

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

In re:	§	Chapter 11
	§	
PAUL MARTIN, et al.,	§	Case No. 17-33689
	§	
Debtors.¹	§	Jointly Administered

**DISCLOSURE STATEMENT TO JOINT PLAN OF REORGANIZATION OF
PAUL MARTIN, SHAMROCK ROOFING & REMODELING LLC OF SPRING,
TEXAS, AND SPRING SHAMROCK HOLDINGS CO., INC. PURSUANT TO
SECTION 1125 OF THE BANKRUPTCY CODE DATED DECEMBER 12, 2017**

I. INTRODUCTION

This is the disclosure statement (the "Disclosure Statement") in the individual chapter 11 case of Paul Martin, and the small business chapter 11 cases of Shamrock Roofing & Remodeling LLC of Texas ("Shamrock Roofing") and Shamrock Roofing and Remodeling LLC of Spring Texas (collectively, the "Debtors"). This Disclosure Statement contains information about the Debtors and describes the Joint Plan of Reorganization filed by the Debtors on December 12, 2017. A full copy of the Plan is attached to this Disclosure Statement as Exhibit A. *Your rights may be affected. You should read the Plan and this Disclosure Statement carefully and discuss them with your attorney. If you do not have an attorney, you may wish to consult one.*

A. Purpose of This Document

This Disclosure Statement describes:

- a. The Debtor and significant events during the bankruptcy case;
- b. 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),
- c. Who can vote on or object to the Plan,
- d. What factors the Bankruptcy Court (the "Court") will consider when deciding whether to confirm the Plan,
- e. Why the Debtors believe 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
- f. The effect of confirmation of the Plan.

¹ The Debtors in these cases, along with the last four digits of their respective taxpayer numbers, are Paul Martin (7200), Shamrock Roofing and Remodeling LLC of Spring Texas (5368), and Spring Shamrock Holdings Co., Inc. (7697).

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

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

The Court has not yet confirmed the Plan described in this Disclosure Statement. This section describes the procedures pursuant to which the Plan will or will not be confirmed.

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

The hearing at which the Court will determine whether to finally approve this Disclosure Statement and confirm the Plan will take place on [insert date], at [insert time], in Courtroom 403, at the Federal Courthouse, 515 Rusk, 4th Floor, Houston, Texas 77002.

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

If you are entitled to vote to accept or reject the plan, vote on the enclosed ballot and return the ballot in the enclosed envelope to Karen M. Haley, Leyh, Payne & Mallia, PLLC, 9545 Katy Freeway, Suite 200, Houston, Texas 77024. Your ballot must be received by [insert date] or it will not be counted.

3. *Deadline For Objecting to the Adequacy of Disclosure and Confirmation of the Plan*

Objections to [this Disclosure Statement or to] the confirmation of the Plan must be filed with the Court and served upon [insert entities] by [insert date].

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

If you want additional information about the Plan, you should contact the Debtors' attorney, Steven A. Leyh, Leyh, Payne & Mallia, PLLC, 9545 Katy Freeway, Suite 200, Houston, Texas 77024.

C. Disclaimer

The Court has [conditionally] approved this Disclosure Statement as containing adequate information to enable parties affected by the Plan to make an informed judgment about its terms. The Court has not yet determined whether the Plan meets the legal requirements for confirmation, and the fact that the Court has approved this Disclosure Statement does not constitute an endorsement of the Plan by the Court, or a recommendation that it be accepted. [The Court's approval of this Disclosure Statement is subject to final approval at the hearing on confirmation of the Plan. Objections to the adequacy of this Disclosure Statement may be filed until __.]

II. EXPLANATION OF CHAPTER 11 CASE

Chapter 11 is the principal reorganization chapter of the Bankruptcy Code. Pursuant to Chapter 11, a debtor is authorized to reorganize its business for its own benefit and that of its creditors and interest holders. Formulation of a plan of reorganization is the principal purpose of a

Chapter 11 reorganization case. A plan of reorganization sets forth the means for satisfying claims against, and interests in, the debtor. After a plan of reorganization has been filed, it may be accepted by holders of claims against, or interests in, the debtor. Section 1125 of the Bankruptcy Code requires full disclosure before solicitation of acceptances of a plan of reorganization. This Disclosure Statement is presented to claimants and interest holders to satisfy the disclosure requirements of §1125 of the Bankruptcy Code.

