

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

In re:	§	Chapter 11
	§	
Jubem Investments, Inc. D/B/A	§	Case No. 17-70299
BUFALLO WINGS & RINGS	§	
Debtor	§	

**DEBTOR'S FIRST AMENDED DISCLOSURE STATEMENT TO PLAN OF
REORGANIZATION**

INTRODUCTION

On July 31, 2017, Jubem Investments, Inc. D/B/A Buffalo Wings & Rings, ("Debtor" or "Debtor-in-Possession") filed a voluntary Petition under Chapter 11 of the U.S. Bankruptcy Code as a Small Business Debtor. Since the Petition Date, the Debtor has continued to operate as Debtor in Possession pursuant to the provisions of sections 1107 and 1108 of the Bankruptcy Code.

This Disclosure Statement to Plan of Reorganization (hereinafter "Disclosure Statement") has been prepared by the Debtor pursuant to Section 1125 of the Bankruptcy Code, which requires that creditors receive a written disclosure statement containing sufficient information about the Debtor to enable creditors to make an informed and intelligent decision regarding the Plan of Reorganization (hereinafter "**Plan**"). Prior to the solicitation of your vote on the Plan, and as required by the Bankruptcy Code, the Bankruptcy Court has approved this Disclosure Statement as containing adequate information about the Debtor.

In addition to this Disclosure Statement and accompanying Plan, you will also receive an order of the Court setting the hearing on the confirmation of the Plan and establishing deadlines for casting your vote or filing objections to confirmation. Mailing instructions are included in your Ballot. YOUR VOTE IS IMPORTANT. In order for the Plan to be accepted, at least two-thirds (2/3's) in amount and one-half (1/2) in number of the voting creditors in each class must affirmatively vote for the Plan. Even if all classes of claims accept the Plan, the Bankruptcy Court may refuse to confirm the Plan. Among other things, Section 1129 requires that the Plan be in the best interests of the creditors and other parties in interest, and generally requires that the holders of the claims not receive less than would otherwise be realized if the Debtors were liquidated under Chapter 7 of the Bankruptcy Code.

In appropriate circumstances, the Bankruptcy Court may confirm a Plan even though less than all of the classes of claims accept the Plan. The circumstances warranting confirmation notwithstanding the vote of a dissenting class or classes of creditors are set forth in Section 1129(b) of the Bankruptcy Code. Except as otherwise provided in the Plan, the Order of Confirmation, or Section 1141(d), confirmation of the Plan will discharge the Debtor from all of their debts. Confirmation makes the Plan binding on the Debtor and all of its creditors, regardless of whether or not they have accepted the Plan.

A. The Debtor

1. General

In May 2014, Jubem Investment, Inc. was formed and purchased certain assets, and a building located in Hidalgo, Texas.

On or about May 1, 2015, Debtor entered into a Note and Deed of Trust with Cache Private Capital Diversified Fund, LLC ("Cache") to build and operate a restaurant, Buffalo Rings and Wings, located at 3100 N. Jackson Road, Hidalgo, Texas. The outstanding balance on the note is approximately \$2,385,000.00, which is secured by the restaurant and other property owned by the Debtor. Debtor was unable to refinance the Cache note when it matured which caused Debtor to file for bankruptcy protection.

Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code on July 31, 2017, for the abovementioned case in the United States Bankruptcy Court, Southern District of Texas, McAllen Division. Debtor is a Chapter 11 Business Debtor.

Debtor currently has 36 full and part time employees working at its restaurant, Buffalo Wings & Rings. Debtor has substantial monthly revenues and sufficient equity with real property to complete a reasonable 100% reorganization plan. Debtor's management believes that these factors combined with restructuring its debt will likely allow for a successful reorganization.

In May 2018, and pursuant to Court order, Debtor sold the land located at 1700 Las Milpas Rd., Pharr, TX 78577, SPAMER BUSINESS PARK LOT 5 (the "Property") to Domingo Sanchez, for \$600,000 and the proceeds of the sale were used to pay property taxes and pay down the Cache note.

Incident to the closing, Debtor entered into a Lease with Option to Purchase 3600 E. Las Milpas from Debtor. The Court approved the 12 month lease to Domingo Sanchez but not the provisions related to the Option to Purchase on June 1, 2018.

In addition to the Cache secured debt, Hardy Realty is owed approximately \$371,000 for a debt secured by 107 and 109 Zavalla Avenue, Pharr, Texas, which is a warehouse. Both the Pharr and Hidalgo properties owe property taxes.

In addition to these secured debts Debtor owes approximately \$32,000 in priority unsecured and general unsecured debt.

Debtor's assets are listed in the attached Exhibit "C"

B. The Plan Proponents

The Debtor is the Plan Proponent in this case.

C. The Disclosure Statement

Pursuant to Section 1125(b) of the Bankruptcy Code (Title 11 of the United States Code, hereinafter referenced as 11 U.S.C. section number), a precondition to solicitation of acceptances and rejections of a Plan of Reorganization from holders of claims or interests in the bankruptcy estate is that the holders be furnished with a copy of the Plan or a summary of the Plan and a written Disclosure Statement which contains "adequate information".

"Adequate information" means:

information of a kind, and in sufficient detail, as far as is reasonably practicable in light of the nature and history of the Debtor and the condition of the Debtor's books and records, that would enable a hypothetical reasonable investor typical of holders of claims or interests of the relevant class to make an informed judgment about the Plan, but adequate information need not include such information about any other possible or proposed Plan.

11 U.S.C. 1125(a)(1).

Whether or not a disclosure statement contains adequate information is determined by the Court upon notice and hearing. 11 U.S.C. § 1125(b). All parties in interest may participate in this determination. After the disclosure statement is approved by the Court, a hearing will be set on confirmation of the Plan and a Plan package which includes copies of the Order Approving Disclosure Statement, Plan, this Disclosure Statement and Ballot will be sent to the parties entitled to vote on the Plan.

D. Chapter 11

Chapter 11 is a portion of the Bankruptcy Code which provides a business with protection from their creditors while it seeks to reorganize their business affairs, including the repayment of their debts. The terms of the proposed reorganization are embodied in a Plan of Reorganization. While the Bankruptcy Code gives the Debtor many aids in the reorganization of their financial affairs, these aids are balanced with rights and protections afforded to creditors. Confirmation of a Plan of Reorganization is the objective of the Debtor in a Chapter 11 Reorganization Case. Performance of the confirmed Plan is the objective of the Reorganized Debtor. The Plan is the terms by which the claims against and interests of the Debtor is satisfied.

E. The Process of Confirmation

1. Hearing on Confirmation. Confirmation of a Plan is simply approval by the Court. This approval is sought by the Plan proponent at the hearing on confirmation. In order to obtain approval of the Court, the Plan proponent must show that the Plan meets all requirements for confirmation.

2. Requirements for Confirmation. The requirements for confirmation are listed in 11 U.S.C. § 1129(a). These requirements are part of the balancing of rights and aids between the Debtor and its creditors. Certain of the requirements for confirmation necessitate the solicitation of ballots from the holders of claims against and interests in the Debtor indicating either their

acceptance or rejection of the Plan. Section 1129(a) does not require that each and every holder of a claim against or interest in the Debtor vote to accept the Plan in order for it to be confirmed by the Court. First, only those holding claims or interests which are in classes which are impaired are entitled to vote. Impairment is defined in 11 U.S.C. § 1124.

Impairment basically means an alteration of the legal, equitable or contractual rights of the holder of the claim or interest. The Plan proponents must assert in the Disclosure Statement whether or not each class is deemed by them to be impaired. The proponents' conclusion may be disputed by a creditor and the dispute resolved by the Court. If a Plan impairs or changes the rights of any creditor, it must be accepted by at least one Class of impaired claims. Second, only those ballots that are properly completed and timely delivered are counted. Third, of those voting in each class, only a majority of the claims in number and at least two-thirds (2/3) in amount are needed for the acceptance of the Plan by that class.

Even if all Classes of claims and interests accept the Plan, its confirmation may be denied by the Bankruptcy Court for the failure to meet some other requirement of Section 1129 of the Bankruptcy Code. Among those requirements is one that the Plan is in the best interest of claim holders and interest holders. That generally requires that the value to be distributed to claimholders and interest holders may not be less than such parties would receive if the Debtor was liquidating under Chapter 7 of the Code.

3. Cramdown: The Court may confirm a Plan even though a class of claims or interest holders rejects the Plan. Confirmation of a Plan over the rejection by one or more classes of claims or interests is generally referred to as "cram down". In order for the Plan to be confirmed in spite of the rejection by a class of claims or interests, the proponent of the Plan must show that the Plan does not discriminate unfairly and is fair and equitable with respect to each class of claims or interests that is impaired and has not accepted the Plan.

Section 1129(b)(2) provides that the following standards are among the issues to be considered in determining whether the Plan is "fair and equitable" with respect to a particular class:

Secured Claims. The Plan is fair and equitable with respect to each class of secured claims if it provides that either:

1. The holders are to retain their lien, whether the collateral is retained by the Debtor or transferred to another entity, to the extent of the allowed amount of their secured claim, and are to receive deferred cash payments totaling not less than the allowed amount of their claims and having a present value of not less than the value of the collateral or, in the alternative, secured creditors must receive their collateral in satisfaction of new secured claims.

2. The collateral is to be sold in a sale permitting the holder to "bid in" free and clear of holder's lien, with such lien to attach to the proceeds of such sale, and the treatment of the lien on such proceeds under either clause (1) or (3) hereof; or

3. The holders are to receive the "indubitable equivalent" of their claims.

Unsecured Claims. The fair and equitable requirement in the context of a class of unsecured claims requires that either:

1. The holders are to receive property with a present value equal to the allowed amount of their claims; or
2. No holders in a class junior to the rejecting class are to receive any property.

I. REPRESENTATIONS

The statements contained in this Disclosure Statement are made as of the date of this Disclosure Statement unless another time is specified. Except as stated herein, no other representations concerning the Debtor, its business operations, the value of its property, or the value of any benefits offered to you in the Plan are authorized. ANY REPRESENTATIONS OR INDUCEMENTS WHICH ARE CONTRARY TO THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT SHOULD NOT BE RELIED UPON BY YOU IN ARRIVING AT YOUR DECISION, and such representations or inducements and their origin should be immediately reported to Ronald J. Smeberg, The Smeberg Law Firm Counsel for the Debtor, 2010 West Kings Highway, San Antonio, Texas 78201; Telephone: (210) 695-6684.

THE DEBTOR AND ITS COUNSEL HAVE MADE EVERY EFFORT TO ENSURE THAT THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS ACCURATE. WE CANNOT, HOWEVER, WARRANT THAT ALL OF THE DATA IS COMPLETELY ACCURATE, THOUGH WE FEEL IT IS MATERIALLY ACCURATE TO OUR BEST KNOWLEDGE, INFORMATION AND BELIEF. THE INFORMATION IN THIS DISCLOSURE STATEMENT HAS NOT BEEN SUBJECT TO AN INDEPENDENT AUDIT, AND FINANCIAL INFORMATION HAS BEEN BASED UPON OUR INTERNAL RECORDS. IF ANY STATEMENTS OF FINANCIAL MATTERS WERE MADE BY THIRD-PARTY ACCOUNTING PROFESSIONALS ACCOMPANY THIS DISCLOSURE STATEMENT, THEY WILL CONTAIN A DISCLAIMER REQUIRED OF UNAUDITED FINANCIAL INFORMATION. FURTHER, YOU SHOULD NOT CONSTRUE THE BANKRUPTCY COURT'S APPROVAL OF THIS DISCLOSURE STATEMENT AS AN ENDORSEMENT OF THE PLAN OR A GUARANTY OF THE ACCURACY OR COMPLETENESS OF THE INFORMATION PRESENTED HEREIN.

The Debtor has expended considerable time in devising a Plan which it believes to be financially feasible and fair to its creditors. Consequently, the Debtor urges you to vote for acceptance of the Plan.

II. INFORMATION CONCERNING THE DEBTOR

A. Results of Operations as Debtors in Possession

The Debtor has continued to successfully operate its business and pay its post petition plan obligations.

C. Estimated Future Income and Expenses

The Debtor has attached as Exhibit "B", proformas it has prepared that shows how its income has been managed since filing bankruptcy and Debtor's projections for its finances the next several years.

