the assets of Debtor, which necessitated the filing of this case. Debtor installs gas pumps as well as installing and removing underground tanks. Debtor also services and maintains the pumps and related equipment.

3. Events Since Filing For Bankruptcy

The Debtor filed for bankruptcy in January 5, 2016. The Debtor has continued its operations and is obtaining new contracts which will provide the income necessary to fund the payments in the Plan, in addition to the servicing of the existing customer base. Debtor has been able to obtain a substantial new business from Petroleum Equipment Service. Debtor must train some of his personnel to qualify for the new contracts, and that process is starting immediately.

4. Description of Reorganization

The Debtor intends to reorganize its finances by continuing to complete the jobs for which it has outstanding contracts, aggressively collect outstanding accounts receivable and by adding contracts and new customers to continue its operations. Debtor estimates new contracts in the next few years may increase revenues by at least 30%.

The Debtor believes its annual collections will increase during the next year..

IV. Summary of the Plan of Reorganization and Treatment of Claim

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

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

2. Classification and Treatment of Creditors

The following is the classification and treatment of claims and interests under this Plan:

1. CLASS 1 - Allowed Administrative Claims and Expenses. Administrative claims are the claims allowed under Bankruptcy Code 503(b) of the administration of the bankruptcy case.

The court must approve all professional fees allowed in this case. Professionals, including attorneys and accountants, must file and properly serve fee application. The court, in turn, must rule on the fee application. Only the amount of fees allowed by the court will be paid under this Plan.

James Patrick Brady, attorney for the Debtor, received a \$6,300 retainer prior to this case. Estimated total fees will not exceed \$8,500.00.

Claims for U.S. Trustee fees shall be paid in cash and in full on the Effective Date and every quarter thereafter until this case is closed. The Debtor shall also continue to file monthly operating reports or quarterly schedules of disbursements until the case is closed.

Allowed Administrative Claims will be paid in cash on the Effective Date of the Plan, unless an agreement to the contrary is made with the holder of any such allowed claim. These claims are unimpaired.

2. CLASS 2 - Allowed Priority Claim of Texas Comptroller of Public Accounts. The Comptroller is the holder of a priority claim in the amount of \$4,541.41 for franchise taxes until November 15, 2016, and a general unsecured claim in the amount of \$224.30. A failure by the reorganized Debtor to make a payment to the priority tax creditors pursuant to the terms of the Plan shall be an Event of Default. If the reorganized Debtor fails to cure an Event of Default as to such payment within ten (10) days after receipt of written notice of default from the priority creditor, then the priority tax creditor may (a) enforce the entire amount of its claim; (b) exercise any and all rights and remedies the priority tax creditors may have under applicable state law; and/or (c) seek such relief as may be appropriate in Court. The reorganized Debtor shall have the opportunity to cure two (2) times during the life of the Plan. In the event of a 3rd default, the priority tax creditor may proceed with the state law remedies for collection of all amounts due under state law.

3. CLASS 3 - Allowed Secured Tax Claims of City of Houston. The City of Houston is the holder of a claim in the amount of \$9,720.89. City of Houston shall retain its liens on Debtor's property for pre-petition taxes as provided for in §32.05 of the TEXAS PROPERTY TAX CODE and shall receive payment by the Reorganized Debtor in monthly installments with 12% interest over a period not to exceed 15 months of Effective Date. Payments to begin within 30 days of the effective date. Debtor shall remain current and pay when due all post-petition claims. This claim is impaired.

4. CLASS 4 - Allowed Secured Tax Claims of Harris County, et al. Harris County, *et al.* (Harris County) is the holder of a secured claim in the amount of \$737.30. Harris County shall retain its liens on Debtor's property for pre-petition taxes as provided for in §32.05 of the TEXAS PROPERTY TAX CODE and shall receive payment by the Reorganized Debtor in cash in full on the Effective Date. This claim is unimpaired.