III. CONFIRMATION PROCEDURES

The Plan cannot be consummated unless it is confirmed by the Court. Confirmation of a Chapter 11 plan does not require that each holder of a claim against, or interest in, the debtor vote in favor of a plan of reorganization. A plan of reorganization, however, must be accepted by at least (i) the holders of one class of impaired claims by a majority in number and two-thirds in amount of those claims of such class that actually voting, and (ii) the holders of one class of interests by two-thirds in amount of the allowed interests of such class actually voting.

Even if all classes of claims and interests accept a plan of reorganization, the Bankruptcy Court must find that the plan meets the legal requirements of the Bankruptcy Code. Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation and, among other things, requires that a plan of reorganization be in the best interests of claimants and interest holders. The "best interests" test generally requires that the value to be distributed to claimants and interest holders may not be less than such parties would receive if the debtor were liquidated under Chapter 7 of the Bankruptcy Code.

The Bankruptcy Court may confirm a plan of reorganization even though less than all of the classes of claims and interests accept it. Confirmation of a plan of reorganization over the objection of one or more classes of claims or interests is generally referred to as a "cram-down."

Pursuant to § 1129(b), a plan of reorganization may be confirmed by the Court over the objection of one or more classes of claims or interests if the plan does not discriminate unfairly and it is "fair and equitable" with respect to the non-accepting class. Confirmation of a plan of reorganization discharges the Debtor from all of its pre-confirmation debts and liabilities except as provided in the plan, the order of the Bankruptcy Court confirming the Plan, or § 1141(d) of the Bankruptcy Code. Confirmation makes the plan binding upon the Debtor, all claimants (including holders of claims or rights) and interest holders and other parties in interest, regardless of whether or not it has been accepted by them.

IV. PROCEDURE FOR FILING PROOFS OF CLAIMS AND PROOFS OF INTEREST

On or about July 26, the Bankruptcy Clerk sent all creditors of the Debtors notice of the entry of the order for relief under Chapter 11 of the Bankruptcy Code, the day and time of the first meeting of creditors, and the deadline for filing proofs of claims (November 8, 2017) for all creditors, including governmental units. A creditor need not file a proof of claim if its claim is correctly set forth in the Debtors' schedules and not listed as contingent, unliquidated or disputed. In all other cases, a proof of claim must have been filed on or prior to November 8,

2017. The Schedules are on file at the Bankruptcy Court and are open for inspection during regular court hours or through PACER access.

V. VOTING

A. Procedures

- (a) Unimpaired Classes. The Debtor is not soliciting acceptances of the Plan by claimants in Classes 1-2 since the claims of such claimants are not impaired under the Plan. Such classes are deemed to have accepted the Plan.
- (b) Impaired Classes. The Debtor is seeking the acceptances of the Plan by claimants in Classes 3-8. Each holder of a claim may vote on the Plan by completing, dating and signing the corresponding class ballot sent to him, her or it and filing the ballot as set forth below. If you are a holder of a disputed, contingent or unliquidated claim, you may petition the Bankruptcy Court to allow your claim for voting purposes only by making timely application to the Bankruptcy Court pursuant to Rule 3018 of the Bankruptcy Rules. You should seek the advice of your own counsel as to how to accomplish this. Each holder of a claim in Classes 5-8, may vote on the Plan by completing, dating, signing and filing the Ballot as set forth below. Allowance of a claim for voting purposes does not necessarily mean that all or a portion of the claim will be allowed or disallowed for distribution purposes.

Ballots are enclosed with the Disclosure Statement sent to each claimant or interest holder eligible to vote on the Plan. For all Classes, Ballots must be filed by mail with: Karen M. Haley, Leyh, Payne & Mallia, PLLC, 9545 Katy Freeway, Suite 200, Houston, Texas 77024.

In order to be counted, Ballots must be RECEIVED at the foregoing address no later than 5:00 p.m., Central Daylight time, on _____, 2017.

B. Acceptance

In order for there to be an acceptance of the Plan by the class(es) of claimants who will be voting on the Plan, the Plan must be accepted by:

- (a) Of those claimants in Class(es) 3-8, claimants who (i) hold at least two-thirds in dollar amount of the claims as to which votes are cast, and (ii) constitute more than one-half in number of holders of such claims voting; and
- (b) Ballots that are signed and returned, but not expressly voted either for acceptance or rejection, will be counted as acceptances.