The Debtor's pro-forma financial statements attached as Exhibit "B" accurately and fairly project the Debtor's future income and expenses.

D. Future Management of the Reorganized Debtor

The Debtor will continue to manage its financial affairs as it did prior to the bankruptcy filing as a part of its Plan of Reorganization. The Debtor will be able to make monthly plan payments with money generated by its restaurant and its other business ventures.

F. Summary of the Plan

Debtor shall pay Hardy Realty, Inc. interest only payments for 12 months and then pay Hardy Realty, Inc. in accordance with the loan documents. The loan shall be otherwise reinstated on the effective date of the plan.

Debtor shall continue to pay Cache interest only payments on the Confirmed Balance (defined below) at 8% interest for 24 months at which time all principal and interest under the note shall be due. During the plan, interest shall accrue at 12% interest, which shall be reduced to 8% if Debtor refinances the Cache Debt within 12 months of the effective date.

Abraham Martinez is owed \$1600.00 for prepetition wages. Abraham Martinez shall receive his claim in 4 equal monthly payments beginning on the first day of the month occurring 30 days after the effective date at the federal judgment rate of interest.

Debtor shall pay all past due federal income taxes in regular monthly installments within 60 months of the date of the order for relief and at the statutory interest rate.

Debtor shall pay all property taxes currently due and payable as of January 2018 in regular monthly installments within 60 months of the date of the order for relief and at the statutory interest rate.

Debtor shall pay all unsecured claims 100% at the federal judgment rate of interest in effect on the effective date in quarterly payments over 36 months. The first payment shall be made the first day of the first month of the first calendar quarter to occur 30 days after the effective date and subsequent payments shall be made the first day of each calendar quarter.

Juan and Bella Miranda are the equity holders and shall retain their interests in Debtor.

III. ANALYSIS AND VALUATION OF PROPERTY

A. Real and Personal Property

The Debtor has attached Exhibit "C" which is Schedule A/B – Real and Personal Property filed by the Debtor with the Court.

B. Liquidation Analysis

Debtor's schedules attached as Exhibit C estimate Debtor's liabilities at approximately \$2.8 million and its assets at approximately \$5 million. Even at a 25% discount, Debtor contends there would be sufficient assets to pay all of Debtor's creditors 100%. Therefore, Debtor's analysis of the distribution to creditors in a Chapter 7 liquidation indicates that there will be more than enough equity in the Property to satisfy the claims of all creditors. If this case is later converted to a case under chapter 7 of the Bankruptcy Code, all assets of the Reorganized Debtor will revert in the bankruptcy estate and be subject to administration by a chapter 7 trustee.

IV. SUMMARY OF PLAN OF REORGANIZATION

A. Classification and Treatment of Claims

Administrative Expenses: Although not classified, the professionals who have provided services to the Debtor during the pendency of this Chapter 11 case are entitled to administrative claim treatment. These claims do not include other administration priority claims allowed under 11 U.S.C. § 503. Those will be paid in the ordinary course as priority claims under 11 U.S.C. § 507(a) but to the extent they may not be paid in the ordinary course of business they are listed here. The estimated amount of such claims is as follows:

<u>Guerra & Smeberg, PLLC. (Attorneys)</u>	<u>\$35,000.00</u>
<u>Carmen Lara and Ewing, Lara & Company, P.C. (Accountants)</u>	<u>\$5000.00</u>
<u>US Trustee</u>	<u>\$4950.00</u>
 Total Estimated Admin Claims	 <u>\$44,500.00</u>

[This estimate is subject to revision; no claim for administrative claims can be paid absent Court approval.]

The amount of the professional fees disclosed above is an approximate amount. It is unknown at this time exactly how much money will be incurred in professional fees in this Chapter 11 case. A final determination cannot be made until such time as the case is closed as to reasonable professional fees for the provision of whatever services become necessary in this Chapter 11 case. Any other allowed costs and expenses of administration of the Debtor's Chapter 11 bankruptcy cases will also be entitled to administrative treatment. These will be paid in full at confirmation, less any retainers already received, after approval by the Court of said fees. The anticipated administrative expenses of the Debtor are moderate for a case of this size.

Unsecured Priority Claims: The IRS filed an amended proof of claim in the amount of \$0. Debtor shall pay the IRS claim in equal monthly installments at 4% interest within 5 years of the petition filing date. The monthly plan payment is estimated at \$0 per month.

The debt owed by the Debtor to the IRS (except unsecured non priority debt) is a nondischargeable debt, except as otherwise provided for in the Bankruptcy Code, and that if the Debtor should default, the IRS is not subject to the provisions of the Bankruptcy Code so that the IRS can take whatever actions are necessary to collect said debt in the event of default.

A failure by the Debtor to make a payment to the IRS pursuant to the terms of the Plan shall be an event of default; as to the IRS, there is an event of default if payment is not received by the 15th day of each month; if there is a default to IRS, IRS must send written demand for payment to the Debtor and said payment must be received by the IRS within fifteen (15) days of the date of the demand letter; the Debtor can receive up to five (5) notices of default from the IRS; however, on the fifth default cannot be cured, and the IRS may accelerate its allowed claim(s), past or future, and declare the outstanding amount of such claim(s) to be immediately due and owing, and pursue any and all available state and federal rights and remedies.

Class 1 Claims: The Class 1 claim consist of the **unimpaired** secured claims of the taxing entity located in Hidalgo county in the claimed amount of \$70,155.19, which includes all taxes owed through January 31, 2018.

Debtor contends all property taxes are current, however, to the extent they are not current, the Hidalgo County allowed claim will be paid in full in forty-eight (48) equal, consecutive monthly installments, with the first payment being made on the first day of the first month following 30 days after the Plan's Effective Date. Post-petition interest at the rate of twelve percent (12%) per annum shall accrue beginning from the Petition Date until the confirmation date. Thereafter, plan interest at the rate of twelve percent (12%) per annum shall accrue on the entire balance until the tax debt is paid in full. Debtor shall make separate payments on each account consistent with separate amortization schedules provided to the Debtor. Each separate payment which will be applied pro rata to the various tax accounts indicated above. In the event the Debtor sells, conveys or transfers any property which is collateral of the Hidalgo County claim or post confirmation tax debt, the Debtor shall remit such sales proceeds first to Hidalgo County to be applied to the Hidalgo County tax debt incident to any such property/tax account sold, conveyed or transferred.

The Reorganized Debtor may pre-pay the pre-petition tax debt to any of the ad valorem taxing entities at any time. The Debtor shall have thirty (30) days from the Effective Date to object to the Hidalgo County claim; otherwise, such claim is deemed as an allowed secured claim in the amount of its Proof of Claim consistent with the treatment of each tax account under this Plan. Hidalgo County shall retain its statutory lien securing their pre-petition and post-petition tax debts until such time as the tax debts are paid in full. Debtor shall pay all post-petition ad valorem tax liabilities (tax year 2016 and subsequent tax years) owing to Hidalgo County in the ordinary course of business as such tax debts come due and prior to said ad valorem taxes becoming delinquent without need of any ad valorem taxing entity filing an administrative claim and request for payment.

Should the Reorganized Debtor fail to make any payments as required in this Plan, Hidalgo County shall provide written notice of that default by sending written notice by certified mail to Debtor's counsel advising of that default, and providing the Reorganized Debtor with a period of fifteen (15) days to cure the default. In the event that the default is not cured within fifteen (15) days, Hidalgo County may, without further order of this Court or notice to the Debtor, pursue all of their rights and remedies available to them under the Texas Property Tax Code to collect the full amount of all taxes, penalties and interest owed. Additionally, the failure to timely pay post-

petition and/or post-confirmation taxes while the Reorganized Debtor are still paying any pre-petition debt, shall be considered an event of default. The Reorganized Debtor shall be entitled to no more than three (3) Notices of Default. In the event of a fourth (4th) default, Hidalgo County may pursue all rights and remedies available to it under the Texas Property Tax Code in state district court without further order of this court or further notice to the Debtor.

The Class 1 claim is not impaired under the Debtor's Plan of Reorganization and is not eligible to vote on the Plan.

Class 2 Claims: The Class 2 claim consists of the **impaired** secured claim of Cache Private Capital Diversified Fund, LLC in the claimed amount of \$2,588,740¹. Cache Private Capital Diversified Fund, LLC shall receive post petition attorney fees and interest of \$11,260.00. All cash collateral payments shall be deemed interest payments on the note. Hence, the entire amount remaining owed to Cache for pre and post judgment interest, principal, attorney fees, and any other fees related to the Cache loan documents is deemed to be \$2,600,000 (minus the amount received by Cache as a result of the 1700 Las Milpas Road sale) as of the effective date (the "Confirmation Balance").

Debtor shall pay Cache interest only payments at an 8% interest rate on the Confirmation Balance for 24 months at which time all principal and interest under the note shall be due. During the plan, interest shall accrue at 12% interest. However, if Debtor pays Cache the Confirmed Balance and all interest accrued pursuant to the Confirmed balance within 12 months of the effective date, then the interest in excess of 8% shall be permanently waived. Otherwise, upon maturity, all principal and interest at the 12% rate shall be due and payable.

If Debtor defaults on its payments to Cache and fails to cure after 7 days written notice to Debtor and Debtor's counsel, which may be by email, or defaults more than 3 times, then Cache may accelerate the note and pursue all remedies under the contract documents. Default interest shall be in accordance with the loan documents. Unless otherwise stated herein, the loan documents shall govern.

Debtor shall continue making adequate assurance payments until the month prior to the first regular monthly payment. Debtor's first monthly payment of \$14,000.00 shall be due and payable on the first day of the month to occur 30 days after the effective date. The Class 2 claim is deemed impaired under the Plan and shall vote on the Plan.

Provided Debtor pays the entire Confirmed Balance and accrued interest thereof (either 8% or 12% as applicable), all guarantors of the underlying Class 2 mortgage shall be released from the mortgage and deed of trust. If, however, the Debtor fails to fully pay the Confirmed Balance and all accrued interest pursuant to the Confirmed Balance, then Cache may pursue all principal,

¹ This amount is anticipated to be approximately \$2,050,000 from the prior 1700 Las Milpas sale making the monthly interest payment \$14,000.

accrued interest, and attorney fees under the original mortgage and deed of trust pursuant to any principal guarantees.

Class 3 Claims: The Class 3 claims consist of the **impaired** general unsecured claims of

San Juanita Carlos \$10,000

Saul Salinas \$10,000

Fabian Martinez \$10,000

and any other allowed unsecured claims. Debtor shall pay all allowed unsecured claims 100% at the federal judgment rate of interest in effect on the effective date in quarterly payments over 36 months. The first payment shall be made the first day of the first month of the first calendar quarter to occur 30 days after the effective date and subsequent payments shall be made the first day of each calendar quarter. The Class 3 claims are deemed to be impaired under the Plan and shall vote on the Plan.

Class 4 Claims: The Class 4 claims consist of the **impaired** priority unsecured Claim of Abraham Martinez for prepetition wages. Abraham Martinez is owed \$1600.00 for prepetition wages. Abraham Martinez shall receive his claim in 4 equal monthly payments beginning on the first day of the month occurring 30 days after the effective date at the federal judgment rate of interest. The Class 4 claim is deemed impaired under the Plan and shall vote on the Plan.

Class 5 Claims: The Class 5 claim consists of the **impaired** secured claim of Hardy Realty, Inc. in the scheduled amount of \$370,000. Debtor shall pay Hardy Realty, Inc. interest only payments at the contractual non default rate of interest for 12 months and then shall resume regular principal and interest payments under the loan documents. If Debtor defaults on its payments to Hardy and fails to cure after 7 days written notice to Debtor and Debtor's counsel, which may be by email, or defaults more than 3 times, then Hardy may accelerate the note and pursue all remedies under the contract documents. Default interest shall be in accordance with the loan documents. Unless otherwise stated herein, the loan documents shall govern.

Debtor shall continue making adequate assurance payments until the month prior to the first regular monthly payment. Debtor's first monthly payment of \$3,000.00 shall be due and payable on the first day of the month to occur 30 days after the effective date. The Class 5 claim is deemed impaired under the Plan and shall vote on the Plan.

Within 20 days of Confirmation of Debtor's plan, Creditor shall provide Debtor and Debtor's counsel with a full accounting of all post petition fees, interest, and principal it claims is owed to Debtor **after all payments and setoffs**. Debtor retains the right to Object to the final claimed amount owed to Creditor for 60 days following receipt of Creditor's accounting by Debtor and Debtor's counsel.