5. CLASS 5 - Allowed Secured Tax Claim of Spring Branch Independent School District. The SBISD has a secured claim for ad valorem property taxes in the amount of \$13,073.42. The School District shall retain its liens on Debtor's property for prepetition taxes as provided for in §32.05 of the TEXAS PROPERTY TAX CODE and shall receive payments from the Reorganized Debtor in monthly installments with 12% interest over a period not to exceed 15

months from the effective Date. Payments to begin within 30 days of the effective date. Debtor shall remain current and pay when due all post-petition claims. This claim is impaired.

6. CLASS 6 - Allowed Secured Tax Claim of Spring Branch Management District.

The SBMD has a secured claim for ad valorem property taxes in the amount of \$828.66. The School District shall retain its liens on Debtor's property for prepetition taxes as provided for in §32.05 of the TEXAS PROPERTY TAX CODE and shall receive payments from the Reorganized Debtor in monthly installments with 12% interest over a period not to exceed 15 months from the effective Date. Payments to begin within 30 days of the effective date. Debtor shall remain current and pay when due all post-petition claims. This claim is impaired.

7. CLASS 7 - Allowed Unsecured Priority Claim of the Internal Revenue Service. The Internal Revenue Service ("IRS") is the holder of a priority claim in the amount of \$60,291.09. The IRS shall retain its liens, if any, on Debtor's property for pre-petition taxes and shall receive payment by the Reorganized Debtor in monthly installments for a period of 60 months from the petition date, with interest at 12% in full payment of its claims due as of the Effective Date. This claim is impaired.

8. CLASS 8 – Allowed Secured Claim of JP Morgan Chase Bank, N.A. The Allowed Secured Claim of JP Morgan Chase Bank, N.A., is in the approximate amount of \$337,507 and is secured by the real estate of the Debtor at 2210 Pech Road, Houston, Texas. The Allowed Secured Claim of JP Morgan Chase Bank, N.A. is being paid in monthly installments through the Chapter 13 Trustee in the personal Chapter 13 of Pedro G. Navarro. In the event the personal Chapter 13 of Pedro G. Navarro is dismissed or converted to Chapter 7 prior to the payment of the claim of J.P. Morgan Chase Bank in full, the reorganized Debtor will be responsible for maintaining the future payments to Claimant at the same rate and amount as is provided the Claimant in the confirmed Chapter 13 Plan. JPMorgan Chase has made three loans to the Debtor Loans 6001, 6002 and 6003, as more fully described in Proof of Claim No. 10. The loans will be paid in full by the Debtor in accordance with the loan's terms. The loans are cross collateralized and secured by, among other things, the real estate at 2210 Pech Road, Houston, Texas 77055 and by the Debtor's interest in all inventory, chattel paper, accounts, equipment and general intangibles. To the extent that payments are made to Chase by the Chapter 13 Trustee in the Chapter 13 case for Pedro Navarro, the Debtor will receive credit on the corresponding loans. However, the Debtor and Pedro G. Navarro remain liable and are not discharged of any obligations for each loan. The terms of each loan agreement are reaffirmed and continue to govern the terms of repayment. The JPMorgan Chase Bank claims shall be allowed in the amount filed for, Proof of Claim No. 10, (less post-petition payments) and presented in the Objection to Plan (document No 49). Interest will continue to accrue at the contract rate. In the event the Chapter 13 Trustee does not make monthly payments according to the Chapter 13 Plan, then the Debtor will pay JPMorgan Chase Bank monthly installments of principal and interest on the loans per the loan documents, until fully paid. Except as expressly modified in the Plan, if any, all other terms and conditions of the loan agreements and the security agreements, including without limitation all liens and security interests of JPMorgan Chase Bank thereunder, as well as the Deed of Trust and any guarantee agreements executed relating to the loans. Upon any post

confirmation default JPMorgan Chase Bank can exercise its rights under the respective loan agreements and Deed of Trust. This claim is unimpaired.