C. Objections to Confirmation

The Court has set _____, 2017, as the last day for filing objections to the Plan.

D. Confirmation Hearing

The Court has set a hearing on acceptance and confirmation of the Plan for ____: __.

m. on _____, 2017 at 515 Rusk, Courtroom 403, Houston, Texas 77002.

VI. REPRESENTATIONS

PLEASE READ THIS DISCLOSURE STATEMENT AND THE PLAN IN THEIR ENTIRETY. FOR THE CONVENIENCE OF CREDITORS, THIS DISCLOSURE STATEMENT SUMMARIZES CERTAIN PROVISIONS OF THE PLAN. THIS SUMMARY DOES NOT PURPORT TO BE COMPLETE AND CREDITORS AND INTEREST HOLDERS ARE URGED TO READ THE PLAN IN ITS ENTIRETY. THE PLAN SHOULD BE READ CAREFULLY IN CONJUNCTION WITH THIS DISCLOSURE STATEMENT IN ORDER FOR CREDITORS TO FORMULATE AN OPINION AS TO THE IMPLICATIONS AND EFFECT OF THE PLAN ON EACH CREDITOR'S RIGHTS AND IN ORDER TO FORMULATE AN OPINION AS TO WHETHER TO ACCEPT THE PLAN. TO THE EXTENT THERE IS INCONSISTENCY BETWEEN THE PLAN AND THIS DISCLOSURE STATEMENT, THE PLAN CONTROLS.

UNLESS EXPRESSLY STATED, NONE OF THE DATA INCLUDED HEREIN OR APPENDED HERETO OR TO THE PLAN, IF ANY, HAS BEEN SUBJECT TO AUDIT. ALL INFORMATION HEREIN HAS BEEN SUPPLIED BY THE DEBTORS OR OBTAINED FROM PUBLIC RECORDS. DEBTORS ARE UNABLE TO WARRANT OR REPRESENT THAT THE INFORMATION CONTAINED HEREIN IS WITHOUT INACCURACY.

THE MATERIALS PROVIDED IN THE DISCLOSURE STATEMENT ARE INTENDED TO ASSIST YOU IN VOTING ON THE PLAN IN AN INFORMED FASHION. IF THE PLAN IS CONFIRMED, YOU WILL BE BOUND BY ITS TERMS.

THIS IS A SOLICITATION BY THE DEBTORS ONLY AND IS NOT A SOLICITATION BY THE ATTORNEYS OR OTHER PROFESSIONALS FOR THE DEBTORS, AND THE REPRESENTATIONS MADE HEREIN ARE THOSE OF THE DEBTORS AND NOT OF SUCH ATTORNEYS OR PROFESSIONALS EXCEPT AS MAY BE OTHERWISE INDICATED.

THE DEBTOR OR OTHERS MAY SOLICIT YOUR VOTE. THE COST OF ANY SOLICITATION BY THE DEBTOR WILL BE BORNE BY THE DEBTOR. NO OTHER ADDITIONAL COMPENSATION SHALL BE RECEIVED BY ANY PARTY FOR ANY SOLICITATION OTHER THAN AS DISCLOSED TO AND APPROVED BY THE BANKRUPTCY COURT AFTER NOTICE AFTER HEARING.

NO REPRESENTATIONS OR ASSURANCES CONCERNING THE DEBTOR OR THE PLAN ARE AUTHORIZED BY THE DEBTOR OTHER THAN AS SET FORTH IN THE DISCLOSURE STATEMENT. ANY REPRESENTATIONS OR INDUCEMENTS MADE BY ANY PERSON TO SECURE YOUR VOTE WHICH ARE OTHER THAN HEREIN CONTAINED SHOULD NOT BE RELIED UPON BY YOU IN ARRIVING AT YOUR DECISION, AND SUCH ADDITIONAL REPRESENTATIONS OR INDUCEMENTS SHOULD BE REPORTED TO COUNSEL FOR THE DEBTOR.

VII. BACKGROUND

1. On June 13, 2017, Paul Martin (“Martin”) and Shamrock Roofing & Remodeling LLC of Texas (“Shamrock Roofing”) filed for protection under Chapter 11 of the United States Bankruptcy Code.

2. On June 15, 2017, Spring Shamrock Holdings Co., Inc. (“Spring Shamrock Holdings”) filed for protection under Chapter 11 of the United States Bankruptcy Code.