Class 6 Claims: The Class 6 claims consist of Equity Holders Juan and Bella Miranda. The equity holders shall retain their interests and are impaired under the plan but not entitled to vote.

B. Payment of Administrative Claims

All allowed administrative claims will be paid in full on or after the Plan's Effective Date in accordance with the provisions of 11 U.S.C. ' 1129(a)(9)(A), as agreed to between a particular administrative claimholder and the Debtor. The Debtor anticipates paying administrative claims from Debtor's business income or post-confirmation cash flow.

C. Feasibility of the Plan.

The Plan is feasible as a result of the income generated from Debtor's business operations and assets. Debtor has provided a proforma in Exhibit B, which demonstrates the Plan's feasibility.

D. Claims Allowance Procedure

Disputed Claim. 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 Debtor or another party in interest has filed an objection; or (ii) no proof of claim has been filed, and the Debtor has scheduled such claim as disputed, contingent, or unliquidated. Debtor shall file all objections to claims within 60 days of the Confirmation Date except as provided for herein in regard to particular creditors.

Delay of Distribution on a Disputed Claim. No distribution will be made on account of a disputed claim unless such claim is allowed by a final non-appealable order.

Settlement of Disputed Claims. The Debtor 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.

Disputed claims are not permitted to vote on Debtor's plan absent approval of the Court to vote after hearing but disputed claimants may file objections to the disclosure statement and plan.

E. Retention of Jurisdiction

The Court will retain jurisdiction as set out in the Plan.

F. Interests Retained by the Debtor

The Debtor is retaining its current ownership interests in its real and personal property, subject to the secured and unsecured claims of its creditors.

V. ALTERNATIVES TO THE DEBTOR'S PLAN

The alternative to the Debtor's proposed operating plan of reorganization is liquidation. Because Debtor has the ability to pay 100% of all claims, all unsecured claims shall accrue interest at the federal judgment rate of interest in effect on the effective date.

VI. RISK TO CREDITORS UNDER THE DEBTOR'S PLAN

The principal risk that creditors will incur under the Debtor's Plan is that the Debtor is unable to obtain exit financing for the Cache loan. A secondary risk is that the economy enters into a recession causing patrons to stop spending discretionary money on eating out.

VII. TAX CONSEQUENCES

Debtor is on a cash basis accounting system. Debtor directs all parties in interest to consult their own tax advisors regarding their own tax consequences.

VIII. LITIGATION

There has been no litigation during the bankruptcy.

IX. RELATIONSHIP OF DEBTOR WITH AFFILIATES

Debtor is 100% owned by Juan and Bella Miranda.

X. PREFERENTIAL OR VOIDABLE TRANSFERS

None.

XI. SUMMARY OF SIGNIFICANT ORDERS ENTERED

Significant orders entered include the following:

- August 23, 2017
 - Order Authorizing the Employment of Guerra & Smeberg Law Group, PLLC
- October 13, 2017
 - Order Authorizing the Employment of Carmen Lara and Ewing, Lara & Company, P.C.
 - Order Authorizing the Employment of Coldwell Banker LA Mansion Real Estate.
- November 11, 2017
 - Order Setting Hearing on Unopposed Motion to Extend Debtor's Exclusivity Period by 90 Days.
- November 21, 2017
 - Order Granting Unopposed Motion to Extend Debtor's Exclusivity Period by 90 Days.
- February 26, 2018
 - Order Granting Debtor's Second Motion to Extend Exclusivity Period

XII. MISCELLANEOUS DISCLOSURES

A. Modification of the Plan.

The Debtor may propose amendments or modifications to their Plan at any time prior to the date of the entry of the Order Confirming Plan, with leave of the Court, and upon proper notice to parties in interest. After the date of the Order Confirming Plan, Debtor may, with approval of the Court so long as it does not materially or adversely affect the interests of creditors, remedy any defects or omissions or reconcile any inconsistencies in the Plan or in the Order Confirming Plan in such manner as may be necessary to carry out the purpose and effect of this Plan.

B. Effect of Confirmation of the Plan.

Legally Binding Effect. The provisions of this Plan shall bind all Creditors and Interest Holders, whether or not they accept this Plan. On and after the Effective Date, all holders of Claims shall be precluded and forever enjoined from asserting any (i) Claim against the Debtor based on any transaction or other activity of any kind that occurred prior to the Confirmation Date except as permitted under the Plan; and (ii) derivative claims, including claims against third parties asserting alter ego claims, fraudulent transfer claims, guaranty claims or any type of successor liability based on acts or omissions of the Debtor.

Injunction. The entry of the Confirmation Order will operate as a general resolution with prejudice, as of the Effective Date, of all pending Legal Proceedings, if any, against the Debtor and its assets and properties and any proceedings not yet instituted against the Debtor or its assets, except as otherwise provided in the Plan. Except as otherwise expressly provided in the Plan or the Confirmation Order, all Persons who have held, may have held, hold, or may hold Claims against the Debtor are permanently enjoined on and after the Effective Date from (a) commencing or continuing in any manner any action or other proceeding of any kind against the Debtor or its property, with respect to any such Claim, (b) the enforcement, attachment, collection or recovery by any manner or means of any judgment, award, decree or order with respect to any such Claim against the Debtor or its property, (c) creating, perfecting, or enforcing any encumbrance of any kind against the Debtor or its property, with respect to such Claim, (d) asserting any right of subrogation of any kind against any obligation due to the Debtor or the property of the Debtor or the Estate with respect to any such Claim and (e) asserting any right of setoff or recoupment against the Debtor or the Estate except as specifically permitted by § 553 of the Bankruptcy Code. Unless otherwise provided in the Plan or by order of the Bankruptcy Court, all injunctions or automatic stays provided for in these cases pursuant to § 105, if any, or § 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date will remain in full force and effect until the Effective Date.

Discharge. Confirmation of the Plan does not discharge any debt provided for in the plan until the Court grants a discharge on completion of all payments under the Plan, or as otherwise provided in §1141(d)(5) of the Code. Reorganized Debtor will not be discharged from any debt except from discharge under Section 523 of the Code, except as provided in Rule 4007(C) of the Federal Rules of Bankruptcy Procedure. Reorganized Debtor may apply to close the case and reopen it to obtain a discharge. Debtor shall continue filing post-confirmation quarterly reports

and pay UST fees until the case is closed, dismissed or converted.

Limited Protection of Certain Parties in Interest. Neither (a) the Debtor, or any of its respective employees, officers, directors, agents, representatives, affiliates, attorneys, financial advisors, or any other professional persons employed by the Debtor, nor (b) each Professional for the Debtor or any of their employees, officers, directors, agents, representatives, affiliates, attorneys, financial advisors, or any other professional persons employed by any of them, (the persons identified in (a) and (b), are collectively referred to as “Protected Persons”), shall have or incur any liability to any Person or Entity under any theory of liability for any act or omission occurring on or after the Petition Date in connection with or related to the Debtor, the Chapter 11 Case, or the Estate, including, but not limited to, (i) formulating, preparing disseminating, implementing, confirming, consummating or administering this Plan (including soliciting acceptances or rejections thereof); or (ii) the Disclosure Statement or any contract, instrument, release or other agreement or document entered into or any action taken or omitted to be taken in connection with this Plan, except for acts constituting willful misconduct, gross negligence, or *ultra vires* activity and in all respects such Protected Persons shall be entitled to rely in good faith upon the advice of counsel. In any action, suit or Legal Proceeding by any Person contesting any action by, or non-action of any Protected Person as constituting willful misconduct, gross negligence, or *ultra vires* activity or not being in good faith, the reasonable attorneys’ fees and costs of the prevailing party will be paid by the losing party and as a condition to going forward with such action, suit, or Legal Proceeding at the outset thereof, all parties thereto will be required to provide appropriate proof and assurances of their capacity to make such payments of reasonable attorneys’ fees and costs in the event they fail to prevail.

Continuation of Anti-Discrimination Provisions of Bankruptcy Code. A Governmental Unit may not deny, revoke, suspend, or refuse to renew a license, permit, charter, franchise, or other similar grant to, condition such a grant to, or discriminate with respect to such a grant against, the Debtor, or another Person with whom the Debtor has been or are associated or affiliated, solely because of the commencement, continuation, or termination of the case or because of any provision of the Plan or the legal effect of the Plan, and the Confirmation Order will constitute an express injunction against any such discriminatory treatment by a Governmental Unit.

C. Executory Contracts.

The Debtor is rejecting all prepetition executory contracts not specifically assumed. Debtor believes all the organizational agreements with its business entities are not executory; however, to the extent they are found executory, Debtor assumes those agreements.

D. Default

Upon default by the Reorganized Debtor, creditors are required to provide written notice of such Default to the Reorganized Debtor and their counsel, The Smeberg Law Firm, PLLC by certified mail, return receipt requested, and by regular first class mail, and the Reorganized Debtor shall have thirty (30) days from the date of the notice to cure the default. Any defect in such default notice shall toll the running of the thirty (30) day cure period. Notice of default shall be given to the Reorganized Debtor and Ronald Smeberg. If the Reorganized Debtor fails to cure within the

thirty (30) day cure period provided herein, creditors shall be allowed to foreclose their liens without further notice of hearing before the Court. The Reorganized Debtor shall be entitled to three (3) notices of default for each calendar year. On the fourth (4th) notice of default for a calendar year, creditors shall be allowed to foreclose their liens without further notice of hearing before the Court, or move to have the case converted to a case under Chapter 7.

XIII. CONCLUSION

The Debtor submits this Disclosure Statement. The information contained herein has been compiled in good faith and in accordance with the provisions of 11 UCC §§ 101, *et. seq.* This Disclosure Statement is presented for consideration by creditors and other parties in interest and as the sole source of information furnished by the Debtor, or to be furnished by the Debtor, in solicitation of acceptance of Debtor's Plan of Reorganization.

The Debtor recommends that the Plan of Reorganization be approved. An operating plan is in the best interest of all creditors, Debtor and parties-in-interest, therefore, all Creditors and Interest Holders are urged to vote to accept the Plan.

ARTICLE XV.

ATTACHMENTS AND EXHIBITS

Exhibit "A"	Most Recently Filed Monthly Operating Report.
Exhibit "B"	Schedule of Future Payments and Sources of Funds – the Budget
Exhibit "C"	Property ²
Exhibit "D"	Proposed Plan of Reorganization

DATED: June 15, 2018.

BY: /s/ Juan Miranda
Name: Juan Miranda, President

GUERRA & SMEBERG, PLLC

BY: /s/ Ronald J. Smeberg
Ronald J. Smeberg
SBN: 24033967
2010 W Kings Hwy
San Antonio, Texas 78201
Tel: (210) 695-6684
Fax: (210) 598-7357
Attorneys for Debtor

² Note that 1700 Milpas is no longer owned by Debtor.

Exhibit A

MOR-1
CASE NAME JUBEM INVESTMENTS, INC
CASE NUMBER _____
PROPOSED PLAN DATE _____

UNITED STATES BANKRUPTCY COURT
PETITION DATE _____
DISTRICT OF TEXAS: San Antonio
DIVISION _____

MONTHLY OPERATING REPORT SUMMARY FOR MONTH04/1-4/30 **YEAR** 2018

MONTH	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18
REVENUES (MOR-6)	121,352.73	117,454.19	129,701.62	127,276.70	120,989.41	117,132.71	118,781.34	134,873.85	138,975.91
INCOME BEFORE INT. DEPREC. TAX (MOR-6)	3,373.43	-1,079.88	20,150.14	14,375.56	30,059.94	-36,183.44	23,618.19	123.42	25,901.24
NET INCOME (LOSS) (MOR-6)	-13,411.32	-24,085.42	46.00	-6,843.45	9,176.19	-53,534.25	4,124.01	-19,894.15	6,045.94
PAYMENTS TO INSIDERS (MOR-9)	8,311.70	12,340.10	7,926.70	8,248.30	8,182.00	7,893.30	8,086.30	12,370.80	8,191.30
PAYMENTS TO PROFESSIONALS (MOR-9)	0.00	0.00	0.00	0.00	2,435.00	2,220.00	0.00	1,205.00	4,200.00
TOTAL DISBURSEMENTS (MOR-8)	151,686.53	130,892.78	137,050.74	143,600.82	125,996.56	161,524.43	119,727.88	160,249.54	141,830.76

The original of this document must be filed with the United States Bankruptcy Court and a copy must be sent to the United States Trustee

TO WHOM IT MAY CONCERN OCT 17 REVENUES IS BASED ON A FORMULA. WHEN OCT WAS PREPARED THE RENTAL INC WAS OMITTED.