9. CLASS 9 –Allowed Secured Claim of Mercedes-Benz Financial. Mercedes-Benz Financial is the holder of a secured purchase money claim in the amount of \$26,869.91 with Debtor for the purchase of a 2014 Mercedes-Benz Van, having an approximate value of \$30,000.00. Claimant shall retain its lien on the collateral securing its claim. The Allowed Claim of Mercedes-Benz Financial shall be paid by the Reorganized Debtor in accordance with its contractual terms. The holder of the Mercedes Claim filed for Relief From the Stay in June 2017, and the Debtor and Claimant reached an agreement and entered an Agreed Order which has been filed and was approved by the Court on June 14, 2017. The Debtor will make payments of \$956.05 on June 21, July 21, August 21, and September 21, 2017. Debtor will revert to the regular contract terms with the payment due in October 2017. This claim is unimpaired.

10. CLASS 10 –Allowed Secured Claim of First Global Capital. First Global Capital is the holder of a secured claim in the amount of \$48,169.00 with Debtor, secured by an interest in the receivables of Debtor. Claimant shall retain its lien on the accounts securing its claim. The Allowed Claim of First Global Capital shall be paid by the Reorganized Debtor in accordance with its contractual terms. This claim is unimpaired.

11. CLASS 11 - Allowed Unsecured Claims – On the ninetieth (90th) day following the Effective Date and every 90 days thereafter, the Reorganized Debtor shall make a contribution of \$7,200 to an escrow account for the benefit of unsecured creditors. On the one-year anniversary of the Effective Date, the contents of the escrow account for that year will be distributed on a pro-rata basis to the allowed unsecured creditors of the Estate. Such contributions and disbursements shall continue until the eighth anniversary of the Effective Date has occurred, or earlier if the unsecured creditors with allowed claims have been paid in full. The Allowed Class 11 Claims of Unsecured Creditors are impaired.

12. CLASS 12 – The Holders of Interests in the Debtor. There is one individual who owns 100% of the equity of the Debtor and that is Pedro G. Navarro. Mr. Navarro will retain his interest in the Debtor. This Class is unimpaired.

ABSOLUTE PRIORITY RULE: The bankruptcy code requires that if the equity holders of the Debtor are to retain their interest, then all classes must either accept the treatment afforded by the Plan or be paid the full amount of their claims as of the Effective Date. This means that if the owners are to retain their interest (as is proposed in this case), then all superior classes of creditors have to accept the Plan for it to be confirmed. In this case the Debtor intends to pay approximately 100% of all unsecured claims and believes that Unsecured Creditors will accept this plan. If not, should the holders of unsecured claims vote to reject this plan, the Holder of Class 13 Claims will likely seek liquidation.

ONLY HOLDERS OF CLAIMS THAT ARE “IMPAIRED” HAVE THE RIGHT TO VOTE TO ACCEPT OR REJECT THE PLAN. If a claim is not marked as impaired, it means it will be paid in accordance with its pre-petition contract that governs the claim. If there is a discrepancy between the payments reflected in the above description and the pre-petition contracts, the pre-petition contract will control.

3. Source of Income

The Debtor’s sole source of income is the operation of Debtor. In the last three years, Debtor’s gross revenues have been the following:

Year	Source	Amount
2017	Gross Revenues from P & L Gas Dispenser, LLC	777,797
2016	Gross Revenues from P & L Gas Dispensers, LLC.	2,541,780
2015	Gross Revenues from P & L Gas Dispensers, LLC.	1,598,142
2014	Gross Revenues from P & L Gas Dispensers, LLC.	2,004,910

4. 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. The Debtor has attached projected income and expenses for 2017 and 2018 as Exhibit A

a. Account Receivable

The Debtor as of April 30, 2017 has \$932,630 in outstanding accounts receivables, and Debtor believes that at least 65% are collectible under the normal contract terms.

5. Prepayment

Any claim may be prepaid at any time, without penalty. Interest as provided in this Plan must be paid through the date of prepayments.

6. Tax Issues

The federal income tax effects on holders of claims will vary depending on how the holder has treated its claim for tax purposes. For example, if the holder has a basis in its debt claim and is paid an amount less than its basis, the holder may be entitled to a federal income tax deduction for its loss. This will depend on the holder’s own tax characteristics and cannot be assured.