3. On June 20, 2017, the Debtors filed a Motion for Joint Administration, seeking an order directing the joint administration of the Debtors’ separate chapter 11 cases for procedural purposes only [Docket No. 5]. An Order Directing the Joint Administration of Chapter 11 Cases was entered on June 26, 2017 [Docket No. 6].

4. The first meeting of creditors pursuant to §341 of the Code in the Chapter 11 proceeding was held and concluded on April 6, 2017 at 1:00 p.m. at the United States Trustee's office in Houston, Texas.

5. Paul Martin (“Martin”) is an individual and resident of Texas. Shamrock Roofing & Remodeling LLC of Spring Texas is a Texas limited liability company. Spring Shamrock Holdings Co., Inc. is a Texas corporation.

6. Shamrock Roofing is a roofing contractor, and Spring Shamrock Holdings is its landlord. Paul Martin is the sole member of Shamrock Roofing and sole shareholder of Spring Shamrock. Shamrock Roofing is in the roofing repairs and roof replacement business. It is fully insured and permitted to provide the services that it does. Shamrock Roofing has been in the roofing business for four (4) years and serves residential and commercial businesses in Harris County, Texas and the surrounding counties. It operates on a fiscal year of January through December. The Debtor has a solid, profitable core business.

7. After severe weather hit Houston and the surrounding area a few years ago, Shamrock Roofing’s business grew substantially, and rapidly. This rapid growth initiated several problems that severely impacted the Shamrock Roofing’s cash flow, including unexpected high costs of operation and advertising. By late 2016, Shamrock Roofing was in trouble. There were liquidity issues and at times Shamrock Roofing was unable to make payroll or pay its bills. Mr. Martin, in an effort to save his business, fell victim to a succession of predatory lenders that used fraudulent, illegal, deceptive, and/or unethical means to defraud and deceive him into entering a series of fraudulent, illegal and usurious loans. The Debtors have

brought adversary proceedings against these loan sharks, seeking declaratory judgments that their claims are void.

VIII. MAJOR EVENTS IN THE REORGANIZATION CASE

A. First Day Pleadings

1. On June 13, 2017, the Debtors filed “first day” pleadings as follows:
 - (a) Emergency Motion for Authority to Use Cash Collateral and for Final Hearing (“Emergency Cash Collateral Motion”); and
 - (b) Motion to Pay Prepetition Debt.

2. On June 15, 2017, the Debtor filed an Amended Emergency Motion for Authority to Use Cash Collateral and for Final Hearing [Docket No. 4 in Case No. 17-33690]. A hearing was held before Judge Isgur on June 16, 2017. An interim order authorizing use of cash collateral was entered on June 16, 2017 [Docket No. 6 in Case No. 17-33690]. Judge Isgur set a final cash collateral hearing for June 28, 2017, at 11:00 a.m.

3. On June 20, 2017, the Debtors filed a Motion for Joint Administration, seeking an order directing the joint administration of the Debtors’ separate chapter 11 cases for procedural purposes only [Docket No. 5]. An Order Directing the Joint Administration of Chapter 11 Cases was entered on June 26, 2017 [Docket No. 6].

4. On July 10, 2017, after notice and a hearing, this Court entered a Final Order Authorizing Use of Cash Collateral [Docket No. 29].

B. Application to Employ Counsel

On July 10, 2017, the Debtors filed an Application to Employ Leyh, Payne & Mallia, PLLC as their bankruptcy attorneys in this case [Docket No. 30]. An Order approving the Application was entered on August 8, 2017 [Docket No. 39].

C. Loan Shark Adversaries

1. As set forth above, in order to save his business, Debtor Paul Martin fell victim to a succession of predatory lenders (“Loan Sharks”) that used fraudulent, illegal, deceptive, and/or unethical means to defraud and deceive him into entering a series of fraudulent, illegal and usurious loans. The Debtors have filed adversaries against the Loan Sharks (“Loan Shark Adversaries”), as follows:

Adv. No.	Defendant	Claim Amount
17-03420	Forward Financing, LLC	\$45,736.25
17-03421	Richmond Capital Group, LLC	\$42,570.00
17-03422	Fox Capital Group, Inc.	\$90,484.04

17-03428	Martin et al v. On Deck Capital, Inc.	\$122,872.90
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2. In their Complaints against the Loan Sharks, the Debtors sought a declaration that (i) each Defendant had never had any valid or enforceable interest in or lien against any of the Debtors' personal property; (ii) the Debtors and the Defendant entered into a loan transaction and the Defendant does not own, and has not acquired, any alleged "proceeds" and/or any other personal property from the Debtors; and (iii) the loan made by Defendant is void *ab initio* as usurious and therefore the Defendant is precluded from recovering any remaining installments due under the loan and must repay all payments made to date, and that all documents and collateral be cancelled and surrendered.