REQUIRED INSURANCE MAINTAINED		EXP. DATE
AS OF SIGNATURE DATE		
CASUALTY	YES _____ NO _____	
LIABILITY	YES <u>X</u> NO _____	
VEHICLE	YES <u>X</u> NO _____	
WORKER'S	YES _____ NO _____	
OTHER	YES <u>X</u> NO _____	

Are all accounts receivable being collected within terms? Yes No

Are all post-petition liabilities, including taxes, being paid within terms? Yes No

Have all tax returns and other required government filings been timely paid? Yes No

Have any pre-petition liabilities been paid? Yes No

If so, describe _____

Are all funds received being deposited into Debtor in Possession bank accounts? Yes No

Were any assets disposed of outside the normal course of business? Yes No

If so, describe _____

Are all U.S. Trustee Quarterly Fee Payments current? Yes No

What is the status of your Plan of Reorganization? _____

ATTORNEY NAME: Ronald J. Smeberg
FIRM NAME: The Smeberg Law Firm, PLLC
ADDRESS: 2010 W Kings Hwy
CITY, STATE, ZIP: San Antonio, 78201
TELEPHONE/FAX: (210) 210-695-6684

INITIALS _____
DATE _____
UST USE ONLY

I certify under penalty of perjury that the following complete Monthly Operating Report (MOR), consisting of MOR-1 through MOR-9 plus attachments, is true and correct.

SIGNED: Juan M. Miran TITLE: owner
(ORIGINAL SIGNATURE)
Juan M. Miran
(PRINT NAME OF SIGNATORY) DATE: 5/21/18

DATE Revised 11/08/05

MOR-1

CASE NAME: JUEM INVESTMENTS, INC.
CASE NUMBER:

COMPARATIVE BALANCE SHEETS

ASSETS	FILED DATE* 11/11/17	MONTH 08/01 08/31	MONTH 09/01 09/30/17	MONTH 10/01 10/31/17	MONTH 11/01 11/30/17	MONTH 12/01 12/31/17	MONTH 01/01 01/31/18	MONTH 02/01 02/28/18	MONTH 03/01 03/31/18	MONTH 04/01 04/30/18
CURRENT ASSETS										
Cash & Cash on Hand	16,990.61	22,799.99	20,630.10	23,452.91	16,490.66	21,107.79	12,621.34	20,299.62	4,825.74	11,383.41
Accounts Receivable, Net	0.00	0.00	0.00	0.00						9,531.52
Inventory - Lower of Cost or Market	9,894.24	8,584.44	9,226.41	8,684.20	9,785.85	15,638.88	12,319.82	9,790.08	8,235.05	
Prepaid Expenses (w/ PAYROLL)*	14,080.93	19,550.82	0.00	0.00	0.00	0.00				
Investments	0.00	0.00	0.00			0.00				
Other Liquid Capital Reserve Account	0.00	0.00	0.00			0.00				
TOTAL CURRENT ASSETS	40,965.78	50,935.25	29,856.51	32,037.11	26,276.51	36,746.67	24,941.16	30,089.70	13,060.79	20,914.93
PROPERTY, PLANT & EQUIP @ COST	3,427,882.42	3,427,882.42	3,427,882.42	3,427,882.42	3,427,882.42	3,427,882.42	3,427,882.42	3,427,882.42	3,427,882.42	3,427,882.42
Less Accumulated Depreciation	550,476.11	564,810.53	579,144.95	593,479.37	607,813.79	622,148.21	636,482.68	650,817.05	665,151.47	679,485.89
NET BOOK VALUE OF PP&E	2,877,406.31	2,863,071.89	2,848,737.47	2,834,403.05	2,820,068.63	2,805,734.21	2,791,399.74	2,777,065.37	2,762,730.95	2,748,396.53
OTHER ASSETS										
1. Loan Receivable S Perez	0.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	0.00	0.00	0.00	0.00
2. Loan Receivable Romeo Rodriguez	55,914.37	55,914.37	55,914.37	55,914.37	55,914.37	55,914.37	55,914.37	55,914.37	55,914.37	55,914.37
3. Loan Costs Less amortization	26,847.61	24,397.28	21,946.95	19,496.62	17,046.29	14,595.96	12,145.63	9,695.30	7,244.97	4,794.64
4. Cash working capital & Hardy Realty Escrow	49,574.97	51,233.28	52,891.59	54,549.90	56,208.21	57,866.52	44,954.31	46,612.62	47,975.42	49,338.22
TOTAL ASSETS	\$3,050,709.04	\$3,046,552.07	\$3,010,346.89	\$2,997,401.05	\$2,976,514.01	\$2,971,857.73	\$2,929,355.26	\$2,919,377.36	\$2,886,926.50	\$2,879,358.69

* Per Schedules and Statement of Affairs

MOR-2

Revised 11/08/05

Revised 11/08/05

Revised 11/08/05

Revised 11/08/05

J m m

CASE NAME: JUBEM INVESTMENTS, INC
CASE NUMBER:

COMPARATIVE BALANCE SHEETS

LIABILITIES & OWNER'S EQUITY	FILING DATE*	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
	7/31/17	08/01-08/31/17	09/01-09/30/17	10/01-10/31/17	11/01-11/30/17	12/01-12/31/17	01/01-01/31/18	02/01-02/28/18	03/01-03/31/18	04/01-04/30/18
LIABILITIES										
POST-PETITION LIABILITIES(MOR-4)	2,172,875.08	2,160,507.48	2,147,895.00	2,135,186.39	2,122,477.94	2,109,769.49	2,097,060.94	2,084,352.49	2,071,643.94	2,058,935.49
PRE-PETITION LIABILITIES										
Notes Payable - Secured	0.00	0.00								
Priority Debt	0.00	0.00								
Federal Income Tax	0.00	0.00								
FICA/Withholding	0.00	0.00								
Note Payable Hardy Realty	378,031.60	377,484.58	376,933.05	376,376.97	375,820.89	375,260.22	373,949.70	372,772.29	372,187.99	371,598.87
Other Loan Stockholder	979,145.95	1,001,245.95	1,002,345.95	1,002,345.95	1,002,345.95	1,002,345.95	1,028,845.95	1,028,845.95	1,028,845.95	1,028,845.95
TOTAL PRE-PETITION LIABILITIES	1,357,177.55	1,378,730.53	1,379,279.00	1,378,722.92	1,378,166.84	1,377,606.17	1,402,795.65	1,401,618.24	1,401,618.24	1,399,944.82
TOTAL LIABILITIES	3,530,043.64	3,539,297.99	3,527,178.23	3,514,186.39	3,500,644.80	3,486,310.33	3,497,342.11	3,484,240.20	3,470,683.49	3,457,669.74
STOCKHOLDER'S EQUITY (DEFICIT)										
PREFERRED STOCK	0.00	0.00								
COMMON STOCK	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
ADDITIONAL PAID-IN CAPITAL	747,436.25	747,436.25	747,436.25	747,436.25	747,436.25	747,436.25	747,436.25	747,436.25	747,436.25	747,436.25
RETAINED EARNINGS Filing Date	-1,227,770.85	-1,227,770.85	-1,227,770.85	-1,227,770.85	-1,227,770.85	-1,227,770.85	-1,227,770.85	-1,227,770.85	-1,227,770.85	-1,227,770.85
RETAINED EARNINGS Post Filing Date	0.00	-13,411.32	-37,496.74	-37,450.74	-44,294.19	-35,118.00	-88,652.25	-84,528.24	-104,422.39	-98,376.45
TOTAL OWNER'S EQUITY (NET WORTH)	-479,334.60	-492,745.92	-516,831.34	-516,785.34	-523,628.79	-514,452.60	-567,986.85	-563,862.84	-583,756.99	-577,711.05
TOTAL LIABILITIES & OWNERS EQUITY	\$3,050,709.04	\$3,046,552.07	\$3,010,346.89	\$2,997,401.05	\$2,976,514.01	\$2,971,857.73	\$2,929,355.26	\$2,919,377.36	\$2,886,926.50	\$2,879,358.69

* Per Schedules and Statement of Affairs

MOR-3

Revised 11/06/05

Revised 11/06/05

Revised 11/06/05

Revised 11/06/05

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CASE NAME: JUBEM INVESTMENTS, INC
CASE NUMBER:

SCHEDULE OF POST-PETITION LIABILITIES

	MONTH 08/01-08/31	MONTH 09/01-09/30/17	MONTH 10/01-10/31/17	MONTH 11/01-11/30/17	MONTH 12/01-12/31/17	MONTH 1/01-1/31/18	MONTH 2/01-2/28/18	MONTH 3/01-3/31/18	MONTH 4/01-4/30/18
TRADE ACCOUNTS PAYABLE	0.00	0.00	0.00		0.00				
TAX PAYABLE									
Federal Payroll Taxes	0.00	-28.00	-28.00	-28.00	0.00				
State Payroll Taxes	0.00	0.00			0.00				
Ad Valorem Taxes	0.00	0.00			0.00				
Other Taxes/Sales Tax	11,635.86	11,895.63	12,359.87	11,772.36	11,372.56	10,114.86	10,090.36	11,517.95	11,393.32
TOTAL TAXES PAYABLE	11,635.86	11,867.63	12,331.87	11,744.36	11,372.56	10,114.86	10,090.36	11,517.95	11,393.32
SECURED DEBT POST-PETITION CASH NOTE	2,148,931.60	2,136,031.60	2,123,131.60	2,110,231.60	2,097,331.60	2,084,431.60	2,071,531.60	2,058,631.60	2,045,731.60
ACCRUED INTEREST PAYABLE	0.00	0.00	0.00						
ACCRUED PROFESSIONAL FEES*	0.00	0.00	0.00						
OTHER ACCRUED LIABILITIES									
1									
2									
3									
TOTAL POST-PETITION LIABILITIES (MOR-3)	\$2,160,567.46	\$2,147,899.23	\$2,135,463.47	\$2,121,975.96	\$2,108,704.16	\$2,094,546.46	\$2,081,621.96	\$2,070,149.55	\$2,057,124.92

*Payment requires Court Approval
MOR-4

Revised 11/08/05

Revised 11/08/05

Revised 11/08/05

Revised 11/08/05

Other taxes includes gift certificates

Imm

CASE NAME: JUBEM INVESTMENTS, INC
CASE NUMBER: _____

AGING OF POST-PETITION LIABILITIES
MONTH 4/1-4/30/2018

DAYS	TOTAL	TRADE ACCOUNTS	FEDERAL TAXES	STATE TAXES	AD VALOREM, OTHER TAXES	
0-30	0.00					
31-60	0.00					
61-90	0.00					
91+	0.00					
TOTAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

AGING OF ACCOUNTS RECEIVABLE

MONTH	09/1-09/30/17					
0-30 DAYS	0.00					
31-60 DAYS						
61-90 DAYS						
91+ DAYS						
TOTAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

MOR-5

Revised 11/08/05

Imm

CASE NAME: JUBEM INVESTMENTS, INC
CASE NUMBER:

STATEMENT OF INCOME (LOSS)