Conversely, if the holder has no basis in its debt claim, the holder may recognize income for federal income tax purposes based on payments under the Plan. Because each holder’s federal income tax situation may vary, you are urged to consult your own tax advisors to determine the federal income tax effect of the Plan on you. The Debtor may also have a federal income tax effect from the Plan. To the extent that indebtedness is discharged, the Debtor may have a basis

adjustment in its assets. Moreover, any sale of assets may produce taxable income. The forecasts set forth above incorporate the Debtor's best estimate of the federal income tax effect of the Plan.

7. Executory Contracts and Leases

All executory leases and contracts are accepted as of the Effective Date.

8. Claims Objections

Claims objections must be filed not later than 30 days after the Effective Date. This deadline may be extended by the Court, or on motion by a party in interest. Any such motion to extend the deadline must be filed not later than 30 days after the Effective Date.

9. Discharge, Vesting and Effective Date

Pending completion of the payments under the Plan, the Plan's provisions bind all persons to the extent allowed by § 1141(a) of the Bankruptcy Code.

On the Effective Date, title to all assets and properties dealt with by the Plan shall vest in Reorganized Debtor, free and clear of all Claims and Interests other than any contractual secured claims granted under any lending agreement, on the condition that the Reorganized Debtor complies with the terms of the Plan, including the making of all payments to creditors provided for in such Plan. If Reorganized Debtor defaults in performing under the provisions of this Plan and this case is converted to a case under Chapter 7, all property vested in the Reorganized Debtor and all subsequently acquired property owned as of or after the conversion date shall re-vest and constitute property of the bankruptcy estate in the converted case.

10. Effective Date

This Effective Date of this Plan is the first business day following the 30th day after entry of the order confirming the Plan, unless the confirmation order is stayed. If the confirmation order is stayed, the Effective Date shall be the 30th day following the termination of the stay. No party may act pursuant to this Plan prior to the Effective Date.

V. TAXATION

1. Introduction

The following discussion summarizes certain of the important federal income tax consequences of the transactions described herein and in the Plan. This discussion is for informational purposes only and does not constitute tax advice. This summary is based upon the Internal Revenue Code and the Treasury Regulations promulgated thereunder, including judicial authority and current administrative rulings and practice. Neither the impact on foreign holders of claims and equity interests nor the tax consequences of these transactions under state and local law is discussed. Also, special tax considerations not discussed herein may be applicable to certain classes of taxpayers, such as financial institutions, broker-dealers, life insurance companies and tax-exempt organizations. Furthermore, due to the complexity of the transactions contemplated in the Plan, and the unsettled status of many of the tax issues involved, the tax consequences described below are subject to significant uncertainties. No opinion of counsel has been obtained and no ruling has been requested from the Internal Revenue Service ("IRS") on

these or any other tax issues. There can be no assurance that the IRS will not challenge any or all of the tax consequences of the Plan, or that such a challenge, if asserted, would not be sustained. **HOLDERS OF CLAIMS AGAINST AND EQUITY INTERESTS IN THE DEBTOR ARE THEREFORE URGED TO CONSULT WITH THEIR TAX ADVISORS REGARDING THE FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF THE TRANSACTIONS DESCRIBED HEREIN AND IN THE PLAN.**

2. Tax Consequences to the Debtor

Generally, under the terms of the Plan, the assets are to be retained by the Debtor and transferred to the Reorganized Debtor, who will use them to generate income that will be used to pay back creditors. Income and losses will be reflected on the tax returns of the individual members and will not be taxed to the Reorganized Debtor.

3. Tax Consequences to Creditors

In General. The federal income tax consequences of the implementation of the Plan to a holder of a Claim will depend, among other things, on: (a) whether its Claim constitutes a debt or security for federal income tax purposes, (b) whether the Claimant receives consideration in more than one tax year, (c) whether the Claimant is a resident of the United States, (d) whether all the consideration by the Claimant is deemed to be received by that Claimant as part of an integrated transaction, (e) whether the Claimant reports income using the accrual or cash method of accounting, and (f) whether the holder has previously taken a bad debt deduction or worthless security deduction with respect to the Claim.