3. A Scheduling Conference is scheduled for December 21, 2017, in each of the Loan Shark Adversaries.

IX. DESCRIPTION OF THE PLAN AND INFORMATION REGARDING CLAIMS

A. Classification of Claims

The Plan contemplates that the Debtors will use of all post-petition and post-Confirmation income/revenue, proceeds from the collection of the Debtor's accounts receivables, proceeds from the sale of assets, and proceeds from recovery of Voidable Transfers (as defined in the Plan to pay holders of Allowed Claims (as defined in the Plan), in the following classes:

Class 1	Administrative Claims, Professional Fee Claims, and U.S. Trustee Quarterly Fees
Class 2	Allowed Claims of the Texas Comptroller and the Texas Workforce Commission
Class 3	Allowed Unsecured Claims of the Internal Revenue Service
Class 4	Allowed Tax Claims (<i>Ad Valorem</i>)
Class 5	Allowed Secured Claim of Envoy Mortgage
Class 6	Allowed Secured Claim of Madelyn Satter
Class 7	Allowed Claims Secured by Liens on Vehicles
Class 8	Allowed General Unsecured Claims

The Plan further provides that the Debtors will retain all Estate (as defined in the Plan) property, including all property of the Debtors as defined in 11 U.S.C. §541, to the extent same are assets of the Debtors' bankruptcy estates, as well as all Avoidance Actions.

PLEASE REFER TO THE FULL TEXT OF THE PLAN, A COPY OF WHICH IS ATTACHED HERETO AS EXHIBIT "A" OR ON FILE WITH THE BANKRUPTCY COURT, IN CONNECTION WITH THE FOLLOWING PARAGRAPHS AND DEFINED TERMS. THIS SUMMARY OF THE PLAN IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE PLAN ITSELF. IF ANY INCONSISTENCY EXISTS BETWEEN THIS SUMMARY AND THE PLAN, THE TERMS OF THE PLAN CONTROL. Claims

and Interests in the following classes will receive the following treatment unless the holder of an Allowed Claim consents to a different treatment.

B. Treatment of Claims

Class 1 - Administrative Claims, Professional Fee Claims & U.S. Trustee Quarterly Fees

Class 1 consists of all Claims entitled to administrative priority under 11 U.S.C. §§ 330(a)(1) and 503(b)(2) incurred by the Debtor during the Bankruptcy Case and U.S. Trustee Quarterly Fees Assessed Pursuant to 28 U.S.C. § 1930(a)(6).

Claims of the United States Trustee. The Reorganized Debtors (or other responsible party) shall be responsible for timely payment of United States Trustee quarterly fees incurred pursuant to 28 U.S.C. § 1930(a)(6). Any fees due as of the date of confirmation of the plan will be paid in full on the Effective Date of the plan. After confirmation, the Reorganized Debtors shall pay United States Trustee quarterly fees as they accrue until this case is administratively closed by the Court.

All other Administrative Claims. With respect to all requests for payment of professional fees pursuant to 11 U.S.C. §§ 327, 328, 330, 331, 503(b), 506(c), or 1103 for services rendered and expenses incurred prior to the Effective Date, such professionals shall file and serve an application for final allowance of compensation and reimbursement of expenses no later than 30 days after the entry of the Confirmation Order. Once allowed by final order of the Court, professional fees will be paid.

Class 2 - Allowed Claims of the Texas Comptroller and the Texas Workforce Commission

The Texas Workforce Commission (“TWC”), Special Actions Unit, has filed a Proof of Claim asserting a Priority Claim in the amount of \$204.81 for unpaid unemployment taxes for the first and second quarters of 2017 against Debtor Shamrock Roofing. The Debtor, Shamrock Roofing, will pay the TWC’s Priority Claim in full on the Effective Date.