	MONTH 08/01-08/31/17	MONTH 09/01-09/30/17	MONTH 10/01-10/31/17	MONTH 11/01-11/30/17	MONTH 12/01-12/31/17	MONTH 01/01-1/31/18	MONTH 02/01-2/28/18	MONTH 03/01-3/31/18	MONTH 04/01-4/30/18	FILING TO DATE
REVENUES (MOR-1)	121,352.73	117,454.19	129,701.62	127,276.70	120,989.41	117,132.71	118,781.34	134,873.85	138,975.91	1,126,538.46
TOTAL COST OF REVENUES	40,864.34	35,084.79	45,991.30	39,704.95	28,708.84	36,115.67	38,971.29	42,624.00	40,637.28	348,714.46
GROSS PROFIT	80,488.39	82,369.40	83,710.32	87,571.75	92,280.57	80,997.04	79,810.05	92,249.85	98,338.63	777,824.00
OPERATING EXPENSES:										
Selling & Marketing	10,953.53	10,183.86	8,867.82	8,270.18	9,683.97	6,367.93	8,306.28	10,181.96	8,989.42	82,190.79
General & Administrative	33,060.92	20,781.71	16,096.98	19,952.05	14,421.36	17,262.89	11,381.67	17,236.82	12,932.67	163,127.07
Insiders Compensation	8,311.70	12,340.10	7,926.70	8,248.30	8,182.00	7,893.30	8,086.30	12,370.80	8,191.30	81,550.50
Professional Fees	0.00	695.00	1,000.00	5,040.00	2,435.00	7,095.00	0.00	1,205.00	9,075.00	26,545.00
Other Payroll	18,187.10	32,657.29	23,189.17	22,830.82	20,997.71	20,578.52	21,877.12	33,838.51	22,717.17	216,873.41
Other Leases, Utilities, Vehicles, Fuel, Maint	6,601.71	6,791.32	6,479.51	8,854.84	6,508.59	57,782.83	6,740.49	17,090.34	10,531.83	127,381.46
TOTAL OPERATING EXPENSES	77,114.96	83,449.28	63,560.18	73,196.19	62,228.63	117,180.48	56,191.86	92,126.43	72,437.39	697,485.40
INCOME BEFORE INT. DEPR/TAX (MOR-1)	3,373.43	-1,079.88	20,150.14	14,375.56	30,059.94	-36,183.44	23,618.19	123.42	25,901.24	80,338.60
INTEREST EXPENSE	0.00	6,220.79	3,113.59	3,103.59	3,099.00	566.06	2,482.26	3,075.37	3,070.55	24,731.21
DEPRECIATION	14,334.42	14,334.42	14,334.42	14,334.42	14,334.42	14,334.42	14,334.42	14,334.42	14,334.42	129,009.78
OTHER (INCOME) EXPENSE*	2,450.33	2,450.33	2,450.33	2,450.33	2,450.33	2,450.33	2,450.33	2,450.33	2,450.33	22,052.97
OTHER ITEMS**	0.00	0.00	205.80	1,330.67	1,000.00	0.00	227.17	157.45	0.00	2,921.09
TOTAL INT. DEPR & OTHER ITEMS	16,784.75	23,005.54	20,104.14	21,219.01	20,883.75	17,350.81	19,494.18	20,017.57	19,855.30	178,715.05
NET INCOME BEFORE TAXES	-13,411.32	-24,085.42	46.00	-6,843.45	9,176.19	-53,534.25	4,124.01	-19,894.15	6,045.94	-98,376.45
FEDERAL INCOME TAXES	0.00									0.00
NET INCOME (LOSS) (MOR-1)	(\$13,411.32)	(\$24,085.42)	\$46.00	(\$6,843.45)	\$9,176.19	(\$53,534.25)	\$4,124.01	(\$19,894.15)	\$6,045.94	(\$98,376.45)

Accrual Accounting Required. Otherwise Footnote with Explanation.

* Footnote Mandatory

** Unusual and/or infrequent item(s) outside the ordinary course of business requires footnote.

MOR-6

* Amortization loan costs

** Contributions

Revised 11/03/03

J m m

CASE NAME: JUBEM INVESTMENTS, INC
CASE NUMBER:

CASH RECEIPTS AND DISBURSEMENTS	MONTH 08/01/17	MONTH 09/01/17	MONTH 10/01/17	MONTH 11/01/17	MONTH 12/01/17	MONTH 01/01/18	MONTH 02/01/18	MONTH 03/01/18	MONTH 04/01/18	MONTH 05/01/18	FILING TO DATE
1. CASH/BANK BAL. OF MONTH	\$15,190.61	\$21,199.99	\$19,030.10	\$21,752.91	\$14,890.66	\$19,507.79	\$11,021.34	\$18,699.62	\$3,224.74	\$9,783.41	\$14,368.61
RECEIPTS											
2. CASH SALES (see disbursements)	121,352.73	117,454.19	125,188.51	120,671.70	120,977.01	116,755.91	112,451.74	110,825.85	110,315.91	109,993.55	
3. COLLECTION OF ACCOUNTS RECEIVABLE	0.00				0.00						0.00
4. MISCELLANEOUS	4,147.56	432.39	4,417.10	6,193.37	-137.04	1,000.00	6,304.77	3,857.59	8,143.97	34,359.51	
5. SALE OF ASSETS	0.00					0.00		0.00	0.00	0.00	0.00
6. OTHER (attach list) SALES TAX	9,895.82	9,736.31	10,167.94	9,873.50	9,773.72	8,782.07	8,649.65	10,092.22	9,928.55	86,899.78	
TOTAL RECEIPTS**	135,395.91	127,622.89	139,773.55	136,738.47	130,613.69	126,537.98	127,406.16	144,775.66	148,388.47	1,217,252.84	
Withdrawal: Contribution by Individual Debtor MFR,2*	22,100.00	1,100.00	0.00	0.00	0.00	26,500.00	0.00	0.00	0.00	49,790.00	
DISBURSEMENTS											
7. NET PAYROLL	26,498.80	24,515.39	25,418.04	25,105.34	21,679.47	23,501.07	24,974.51	18,479.84	25,645.73	237,856.19	
8. PAYROLL TAXES PAID	2,694.25	8,629.95	8,824.66	9,086.74	8,488.41	8,144.93	8,393.67	12,819.40	8,626.35	75,708.36	
9. SALES, USE & OTHER TAXES PAID	22,836.25	21,245.72	19,238.76	21,514.31	21,368.50	18,561.37	17,927.73	20,515.13	20,225.78	183,437.55	
10. SECURITIZATION FEES	0.00									0.00	
11. UTILITIES & TELEPHONE	5,529.13	6,101.52	4,638.55	5,378.96	5,355.01	5,031.48	5,734.39	5,925.35	5,986.46	49,680.85	
12. INSURANCE	1,222.16	2,124.87	1,733.91	5,988.60	0.00	2,284.01	975.00	3,177.01	420.00	17,925.56	
13. INVENTORY PURCHASES	39,554.54	35,726.76	45,449.09	40,806.60	34,553.87	32,816.61	36,441.55	41,068.97	41,933.75	348,351.74	
14. VEHICLE EXPENSES	0.00	0.00								0.00	
15. TRAVEL & ENTERTAINMENT	0.00									0.00	
16. REPAIRS, MAINTENANCE & SUPPLIES	7,546.19	4,231.84	5,901.34	5,127.57	5,792.87	4,670.95	2,029.69	7,261.40	4,393.09	46,954.94	
17. ADMINISTRATIVE & SELLING	3,632.29	2,800.27	2,287.04	2,320.76	2,067.15	2,562.41	2,273.28	2,395.01	4,800.65	25,138.86	
18. ADEQUATE PROTECTION PAYMENTS	0.00	0.00								0.00	
19. Miscellaneous	0.00	28.00					0.00	0.00	0.00	28.00	
20	0.00	0.00								0.00	
21. OTHER (attach list)	42,172.92	25,488.46	23,559.35	26,233.94	22,256.28	56,856.60	21,018.06	27,402.43	20,723.95	265,711.99	
TOTAL DISBURSEMENTS FROM OPERATIONS	151,686.53	130,892.78	137,050.74	141,600.82	123,561.56	154,429.43	119,727.88	159,044.54	132,755.76	1,250,800.04	
20. PROFESSIONAL FEES	0.00	0.00			2,435.00	2,220.00	0.00	1,205.00	4,200.00	10,060.00	
21. U.S. TRUSTEE FEES	0.00	0.00		1,950.00	0.00	4,875.00	0.00	0.00	4,875.00	11,700.00	
22. OTHER REORGANIZATION EXPENSES (attach list)	0.00	0.00								0.00	
TOTAL DISBURSEMENTS**	151,686.53	130,892.78	137,050.74	143,600.82	125,996.56	161,524.43	119,727.88	160,249.54	141,830.76	1,272,560.04	
23. NET CASH FLOW	5,809.38	-2,169.89	2,722.81	-6,862.25	4,617.13	-8,486.45	7,678.28	-15,473.88	6,557.67	-5,607.20	
24. CASH, END OF MONTH (MOR-2)	\$21,199.99	\$19,030.10	\$21,752.91	\$14,890.66	\$19,507.79	\$11,021.34	\$18,699.62	\$3,224.74	\$9,783.41	\$9,783.41	

* Applies to individual debtors only

**Numbers for the current month should balance (match)

RECEIPTS and CHECKS/OTHER DISBURSEMENTS lines on MOR-4

MOR-7

MISCELLANEOUS 04/18

REPMNT LOAN 0.00
Misc 0.00
Supplies (deposit)
Comp Meal -554.38
Rental income 6,250.00
Other income/disc
Refund insurance 2,410.00
Reimb taxes payroll 38.04
Gift cards 36.08
-35.77

8,143.97

OTHER 4/18 Line 21

Cache Note prmt 12,800.00
Hardy realty note payment 588.12
Hardy Escrow 1,362.80
Advertising 0.00
Rest Ent 2,688.14
Contributions 0.00
Taxes Pd for property 0.00
Professional fees 0.00
Payroll fees 113.34
0.00
Interest 3,070.55
20,723.95

Imm

CASE NAME: JUBEM INVESTMENTS, INC
CASE NUMBER: _____

CASH ACCOUNT RECONCILIATION
MONTH OF 4/01-4/30/18

BANK NAME	LONE STAR						
ACCOUNT NUMBER	# 1015	# 0981	# 4528	# 2682	# 4569	# 7108	TOTAL
ACCOUNT TYPE	OPERATING	JUBEM	USTACKING 1010	TAX	UST / TAX	JUBEM	
BANK BALANCE	27 66	259 80	26,834 50	0 00	47 60	2,679 03	\$29,848 59
DEPOSITS IN TRANSIT	0 00	0 00	6,655 74	0 00	0 00	0 00	\$6,655 74
OUTSTANDING CHECKS	1,483 54	0 00	25,237 38	0 00	0 00	0 00	\$26,720 92
ADJUSTED BANK BALANCE	(\$1,455 88)	\$259 80	\$8,252 86	\$0 00	\$47 60	\$2,679 03	\$9,783 41
BEGINNING CASH - PER BOOKS	-1,442 92	2,569 80	3,089 85	0 00	55 10	-1,046 09	\$3,225 74
RECEIPTS*	0 00	4,250 00	139,728 43	0 00	0 00	4,410 00	\$148,388 43
TRANSFERS BETWEEN ACCOUNTS	0 00	-6,550 00	-13,471 70	0 00	11,971 70	8,050 00	\$0 00
(WITHDRAWAL) OR CONTRIBUTION BY INDIVIDUAL DEBTOR MFR-2	0 00	0 00	0 00		0 00	0 00	\$0 00
CHECKS/OTHER DISBURSEMENTS*	12 96	10 00	121,093 72	0 00	11,979 20	8,734 88	\$141,830 76
ENDING CASH - PER BOOKS	(\$1,455 88)	\$259 80	\$8,252 86	\$0 00	\$47 60	\$2,679 03	\$9,783 41

MOR-8

*Numbers should balance (match) TOTAL RECEIPTS and
TOTAL DISBURSEMENTS lines on MOR-7

Revised 11/08/05

I m m

CASE NAME: JUBEM INVESTMENTS, INC
CASE NUMBER: _____

PAYMENTS TO INSIDERS AND PROFESSIONALS

Of the total disbursements shown for the month, list the amount paid to insiders (as defined in Section 101(31)(A)-(F) of the U.S. Bankruptcy Code) and the professionals. Also, for insiders, identify the type of compensation paid (e.g., salary, commission, bonus, etc.) (Attach additional pages as necessary)

INSIDERS: NAME/COMP TYPE	MONTH 08/01-08/31	MONTH 09/01-09/30/17	MONTH 10/01-10/31/17	MONTH 11/01-11/30/17	MONTH 12/01-12/31/17	MONTH 1/01-1/31/18	MONTH 2/01-2/28/18	MONTH 3/01-3/31/18	MONTH 4/01-4/30/18
1 Juan Miranda/salary	1,760.00	2,640.00	1,760.00	1,760.00	1,760.00	1,760.00	1,760.00	2,640.00	1,760.00
2 Eliseo Macias/hourly	1,591.70	2,260.10	1,206.70	1,528.30	1,462.00	1,173.30	1,366.30	2,290.80	1,471.30
3 Marisa Macias/salary	3,200.00	4,800.00	3,200.00	3,200.00	3,200.00	3,200.00	3,200.00	4,800.00	3,200.00
4 Bella Miranda/salary	1,760.00	2,640.00	1,760.00	1,760.00	1,760.00	1,760.00	1,760.00	2,640.00	1,760.00
5									
6									
TOTAL INSIDERS (MOR-1)	\$8,311.70	\$12,340.10	\$7,926.70	\$8,248.30	\$8,182.00	\$7,893.30	\$8,086.30	\$12,370.80	\$8,191.30