4. Gain or Loss on Exchange.

Generally, a holder of an Allowed Claim will realize a gain or loss on the exchange under the Plan of his Allowed Claim for cash and other property in an amount equal to the difference between (i) the sum of the amount of any cash and the fair market value on the date of the exchange of any other property received by the holder (other than any consideration attributable to accrued but unpaid interest on the Allowed Claim), and (ii) the adjusted basis of the Allowed Claim exchanged therefore (other than basis attributable to accrued but unpaid interest previously included in the holder's taxable income). Any gain recognized generally will be a capital gain (except to the extent the gain is attributable to accrued but unpaid interest or accrued market discount, as described below) if the Claim was a capital asset in the hand of an exchanging holder, and such gain would be a long-term capital gain if the holder's holding period for the Claim surrendered exceeded one (1) year at the time of the exchange.

Any loss recognized by a holder of an Allowed Claim will be a capital loss if the claim constitutes a "security" for federal income tax purposes or is otherwise held as a capital asset. For this purpose, a "security" is a debt instrument with interest coupons or in registered form.

5. Importance of Obtaining Professional Assistance

THE FOREGOING IS INTENDED TO BE A SUMMARY ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING WITH A TAX PROFESSIONAL. THE FEDERAL, STATE, AND FOREIGN TAX CONSEQUENCES OF THE PLAN IS

COMPLEX AND, IN MANY AREAS, UNCERTAIN. ACCORDINGLY, EACH HOLDER OF A CLAIM OR EQUITY INTEREST IS STRONGLY URGED TO CONSULT WITH HIS OWN TAX ADVISOR REGARDING SUCH TAX CONSEQUENCES.

VI. Chapter 5 Causes of Action

1. Preferences

Under the Bankruptcy Code, a Debtor may recover certain preferential transfers of property, including cash, made while insolvent during the 90 days immediately prior to the filing of its bankruptcy petition with respect to pre-existing debts, to the extent the transferee received more than it would have in respect of the pre-existing debt had the Debtor been liquidated under Chapter 7 of the Bankruptcy Code. In the case of “insiders,” the Bankruptcy Code provides for a one-year preference period. There are certain defenses to such recoveries. Transfers made in the ordinary course of the Debtor's and transferee's business according to the ordinary business terms in respect of debts less than 90 days before the filing of a bankruptcy are not recoverable. Additionally, if the transferee extended credit subsequent to the transfer (and prior to the commencement of the bankruptcy case), such extension of credit may constitute a defense to recovery, to the extent of any new value, against an otherwise recoverable transfer of property. If a transfer is recovered by the Debtor, the transferee has an Unsecured Claim against the Debtor to the extent of the recovery. In this case Debtor made no payments outside the ordinary course of business during the preference periods.

2. Fraudulent Transfers

Under the Bankruptcy Code and various state laws, the Debtor may recover certain transfers of property, including the granting of a security interest in property, made while insolvent or which rendered the Debtor insolvent. The Debtor does not believe that any fraudulent conveyances occurred.

3. Preservation of Claims

All claims and causes of action, including but not limited to claims recoverable under section 550 of the Bankruptcy Code and claims for the collection of amounts due from any third party, are hereby preserved and retained for enforcement by the Reorganized Debtor after the Effective Date.

VII. Miscellaneous Provisions

1. Compliance with Law

The Plan mandates compliance by the Debtor and any other person charged with carrying out any provisions of the Plan with all withholding and reporting requirements imposed by federal, state and local taxing authorities, and all distributions under the Plan will be subject to such withholding and reporting requirements. In addition, the Plan requires that the Debtor, if notified by any governmental authority that it is in violation of any applicable law, rule, regulation, or order of such governmental authority relating to its business, comply with such law, rule, regulation or order, unless the legality or applicability of such requirement is being contested in good faith in an appropriate proceeding and, if appropriate, an adequate reserve has been set aside. Finally, all fees payable pursuant to section 1930 of Title 28 of the United States Code will be paid on or before the Effective Date.

2. Modification, Revocation and Severability Rights

The Debtor may modify the Plan at any time before confirmation, provided that the requirements of sections 1122, 1123 and 1125 are satisfied with respect to the modification. After confirmation and before substantial consummation of the Plan, the Debtor may make modifications to the Plan to the extent permitted by sections 1122 and 1123 of the Bankruptcy Code and the Bankruptcy Court, after notice and a hearing, may confirm the Plan under section 1129 of the Bankruptcy Code, as modified.