The Texas Comptroller of Public Accounts (“Comptroller”) has filed a Proof of Claim in the total amount of \$5123.85, asserting a Priority Claim in the amount of \$4,903.21, and an unsecured Claim for \$220.64 for unpaid Franchise Taxes and penalties, against Debtor Shamrock Roofing. The Debtor, Shamrock Roofing, will pay the Comptroller’s Priority Claim in full on the Effective Date. The Unsecured Claim of the Comptroller will be paid as a General Unsecured Claim.

The Comptroller has filed a Proof of Claim in the total amount of \$1,100.00 asserting a Priority Claim in the amount of \$1,000.00, and an unsecured Claim for \$100.00 for unpaid Franchise Taxes and penalties, against Debtor Spring Shamrock. The Debtor, Shamrock Roofing, will pay the Comptroller’s Priority Claim in full on the Effective Date. The Unsecured Claim of the Comptroller will be paid as a General Unsecured Claim.

The Class 3 claims are unimpaired under the Plan.

Class 3 – Allowed Unsecured Claims of the Internal Revenue Service.

The IRS has filed a Proof of Claim asserting an unsecured Priority Claim in the amount of \$82,362.12 for 2015 and 2016 taxes against Debtor Paul Martin. The Debtor, Paul Martin, shall pay the IRS's Unsecured Priority Claim in sixty (60) equal monthly payments commencing on the Effective Date with interest at the rate of 3% per annum.

In addition, the IRS is asserting an Unsecured Claim in the amount of \$4,791.48 for penalties against Debtor Paul Martin. In the event the IRS Unsecured Claim is allowed as filed, the IRS shall be paid pursuant to the terms set forth for unsecured creditors in Class 8.

The IRS has filed a Proof of Claim asserting an unsecured Priority Claim in the amount of \$19.70 for 2014 and 2017 taxes against Shamrock Roofing. The Debtor, Shamrock Roofing, shall pay the IRS's Unsecured Priority Claim in full on the Effective Date.

In addition, the IRS is asserting an Unsecured Claim in the amount of \$1,549.12 for penalties against Debtor Shamrock Roofing. In the event the IRS Unsecured Claim is allowed as filed, the IRS shall be paid pursuant to the terms set forth for unsecured creditors in Class 8.

The Class 2 claim is impaired under the Plan.

Class 4 - Allowed Tax Claims (*Ad Valorem*)

Class 4 consists of Allowed *Ad Valorem* Tax Claims, all of which are priority claims described in 11 U.S.C. § 508(a)(8). Additionally, the *Ad Valorem* Tax claims are secured by a self-executing tax lien pursuant to the Tex. Tax Code § 32.01. A summary of the claims in Class 1 is as follows:

Claimant	Debtor	Secured Amount
Harris County <i>et al.</i>	Paul Martin	\$1,655.50
Northwest Harris County M.U.D. #36	Paul Martin	\$1,747.01
Klein ISD	Paul Martin	\$3,063.42
Harris County <i>et al.</i>	Shamrock Roofing	\$3,338.69
Klein ISD	Shamrock Roofing	\$366.69
Harris County <i>et al.</i>	Spring Shamrock	\$3236.12
Limestone County	Spring Shamrock	\$508.94
Klein ISD	Spring Shamrock	\$5411.16

The Debtors acknowledge and agree that they owe the Ad Valorem Tax Claims in the total, collective amount of \$19,327.53. The Debtors shall pay the Allowed Tax Claims in sixty (60) equal monthly payments commencing on the Effective Date with interest at the rate of 12% per annum. So long as the Allowed Tax Claims are paid pursuant to the Plan, no holder of an Allowed Tax Claim shall proceed against any other party or entity liable or responsible for said tax obligations.

Class 5 - Allowed Secured Claim of Envoy Mortgage

Envoy Mortgage, LLC (“Envoy”) has filed a Proof of Claim asserting a Secured Claim in the amount of \$89,354.61 against Debtor Paul Martin. Envoy’s claim is secured by the designated homestead property of Debtor Paul Martin. The Envoy Note shall be payable pursuant to its original terms. The Property shall continue to secure the Envoy Note.

Class 6 – Allowed Secured Claim of M. Satter

Class 6 consists of the secured claim of Marilyn Satter. The claim is secured by real property and improvements located at 22003 Mossy Oaks Road, Spring, Texas 77389. The Satter Note shall be payable pursuant to its original terms. The property shall continue to secure the Satter Note.