PROFESSIONALS	MONTH 04/1-4/30	MONTH 09/01-09/30/17	MONTH 10/01-10/31/17	MONTH 11/01-11/30/17	MONTH 12/01-12/31/17	MONTH 1/01-1/31/18	MONTH 2/01-2/28/18	MONTH 3/01-3/31/18	MONTH 4/01-4/30/18
1 Ewing Lara & Company P.C. (CPA)					2,435.00	2,220.00	0.00	1,205.00	4,200.00
2									
3									
4									
5									
6									
TOTAL PROFESSIONALS (MOR-1)	\$0.00	\$0.00	\$0.00	\$0.00	\$2,435.00	\$2,220.00	\$0.00	\$1,205.00	\$4,200.00

MOR-9

Revised 11/08/03

Revised 11/08/03

Revised 11/08/03

Revised 11/08/03

Imm

PROJECTIONS BWR

EXHIBIT B

	YEAR 1 2018	YEAR 2 2019	YEAR 3 2020
Total Income	<u>\$1,516,149.00</u>	<u>\$1,607,120.00</u>	<u>\$1,703,547.00</u>
Total Cost of Goods Sold	<u>\$470,006.19</u>	<u>\$498,207.00</u>	<u>\$528,099.00</u>
Gross Profit	<u>\$1,046,142.81</u>	<u>\$1,108,913.00</u>	<u>\$1,175,448.00</u>
Expenses			
51080 Wages	\$398,345.00	\$410,295.35	\$422,604.21
51110 Payroll Tax	\$48,245.00	\$49,692.35	\$51,183.12
51120 FICA	\$33,750.00	\$34,762.50	\$35,805.38
56020 Advertising/Marketing	\$2,955.00	\$3,043.65	\$3,134.96
56040 Comp Meals	\$1,257.00	\$1,294.71	\$1,333.55
56080 Resturant Entertainment	\$27,850.00	\$28,685.50	\$29,546.07
56120 Repair & Maintenance	\$9,784.00	\$10,077.52	\$10,379.85
56130 Television/Satellite/Internet	\$8,752.00	\$9,014.56	\$9,285.00
56150 Resturant Supplies	\$21,600.00	\$22,248.00	\$22,915.44
56165 Computer/Internet/Software	\$1,474.00	\$1,518.22	\$1,563.77
56167 IT Micros	\$1,800.00	\$1,854.00	\$1,909.62
56170 Telephone & Answering	\$1,780.00	\$1,833.40	\$1,888.40
56175 Security	\$3,550.00	\$3,656.50	\$3,766.20
56190 Utilities	\$33,600.00	\$34,608.00	\$35,646.24
61010 Dues & Subscriptions	\$640.00	\$659.20	\$678.98
80010 Accounting	\$11,400.00	\$11,742.00	\$12,094.26
80020 Bank Service Charges	\$670.00	\$690.10	\$710.80
80030 Credit Card Fees	\$16,022.00	\$16,502.66	\$16,997.74
80050 Licenses & Permits	\$1,500.00	\$1,545.00	\$1,591.35
80060 Payroll Service Fees	\$1,800.00	\$1,854.00	\$1,909.62
80070 BWR Marketing Fee	\$30,322.98	\$31,232.67	\$32,169.65
80080 BWR Royalties	\$75,807.00	\$78,081.21	\$80,423.65
80110 Insurance	\$17,800.00	\$18,334.00	\$18,884.02
80130 Cleaning	\$2,470.00	\$2,544.10	\$2,620.42
80140 Termite/Pest Control	\$1,490.00	\$1,534.70	\$1,580.74
80220 State & Local Taxes	\$20,470.00	\$21,084.10	\$21,716.62
80250 Property Tax	\$33,559.00	\$34,565.77	\$35,602.74
80360 Trustee Fees	\$19,500.00	\$20,085.00	\$20,687.55
Total Expenses	<u>\$828,192.98</u>	<u>\$853,038.77</u>	<u>\$878,629.93</u>
Net Operating Income	<u>\$217,949.83</u>	<u>\$255,874.23</u>	<u>\$296,818.07</u>
Other Income			
Other Ordinary Income			
Rental Income	<u>\$72,000.00</u>	<u>\$84,000.00</u>	<u>\$90,000.00</u>
Total Other Income	<u>\$72,000.00</u>	<u>\$84,000.00</u>	<u>\$90,000.00</u>
Other Expenses			
Other Expenses- ZAVALA			
56121 Repair & Maintenance/ZAVALA	\$2,000.00	\$2,060.00	\$2,121.80
80110 Insurance -ZAVALA	\$3,600.00	\$3,708.00	\$3,819.24
91400 Interest Expense - ZAVALA	\$31,600.00	\$32,548.00	\$33,524.44
UTILITIES/ZAVALA	<u>\$9,325.00</u>	<u>\$9,604.75</u>	<u>\$9,892.89</u>
Total Other Expenses- ZAVALA	<u>\$46,525.00</u>	<u>\$47,920.75</u>	<u>\$49,358.37</u>
Net Rental income	<u>\$25,475.00</u>	<u>\$36,079.25</u>	<u>\$40,641.63</u>
Net Income	<u>\$243,424.83</u>	<u>\$291,953.48</u>	<u>\$337,459.70</u>

PLAN PAYMENTS

CLASS 2 CACHE	\$168,000.00	\$168,000.00	\$168,000.00
CLASS 3 UNSECURED	\$10,324.00	\$10,324.00	\$10,324.00
CLASS 4 PRORITY UNSECURED	1610		
CLASS 5 HARDY	\$36,000.00	44292	44292
Taxes Related to Hardy Note	\$16,800.00	\$17,304.00	\$17,823.12
Total Plan Payment	\$232,734.00	\$239,920.00	\$240,439.12
Net Income after Plan Payments	\$10,690.83	\$52,033.48	\$97,020.58

Assumptions.

Income increases at 6% per year which his 1% less than last year's increase.
 Expenses increase at 3% per year.

Fill in this information to identify the case:

Debtor name **Jubem Investments, Inc.**United States Bankruptcy Court for the: **SOUTHERN DISTRICT OF TEXAS**

Case number (if known) _____

Exhibit C

☐ Check if this is an amended filing**Official Form 206A/B
Schedule A/B: Assets - Real and Personal Property**

12/15

Disclose all property, real and personal, which the debtor owns or in which the debtor has any other legal, equitable, or future interest. Include all property in which the debtor holds rights and powers exercisable for the debtor's own benefit. Also include assets and properties which have no book value, such as fully depreciated assets or assets that were not capitalized. In Schedule A/B, list any executory contracts or unexpired leases. Also list them on *Schedule G: Executory Contracts and Unexpired Leases* (Official Form 206G).

Be as complete and accurate as possible. If more space is needed, attach a separate sheet to this form. At the top of any pages added, write the debtor's name and case number (if known). Also identify the form and line number to which the additional information applies. If an additional sheet is attached, include the amounts from the attachment in the total for the pertinent part.

For Part 1 through Part 11, list each asset under the appropriate category or attach separate supporting schedules, such as a fixed asset schedule or depreciation schedule, that gives the details for each asset in a particular category. List each asset only once. In valuing the debtor's interest, do not deduct the value of secured claims. See the instructions to understand the terms used in this form.

Part 1: Cash and cash equivalents**1. Does the debtor have any cash or cash equivalents?**

- ☐ No. Go to Part 2.
☒ Yes Fill in the information below.

All cash or cash equivalents owned or controlled by the debtor

Current value of debtor's interest

3. Checking, savings, money market, or financial brokerage accounts (Identify all)

Name of institution (bank or brokerage firm)

Type of account

Last 4 digits of account number

Loanstar National Bank xxxxx1015,
3.1. xxxxx2682, xxxxxxxx0981,

Checking**\$25,204.00****4. Other cash equivalents (Identify all)****5. Total of Part 1.**

Add lines 2 through 4 (including amounts on any additional sheets). Copy the total to line 80.

\$25,204.00**Part 2: Deposits and Prepayments****6. Does the debtor have any deposits or prepayments?**

- ☒ No. Go to Part 3.
☐ Yes Fill in the information below.

Part 3: Accounts receivable**10. Does the debtor have any accounts receivable?**

- ☒ No. Go to Part 4.
☐ Yes Fill in the information below.

Part 4: Investments**13. Does the debtor own any investments?**

- ☐ No. Go to Part 5.
☒ Yes Fill in the information below.

Debtor Jubem Investments, Inc.
Name

Case number (If known) _____

	Valuation method used for current value	Current value of debtor's interest
14. Mutual funds or publicly traded stocks not included in Part 1 Name of fund or stock:		
15. Non-publicly traded stock and interests in incorporated and unincorporated businesses, including any interest in an LLC, partnership, or joint venture Name of entity: _____ % of ownership		
15.1. Buffalo Wings and Rings Restaurant Located 3100 N. Jackson Road, Hidalgo, Texas	%	\$2,000,000.00

16. **Government bonds, corporate bonds, and other negotiable and non-negotiable instruments not included in Part 1**
Describe:17. **Total of Part 4.**

Add lines 14 through 16. Copy the total to line 83.

\$2,000,000.00**Part 5: Inventory, excluding agriculture assets**

18. Does the debtor own any inventory (excluding agriculture assets)?

- ☐ No. Go to Part 6.
- ☒ Yes Fill in the information below.

General description	Date of the last physical inventory	Net book value of debtor's interest (Where available)	Valuation method used for current value	Current value of debtor's interest
19. Raw materials Inventory, See Exhibit C to SOFA		\$0.00		\$9,800.00

20. **Work in progress**21. **Finished goods, including goods held for resale**22. **Other inventory or supplies**23. **Total of Part 5.**

Add lines 19 through 22. Copy the total to line 84.

\$9,800.0024. **Is any of the property listed in Part 5 perishable?**

- ☒ No
- ☐ Yes

25. **Has any of the property listed in Part 5 been purchased within 20 days before the bankruptcy was filed?**☒ No☐ Yes. Book value _____ Valuation method _____ Current Value _____26. **Has any of the property listed in Part 5 been appraised by a professional within the last year?**

- ☒ No
- ☐ Yes

Part 6: Farming and fishing-related assets (other than titled motor vehicles and land)

27. Does the debtor own or lease any farming and fishing-related assets (other than titled motor vehicles and land)?

- ☒ No. Go to Part 7.

Debtor Jubem Investments, Inc.
Name

Case number (If known) _____

☐ Yes Fill in the information below.**Part 7: Office furniture, fixtures, and equipment; and collectibles****38. Does the debtor own or lease any office furniture, fixtures, equipment, or collectibles?**☐ No. Go to Part 8.☒ Yes Fill in the information below.

	General description	Net book value of debtor's interest (Where available)	Valuation method used for current value	Current value of debtor's interest
39.	Office furniture FF and E Attached on Exhibit B	\$0.00		\$29,340.00
40.	Office fixtures			
41.	Office equipment, including all computer equipment and communication systems equipment and software			
42.	Collectibles Examples: Antiques and figurines; paintings, prints, or other artwork; books, pictures, or other art objects; china and crystal; stamp, coin, or baseball card collections; other collections, memorabilia, or collectibles			
43.	Total of Part 7. Add lines 39 through 42. Copy the total to line 86.			\$29,340.00
44.	Is a depreciation schedule available for any of the property listed in Part 7? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes			
45.	Has any of the property listed in Part 7 been appraised by a professional within the last year? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes			

Part 8: Machinery, equipment, and vehicles**46. Does the debtor own or lease any machinery, equipment, or vehicles?**☒ No. Go to Part 9.☐ Yes Fill in the information below.**Part 9: Real property****54. Does the debtor own or lease any real property?**☐ No. Go to Part 10.☒ Yes Fill in the information below.**55. Any building, other improved real estate, or land which the debtor owns or in which the debtor has an interest**

Description and location of property Include street address or other description such as Assessor Parcel Number (APN), and type of property (for example, acreage, factory, warehouse, apartment or office building, if available.	Nature and extent of debtor's interest in property	Net book value of debtor's interest (Where available)	Valuation method used for current value	Current value of debtor's interest

Debtor Jubem Investments, Inc. Case number (If known) _____

Name

55.1. 107 and 109 Zavala Ave
Phar, Texas
Warehouse with ten offices. Fee simple \$0.00 \$576,786.00

55.2. 1700 Las Milpas Road,
Phar, Texas
Unimproved Land Fee simple \$0.00 N/A \$795,000.00

55.3. 3600 Las Milpas Road
Hidalgo, Texas
Unimproved Land, 5 Acres Fee simple \$0.00 \$589,000.00

55.4. restaurant location
3100 N. Jackson Road,
Hidalgo, Texas Fee simple \$0.00 \$993,988.00

56. **Total of Part 9.**

Add the current value on lines 55.1 through 55.6 and entries from any additional sheets.
Copy the total to line 88.