The Debtor may revoke and/or withdraw the Plan at any time before entry of the Confirmation Order. If the Debtor revokes and/or withdraws the Plan, or if confirmation of the Plan does not occur, then the Plan will be deemed null and void and nothing contained therein will be deemed (a) to constitute a waiver or release of any Claims by the Debtor or any other Person, (b) to prejudice in any manner the rights of the Debtor or any other Person, or (c) to constitute any omission by the Debtor or any other Person.

3. Other Considerations

The Plan affords holders of Claims the potential for the greatest realization on the Debtor's assets and, therefore, is in the best interests of such holders. The Plan also provides for the Debtor's business to continue and therefore is in the public interest in that the employees will not lose their jobs and the economy will not suffer the loss of a business. If the Plan is not confirmed it is very likely that this case will convert to a case under Chapter 7.

At this date, the Debtor does not believe that the case should be converted to Chapter 7. If a conversion of the case were to occur, then a trustee would be elected or appointed to liquidate the Debtor's assets. The proceeds of the liquidation would be distributed to the respective holders of Claims against and Equity Interests in the Debtor according to the priorities established by the Bankruptcy Code.

Under Chapter 7, with the added expenses incurred by the Trustee, the claimants in this case would receive less than they will in the orderly payback plan as set forth in the Plan. The Debtor can continue its operations and generate income to repay its creditors as proposed.

4. Default and Cure of the Default

A failure by the Reorganized Debtor to make a payment to a creditor pursuant to the terms of this Plan shall be an event of default to that creditor under the Plan. In the event of default, the creditor shall send a written notice of the default to the Reorganized Debtor. If the default is not cured within 10 days after notice of default is received, the creditor may exercise any and all rights and remedies under applicable non-bankruptcy law to collect such claim or seek such relief as may be appropriate in the United States Bankruptcy Court.

5. Risk Factors

Both failure to achieve confirmation of the Plan, and consummation of the Plan, are subject to a number of risks. In addition, there are certain risks inherent in the reorganization process under the Bankruptcy Code. If certain standards set forth in the Bankruptcy Code are not met, the Bankruptcy Court will not confirm the Plan even if Creditors accept the Plan. Although

the Debtor believes that the Plan meets such standards, there can be no assurance that the Bankruptcy Court will reach the same conclusion. If the Bankruptcy Court were to determine that such requirements were not met, it could require the Debtor to resolicit acceptances, which could delay and/or jeopardize confirmation of the Plan. In this case, the same is true if the Bankruptcy Court determines that the contents of this Disclosure Statement are not sufficient or do not meet the standards of 11 U.S.C. § 1125.

The Debtor has enjoyed increased business opportunities since filing of the case, and Mr Navarro believes that current business contracts and future prospects make funding of the Plan as proposed feasible. There is always a risk in any commercial enterprise, and Debtor's business relies on new construction of gas stations and convenience stores with gas pumps for new installations. Part of Debtor's income is derived from repairs and maintenance on pumps previously installed. If new installations decline, then there is often an increase in maintaining and/or replacing existing installations. While Debtor is confident that the business can weather the variable in the market as to new construction and the business from maintaining installations, any business can be subject to unexpected long term economic down turns which could adversely affect Debtor's ability to maintain a profitable operation.

6. Future Management of the Reorganized Debtor

The management of the Debtor in the future shall remain unchanged from prior to filing of the Chapter 11, with Pedro Navarro having the day to day management and control of the Debtor's operations. Debtor's manager Pedro G. Navarro receives a salary of \$7,215.00 per month and the other full time employee receives \$500.00 per month. Most labor expenses of Debtor consist of contract labor on an as needed basis.

VIII. Conclusion

The Debtor has filed this Plan and disclosure statement. It represents that it believes the information contained in this document to be true and correct in all respects.

Dated: June 16, 2017

P & L GAS DISPENSERS, LLC

/s/ Pedro G. Navarro

By: Pedro G. Navarro
Manager

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