Class 7 – Allowed Claims Secured by Liens on Vehicles

Claimant	Collateral	Amount	Value of Collateral
Chase Bank	2005 Lincoln Navigator	\$2,400.00 (Schedules)	\$5,000.00
Ford Motor Credit	2016 Ford F-250 Truck	\$31,188.38 (Proof of Claim)	\$30,000.00

The Chase Note and the Ford Motor Credit Note will be paid pursuant to their original terms. The vehicles shall continue to secure the Notes.

Class 8 – Allowed General Unsecured Claims

Class 8 consists of all allowed general unsecured claims of the Debtors. A summary of the general unsecured claims and the Debtors’ position on the allowance of the claims is set forth in Exhibit B to the Disclosure Statement. Class 8 claims will be paid a *pro rata* share of their allowed claims in deferred cash payments after payment of allowed claims in Classes 1–4.

X. FINANCIAL INFORMATION

Copies of the Debtors' Statements of Financial Affairs and Schedules, and the Debtors' most current operating reports, are on file with the Court.

XI. SUMMARY OF LITIGATION

As of the date of the filing of its Petition, the collection action styled and numbered: Case No. 1094114, *SRS Distribution Inc. dba Southern Shingles vs. Shamrock Roofing and Remodeling LLC of Spring Texas and Paul Martin* was pending against the Debtors in Harris County Court of Law #1. The Debtors filed a Suggestion of Bankruptcy in the case on July 27, 2017. On December 12, 2017, Plaintiff filed a Motion to Retain Cause on the County Court’s docket.

XII. ALTERNATIVES TO PLAN

1. The Debtors believe that it is in the best interests of its creditors to accept the Plan because the amount of money to be distributed to creditors under the Plan is more than the creditors would receive if Debtors' assets were liquidated by a Chapter 7 bankruptcy trustee and offers more favorable result to the estate were the case dismissed.

2. If Debtor's assets are liquidated by a Chapter 7 trustee, the proceeds would first be used to satisfy secured claims if any, second to satisfy Chapter 7 administrative priority claims, third to satisfy Chapter 11 administrative priority claims and finally to satisfy general unsecured claims. Based on the Debtors' analysis, the liquidation value of the Debtor's individual assets would, in no event, be sufficient to satisfy Chapter 11 and 7 administrative priority claims, secured claims and unsecured claims against same. Therefore, if a plan is not confirmed and the Debtors' assets are liquidated by a Chapter 7 trustee, the only creditors assured of receiving a distribution on their claims are administrative claimants, the holders of tax claims and the holders of secured claims.

XIII. RISK FACTORS

Claimants should be aware that there are a number of substantial risks involved in consummation of the Plan. The Plan contemplates that there will be excess funds to pay Creditor Claims. The Plan assumes that the Debtors will make the required payments to the Debtors to keep the Debtors' business operating.

XIV. MISCELLANEOUS PROVISIONS

A. Modification of the Plan

The Debtors may propose amendments to or modifications of the Plan at any time prior to the Confirmation Date with the approval of the Court and upon such notice to parties in interest as the court deems necessary. After the Confirmation Date, the Debtors may, with the approval of the Court and so long as it does not materially or adversely affect the interest of the Claimants, remedy any defects or omissions or reconcile any inconsistencies in the Plan or in the Confirmation Order in such manner as may be necessary to carry out the purposes and intent of the Plan.

B. Objection to Claims

If an objection is not filed to a claim, then the claim is deemed to be an Allowed Claim. However, no distribution shall be made on any claim to which an objection has been filed (e.g., a "*Contested Claim*"). Instead, the Debtors will reserve a sufficient amount to make a distribution to any Contested Claim that ultimately becomes an Allowed Claim. For Contested claims that become "Allowed Claims," the Debtors shall make a distribution from the reserve as soon as practicable after the date that the claim is allowed.

Although the Debtor have not completed its analysis of the claims filed herein, the Debtors anticipate objecting to those unsecured claims which are filed in amounts that exceed the amounts the Debtors' records or Schedules reflect as owing, as well as to claims that the Debtors

believe are meritless. Additionally, the Debtors intend to object to duplicate claims that are included among the claims filed. Finally, the Debtors anticipate objecting to any claims that were filed after the bar date for filing claims.