\$2,954,774.0057. **Is a depreciation schedule available for any of the property listed in Part 9?**☒ No☐ Yes58. **Has any of the property listed in Part 9 been appraised by a professional within the last year?**☒ No☐ Yes**Part 10: Intangibles and intellectual property**59. **Does the debtor have any interests in intangibles or intellectual property?**☒ No. Go to Part 11.☐ Yes Fill in the information below.**Part 11: All other assets**70. **Does the debtor own any other assets that have not yet been reported on this form?**

Include all interests in executory contracts and unexpired leases not previously reported on this form.

☒ No. Go to Part 12.☐ Yes Fill in the information below.

Debtor Jubem Investments, Inc.
Name

Case number (If known) _____

Part 12: Summary

In Part 12 copy all of the totals from the earlier parts of the form

Type of property	Current value of personal property	Current value of real property
80. Cash, cash equivalents, and financial assets. <i>Copy line 5, Part 1</i>	<u>\$25,204.00</u>	
81. Deposits and prepayments. <i>Copy line 9, Part 2.</i>	<u>\$0.00</u>	
82. Accounts receivable. <i>Copy line 12, Part 3.</i>	<u>\$0.00</u>	
83. Investments. <i>Copy line 17, Part 4.</i>	<u>\$2,000,000.00</u>	
84. Inventory. <i>Copy line 23, Part 5.</i>	<u>\$9,800.00</u>	
85. Farming and fishing-related assets. <i>Copy line 33, Part 6.</i>	<u>\$0.00</u>	
86. Office furniture, fixtures, and equipment; and collectibles. <i>Copy line 43, Part 7.</i>	<u>\$29,340.00</u>	
87. Machinery, equipment, and vehicles. <i>Copy line 51, Part 8.</i>	<u>\$0.00</u>	
88. Real property. <i>Copy line 56, Part 9.....></i>		<u>\$2,954,774.00</u>
89. Intangibles and intellectual property. <i>Copy line 66, Part 10.</i>	<u>\$0.00</u>	
90. All other assets. <i>Copy line 78, Part 11.</i>	+ <u>\$0.00</u>	
91. Total. Add lines 80 through 90 for each column	<u>\$2,064,344.00</u>	+ 91b. <u>\$2,954,774.00</u>
92. Total of all property on Schedule A/B. Add lines 91a+91b=92		<u>\$5,019,118.00</u>

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

In re: Jubem Investments, Inc. D/B/A BUFALLO WINGS & RINGS Debtor	§ § § § §	Chapter 11 Case No. 17-70299
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DEBTOR'S FIRST AMENDED PLAN OF REORGANIZATION

ARTICLE I
SUMMARY

This First Amended Plan of Reorganization (the "Plan") under chapter 11 of the Bankruptcy Code (the "Code") proposes to pay creditors of Jubem Investments, Inc. (the "Debtor") from operation cash flow.

This Plan provides for one class of secured tax claims, two classes of prepetition secured lender claims, one class of general unsecured claims, one class of non-tax priority unsecured claims, and one class of equity claims. Creditors holding allowed general unsecured claims shall receive 100% of their claims over three (3) years at the federal judgment rate of interest. This Plan also provides for the payment of non-tax priority claims in full within 120 days the Plan's effective date and payment of administrative claims upon confirmation.

All creditors and equity security holders should refer to Articles III through VI of this Plan for information regarding the precise treatment of their claim. A disclosure statement that provides more detailed information regarding this Plan and the rights of creditors and equity security holders has been circulated with this Plan. **Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one. If you do not have an attorney, you may wish to consult one.**

ARTICLE II
CLASSIFICATION OF CLAIMS AND INTERESTS

Class	Description	Impaired?	Voting?
2.01. <u>Class 1.</u>	Secured Tax Claims	N	No
2.02. <u>Class 2.</u>	Secured Claim of Cache Private Capital Diversified Fund, LLC	Y	Yes

2.03. <u>Class 3.</u>	General Unsecured Claims	Y	Yes
2.04. <u>Class 4.</u>	Priority Unsecured Claims	Y	Yes
2.05. <u>Class 5.</u>	Secured Claim of Hardy Realty, Inc.	Y	Yes
2.06. <u>Class 6.</u>	Equity Holders	Y	No

ARTICLE III
TREATMENT OF ADMINISTRATIVE EXPENSE CLAIMS,
U.S. TRUSTEES FEES, AND PRIORITY TAX CLAIMS

3.01. Professional Fees. The following professional fees shall be paid within 60 days of the Effective date provided they have been approved by the Court:

The Smeberg Law Firm. (Attorneys) \$35,000.00

Carmen Lara and Ewing, Lara & Company, P.C. (Accountants) \$5000.00

Total Estimated Professional Claims \$ 40,000.00

[This estimate is subject to revision; no claim for administrative claims can be paid absent Court approval.]

The amount of the professional fees disclosed above is an approximate amount. It is unknown at this time exactly how much money will be incurred in professional fees in this Chapter 11 case. A final determination cannot be made until such time as the case is closed as to reasonable professional fees for the provision of whatever services become necessary in this Chapter 11 case. Any other allowed costs and expenses of administration of the Debtors Chapter 11 bankruptcy cases will also be entitled to administrative treatment. These will be paid in full at confirmation, less any retainers already received, after approval by the Court of said fees. The anticipated administrative expenses of the Debtor are moderate for a case of this size.

3.02. United States Trustee Fees. All fees required to be paid by 28 U.S.C. §1930(a)(6) (U.S. Trustee Fees) will accrue and be timely paid until the case is closed, dismissed, or converted to another chapter of the Code. Any U.S. Trustee Fees owed on or before the effective date of this Plan will be paid on the effective date.

3.03. Priority Tax Claims. Priority tax claims are unsecured income, employment, 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, it must receive the present value of such claim, in regular installments paid over a period not exceeding 5 years from the order of relief.

3.03.1. Internal Revenue Service.

The IRS filed an amended proof of claim in the amount of \$0. Debtor shall pay the IRS claim in equal monthly installments at 4% interest within 5 years of the petition filing date. The monthly plan payment is estimated at \$0 per month.

The debt owed by the Debtor to the IRS (except unsecured non priority debt) is a nondischargeable debt, except as otherwise provided for in the Bankruptcy Code, and that if the Debtor should default, the IRS is not subject to the provisions of the Bankruptcy Code so that the IRS can take whatever actions are necessary to collect said debt in the event of default.

A failure by the Debtor to make a payment to the IRS pursuant to the terms of the Plan shall be an event of default; as to the IRS, there is an event of default if payment is not received by the 15th day of each month; if there is a default to IRS, IRS must send written demand for payment to the Debtor and said payment must be received by the IRS within fifteen (15) days of the date of the demand letter; the Debtor can receive up to five (5) notices of default from the IRS; however, on the fifth default cannot be cured, and the IRS may accelerate its allowed claim(s), past or future, and declare the outstanding amount of such claim(s) to be immediately due and owing, and pursue any and all available state and federal rights and remedies.

ARTICLE IV

TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN

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

<u>Class #</u>	<u>Description</u>	<u>Treatment</u>
1	Prepetition Claim of Hidalgo County Taxing Authority	<p>The Class 1 claim consist of the unimpaired secured claims of the taxing entity located in Hidalgo county in the claimed amount of \$70,155.19, which includes all taxes owed through January 31, 2018.</p> <p>The Hidalgo County allowed claim will be paid in full in forty-eight (48) equal, consecutive monthly installments, with the first payment being made on the first day of the first month following 30 days after the Plan's Effective Date. Post-petition interest at the rate of twelve percent (12%) per annum shall accrue beginning from the Petition Date until the confirmation date. Thereafter, plan interest at the rate of twelve percent (12%) per</p>

	<p>annum shall accrue on the entire balance until the tax debt is paid in full. Debtor shall make separate payments on each account consistent with separate amortization schedules provided to the Debtor. Each separate payment which will be applied pro rata to the various tax accounts indicated above. In the event the Debtor sells, conveys or transfers any property which is collateral of the Hidalgo County claim or post confirmation tax debt, the Debtor shall remit such sales proceeds first to Hidalgo County to be applied to the Hidalgo County tax debt incident to any such property/tax account sold, conveyed or transferred.</p> <p>The Reorganized Debtor may pre-pay the pre-petition tax debt to any of the ad valorem taxing entities at any time. The Debtor shall have thirty (30) days from the Effective Date to object to the Hidalgo County claim; otherwise, such claim is deemed as an allowed secured claim in the amount of its Proof of Claim consistent with the treatment of each tax account under this Plan. Hidalgo County shall retain its statutory lien securing their pre-petition and post-petition tax debts until such time as the tax debts are paid in full. Debtor shall pay all post-petition ad valorem tax liabilities (tax year 2016 and subsequent tax years) owing to Hidalgo County in the ordinary course of business as such tax debts come due and prior to said ad valorem taxes becoming delinquent without need of any ad valorem taxing entity filing an administrative claim and request for payment.</p> <p>Should the Reorganized Debtor fail to make any payments as required in this Plan, Hidalgo County shall provide written notice of that default by sending written notice by certified mail to Debtor's counsel advising of that default, and providing the Reorganized Debtor with a period of fifteen (15) days to cure the default. In the event that the default is not cured within fifteen (15) days, Hidalgo</p>
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		County may, without further order of this Court or notice to the Debtor, pursue all of their rights and remedies available to them under the Texas Property Tax Code to collect the full amount of all taxes, penalties and interest owed. Additionally, the failure to timely pay post-petition and/or post-confirmation taxes while the Reorganized Debtor are still paying any pre-petition debt, shall be considered an event of default. The Reorganized Debtor shall be entitled to no more than three (3) Notices of Default. In the event of a fourth (4th) default, Hidalgo County may pursue all rights and remedies available to it under the Texas Property Tax Code in state district court without further order of this court or further notice to the Debtor.
2	Secured claim of Cache Private Capital Diversified Fund, LLC	<p>The Class 2 claim consists of the impaired secured claim of Cache Private Capital Diversified Fund, LLC in the claimed amount of \$2,588,740¹. Cache Private Capital Diversified Fund, LLC shall receive post petition attorney fees and interest of \$11,260.00. All cash collateral payments shall be deemed interest payments on the note. Hence, the entire amount remaining owed to Cache for pre and post judgment interest, principal, attorney fees, and any other fees related to the Cache loan documents is deemed to be \$2,600,000 (minus the amount received by Cache as a result of the 1700 Las Milpas Road sale) as of the effective date (the “Confirmation Balance”).</p> <p>Debtor shall pay Cache interest only payments at an 8% interest rate on the Confirmation Balance for 24 months at which time all principal and interest under the note shall be due. During the plan, interest shall accrue at 12% interest. However, if Debtor pays Cache the Confirmed Balance and all interest accrued pursuant to the Confirmed balance within 12 months of the effective date, then the</p>

¹ This amount is anticipated to be approximately \$2,050,000 from the prior 1700 Las Milpas sale making the monthly interest payment \$14,000.