The Debtors will file an objection to the Proofs of Claim filed by Forward Financing, LLC and OnDeck Capital, Inc. seeking the disallowance of all of the claim amounts asserted therein.

C. Retention of Jurisdiction

The Plan provides for the retention of jurisdiction by the Court for a variety of matters as may be pending on the Confirmation Date or as may arise subsequent thereto. Article XII of the Plan sets forth the list of matters over which the Court shall retain jurisdiction.

D. Certain Federal Income Tax Consequences

(1) Tax Aspects to Creditors Receiving Property Other Than Common Stock

In general, a creditor who receives property (other than common stock) in satisfaction of such creditor's claim generally will recognize a gain or loss on the payment in cancellation of its claim (other than claims for accrued interest as described below) equal to the difference between the amount realized in respect of such claim and the creditor's tax basis in such claim.

(2) Tax Aspects to Creditors Receiving No Distribution

To the extent that a creditor receives no distribution pursuant to the Plan, the creditor may be entitled to deduct as a loss the amount equal to the tax basis of its claim. The availability and timing of any such losses will depend in part upon the creditor's tax accounting method for bad debts.

BECAUSE OF THE LIMITED SCOPE OF THE ABOVE DISCUSSION, EACH CREDITOR SHOULD CONSULT ITS OWN TAX ADVISOR REGARDING THE TAX CONSEQUENCES OF THE PLAN BASED ON HIS, HER OR ITS SPECIFIC FACTS AND CIRCUMSTANCES.

XV. INFORMATION PROVIDED HEREIN

Except as noted herein, the information contained in this Disclosure Statement has been provided by Debtors. To a large extent, the information provided herein was obtained from other documents. Although the Debtors believe such information to be substantially accurate and believes that creditors and other parties in interest can reasonably rely on such information (unless otherwise noted), the Debtors are not able to warrant or represent that the information contained herein is accurate. Financial information contained herein has not been subject to an audit.

NO STATEMENTS AS TO THE FINANCIAL CONDITION OR BUSINESS OPERATIONS OF THE DEBTOR ARE AUTHORIZED EXCEPT AS SET FORTH IN THIS DISCLOSURE STATEMENT.

XVI. CONCLUSION

This Disclosure Statement was approved by the Court after notice and a hearing. The Court determined that this Disclosure Statement contains information adequate to permit holders of Claims to make an informed judgment about the Plan. Such approval, however, does not mean that the Court recommends either acceptance or rejection of the Plan.

A. Confirmation Hearing

The Court will hold a hearing on confirmation of the Plan at the time and location set forth in the Order Approving the Disclosure Statement enclosed with this Disclosure Statement. Any objections to Confirmation of the Plan must be in writing, filed with the Clerk of the Court, and served on the parties listed in the Order Approving the Disclosure Statement on or before the dates set forth therein.

B. Recommendation

THE DEBTORS BELIEVE THAT CONFIRMATION OF THE PLAN IS DESIRABLE AND IN THE BEST INTEREST OF CREDITORS. The Plan provides for an equitable distribution to all Classes of the Debtors' creditors in this case. Any alternative to confirmation of the Plan, such as liquidation or attempts by another party-in-interest to file a plan, would result in significant delays, litigation and expense. Moreover, the Debtors believe that the creditors will receive a greater recovery under the Plan than that which could be achieved in Chapter 7 liquidation. **FOR THESE REASONS, THE DEBTORS URGE YOU TO RETURN YOUR BALLOT ACCEPTING THE PLAN.**

Dated: December 12, 2017

[Signatures on next page.]

Respectfully submitted,

Paul Martin
Paul Martin, individually

Shamrock Roofing and Remodeling LLC of Spring Texas

By: *Paul Martin*
Paul Martin, sole member and manager

Spring Shamrock Holdings Co., Inc.

By: *Paul Martin*
Paul Martin, president and sole shareholder

Respectfully submitted by:

LEYH, PAYNE & MALLIA, PLLC

By: /s/ Steven A. Leyh
Steven A. Leyh
Texas Bar No. 12318300

9545 Katy Freeway, Suite 200
Houston, Texas 77024
(713) 785-0881 (Telephone)
(713) 784-0338 (Facsimile)

**Counsel for Paul Martin, Shamrock
Roofing and Remodeling LLC of Spring Texas,
and Spring Shamrock Holdings Co., Inc.**