		<p>interest in excess of 8% shall be permanently waived. Otherwise, upon maturity, all principal and interest at the 12% rate shall be due and payable.</p> <p>If Debtor defaults on its payments to Cache and fails to cure after 7 days written notice to Debtor and Debtor's counsel, which may be by email, or defaults more than 3 times, then Cache may accelerate the note and pursue all remedies under the contract documents. Default interest shall be in accordance with the loan documents. Unless otherwise stated herein, the loan documents shall govern.</p> <p>Debtor shall continue making adequate assurance payments until the month prior to the first regular monthly payment. Debtor's first monthly payment of \$14,000.00 shall be due and payable on the first day of the month to occur 30 days after the effective date.</p> <p>Provided Debtor pays the entire Confirmed Balance and accrued interest thereof (either 8% or 12% as applicable), all guarantors of the underlying Class 2 mortgage shall be released from the mortgage and deed of trust. If, however, the Debtor fails to fully pay the Confirmed Balance and all accrued interest pursuant to the Confirmed Balance, then Cache may pursue all principal, accrued interest, and attorney fees under the original mortgage and deed of trust pursuant to any principal guarantees.</p>

<u>Class #</u>	<u>Description</u>	<u>Treatment</u>
3	<p>General Unsecured Claims</p> <p>San Juanita Carlos \$10,000</p> <p>Saul Salinas \$10,000</p> <p>Fabian Martinez \$10,000</p>	<p>The Class 3 claims consist of the claims of general unsecured creditors. Debtor shall pay all allowed unsecured claims 100% at the federal judgment rate of interest in effect on the effective date in quarterly payments over 36 months. The first payment shall be made the first day of the first month of the first calendar quarter to occur 30 days after the effective date and subsequent payments shall be made the first day of each calendar quarter.</p>
4	<p>Priority Wage Claim of Abraham Martinez</p>	<p>The Class 4 claims consist of the impaired priority unsecured Claim of Abraham Martinez for prepetition wages. Abraham Martinez is owed \$1600.00 for prepetition wages. Abraham Martinez shall receive his claim in 4 equal monthly payments beginning on the first day of the month occurring 30 days after the effective date at the federal judgment rate of interest.</p>
		<p>The Class 5 claim consists of the impaired secured claim of Hardy Realty, Inc. in the scheduled amount of \$370,000. Debtor shall pay Hardy Realty, Inc. interest only payments at the contractual non default rate of interest for 12 months and then shall resume regular principal and interest payments under the loan documents. If Debtor defaults on its payments to Hardy and fails to cure after 7 days written notice to Debtor and Debtor's counsel, which may be by email, or defaults more than 3 times, then Hardy may</p>

The claim of this amount of \$2,56 claim shall be pa note on a 20 year interest rate of th monthly payment 1st day of the 1st the Effective Da continue making until the month o under the Plan. penalty should D outstanding note 5. The terms of remain in full fo modified by Deb Class 3 Claim sh interests as origi documents until Plan.

		<p>accelerate the note and pursue all remedies under the contract documents. Default interest shall be in accordance with the loan documents. Unless otherwise stated herein, the loan documents shall govern.</p> <p>Debtor shall continue making adequate assurance payments until the month prior to the first regular monthly payment. Debtor's first monthly payment of \$3,000.00 shall be due and payable on the first day of the month to occur 30 days after the effective date. The Class 5 claim is deemed impaired under the Plan and shall vote on the Plan.</p> <p>Within 20 days of Confirmation of Debtor's plan, Creditor shall provide Debtor and Debtor's counsel with a full accounting of all post petition fees, interest, and principal it claims is owed to Debtor after all payments and setoffs. Debtor retains the right to Object to the final claimed amount owed to Creditor for 60 days following receipt of Creditor's accounting by Debtor and Debtor's counsel.</p>
6	Equity Holders	<p>The Class 6 claims consist of Equity Holders Juan and Bella Miranda. The equity holders shall retain their interests and are impaired under the plan but not entitled to vote.</p>

ARTICLE V

ALLOWANCE AND DISALLOWANCE OF CLAIMS

5.01. Disputed Claim. A disputed claim is a claim that has not been allowed or disallowed [by a final non-appealable order], and as to which either: (i) a proof of claim has been filed or deemed filed, and the Debtor or another party in interest has filed an objection; or (ii) no proof of claim has been filed, and the Debtor has scheduled such claim as disputed, contingent, or unliquidated. Debtor shall file all objections to claims within 60 days of the Confirmation Date except as provided for herein in regard to particular creditors.

5.02. Delay of Distribution on a Disputed Claim. No distribution will be made on account of a disputed claim unless such claim is allowed by a final non-appealable order.

5.03. Settlement of Disputed Claims. The Debtor will have the power and authority to settle and compromise a disputed claim with court approval and compliance with Rule 9019 of the Federal Rules of Bankruptcy Procedure.

ARTICLE VI

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

All executory contracts of the Debtor not expressly assumed in writing on or before the date of the hearing on Confirmation of the Plan shall be deemed rejected.

ARTICLE VII

MEANS FOR IMPLEMENTATION OF THE PLAN

7.01 Continued Corporate Existence. The Debtors shall continue to exist after the Effective Date as their respective Texas entities, with all the powers of a corporation, partnership, or limited liability company, as applicable, under applicable law and without prejudice to any right to alter or terminate such existence (whether by merger or otherwise) under applicable state law.

7.02 Advance Payment of Claims. Provided Debtors stay current on all payments to creditors pursuant to the Plan, Debtors may make advance payments on claims in Debtors' business judgment discretion.

ARTICLE VIII

GENERAL PROVISIONS

8.01 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:

8.01.1 Administrative Claim shall mean any Claim that is defined in Section 503(b) of the Bankruptcy Code as being an "administrative expense" within the meaning of such section and referenced in Bankruptcy Code Section 507(a)(1) including, without limitation, the actual necessary costs and expenses of preserving the Debtors' estates and operating the business of the Debtors, including wages, salaries, or commissions for services rendered after the commencement of the case, compensation for legal and other services and reimbursement of expenses. Allowed or awarded under Bankruptcy Code Sections 33(a) or 331, and all fees and charges assessed against the estate of the Debtor under title 28 of the United States Code

8.01.2 Allowed Claim or Allowed Interest shall mean a Claim or Interest (a) in respect of which a proof of claim or application has been filed with the Bankruptcy Court within the applicable period of limitation fixed by Bankruptcy Rule 3001 or (b)

scheduled in the list of Creditors prepared and filed with the Bankruptcy Court pursuant to Bankruptcy Rule 1007(b) and not listed as Disputed Claims or contingent or liquidated as to amount, in either case as to which no objection to the allowance thereof has been interposed within any applicable period of limitation fixed by Bankruptcy rule 3001 or an order of the Bankruptcy Court, or this Plan, or as to which any such objection has been determined by an order or judgment which is no longer subject to appeal or certiorari proceeding and as to which no appeal or certiorari proceedings is pending or as otherwise allowed under this Plan. An Allowed Claim may refer to a Secured Claim, a General Unsecured Claim, an Administrative Claim or a Priority Claim as the context provides.

- 8.01.3 Avoidance Actions shall mean those causes of action provided for under Sections 547 to 551 of the Bankruptcy Code, causes of action under applicable non-bankruptcy law for fraudulent transfer or similar legal theories.
- 8.01.4 Bankruptcy Code shall mean the Bankruptcy Code, 11 U.S.C. §101 *et seq.*, as it existed on the Filing Date
- 8.01.5 Bankruptcy Court shall mean the United States Bankruptcy Court for the Western District of Texas, San Antonio Division, in which the Debtors' Chapter 11 case, pursuant to which the Plan is proposed, is pending, and any Court having competent jurisdiction to hear appeals or certiorari proceedings therefrom.
- 8.01.6 Bankruptcy Estate or Estates shall mean all of the assets owned by the Debtors and their respective estates.
- 8.01.7 Cash shall mean Cash and Cash equivalents including, without limitation, checks and wire transfers.
- 8.01.8 Claim shall have the meaning given in Section 101 of the Bankruptcy Code, to wit, any right to payment, or right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, against the Debtors in existence on or before the Filing Date, whether or not such right to payment or right to equitable remedy is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, legal, secured or unsecured whether or not asserted.
- 8.01.9 Class shall mean any class into which Allowed Claims or Allowed Interests are classified pursuant to Article 4.
- 8.01.10 Confirmation Date shall mean the date upon which the Confirmation Order is entered by the Clerk of the Bankruptcy Court.
- 8.01.11 Confirmation Hearing shall mean the hearing held by the Bankruptcy Court to consider confirmation of the Plan.

- 8.01.12 Confirmation Order shall mean the order entered by the Bankruptcy Court confirming this Plan in accordance with the provisions of Chapter 11 of the Bankruptcy Code.
- 8.01.13 Creditor shall mean any entity holding a Claim.
- 8.01.14 Debtor shall mean **Jubem Investments, Inc.**
- 8.01.15 Disbursing Agent shall mean the Debtors.
- 8.01.16 Disclosure Statement shall mean the written document filed by the Debtors in accordance with Section 1125(b) of the Bankruptcy Code containing information sufficient to enable a hypothetical reasonable investor typical of Holders of Claims or Interests of the relevant Class to make an informed judgment about this Plan.
- 8.01.17 Disallowed Claim shall mean any Claim or portion thereof which has been disallowed by a Final Order and includes any Claim which is not an Allowed Claim for any other reason.
- 8.01.18 Disputed Claim shall mean that portion (including, where appropriate, the whole) or any Claim (other than an Allowed Claim) that (a) is listed in Debtors' schedules of liabilities as disputed, contingent, or unliquidated; (b) is listed in the Debtors' schedules of liabilities and as to which a proof of Claim has been filed with the Bankruptcy Court, to the extent the proof of Claim exceeds the scheduled amount; (c) is not listed in the Debtors' schedules of liabilities, but as to which a proof of Claim has been filed with the Bankruptcy Court; or (d) as to which an objection has been filed and has not become an Allowed Claim.
- 8.01.19 Effective Date shall mean the later of 30 days after entry of a Final Order confirming Debtor's plan of reorganization.
- 8.01.20 Equity Interest shall mean the interests represented by an "equity security" as defined in Section 101 of the Bankruptcy Code.
- 8.01.21 Executory Contracts shall mean any Pre-petition Unexpired Lease(s) or executor contract(s) of the Debtor within the meaning of Section 365 of the Bankruptcy Code.
- 8.01.22 Filing Date shall mean the date Debtors filed their voluntary petition under Chapter 11 of the Bankruptcy Code.
- 8.01.23 Final Order shall mean an order or judgment of a Court which has become final in accordance with law, and which has not been stayed pending appeal.

- 8.01.24 General Unsecured Claim shall mean either (i) a Claim that is not secured by a lien, security interest or other charge against or interest in property in which Debtors have an interest or which is not subject to setoff under Section 553 of the Bankruptcy Code; (ii) a Claim that is not a Secured Claim; (iii) a claim that is not an Administrative Claim; (iv) a Claim that is not a Priority Claim; or (v) a Claim that is not otherwise entitled to priority under Bankruptcy Code Sections 503 or 507.
- 8.01.25 Holder shall mean the owner or Holder of any Claim or Interest.
- 8.01.26 Interest shall mean an Interest (a) in respect to which a proof of interest has been filed with the Bankruptcy Court within the applicable period of limitation fixed by Bankruptcy Rule 3001 or (b) scheduled in the list of Equity Security Holders prepared and filed with the Bankruptcy Court pursuant to Bankruptcy Rule 1007(b).
- 8.01.27 Insider has the definition ascribed to it under the Bankruptcy Code.
- 8.01.28 Lien shall mean a “lien” as defined in Section 101(37) of the Bankruptcy Code.
- 8.01.29 Net Proceeds shall mean, any cash recovery, the funds remaining after a final judgment on an Avoidance Action, net of all legal fees (and/or contingency legal fees), costs and expenses of suit. The Net Proceeds, for any non-cash recovery, is the amount of cash remaining after the final judgment and recovery of non-cash asset is liquidated and the cash proceeds are distributed net of all legal fees, costs and expenses of suit. Compromises of Avoidance Actions may include cash or benefits to the Debtors or Reorganized Debtors and are not Net Proceeds.
- 8.01.30 Person shall mean an individual, corporation, partnership, joint venture, trust, estate, unincorporated organization, or a government or any agency or political subdivision thereof.
- 8.01.31 Plan shall mean this Chapter 11 Plan, as altered, modified or amended in accordance with the terms hereof in accordance with the Bankruptcy Code, the Bankruptcy Rules and this Plan.
- 8.01.32 Priority Tax Claims shall mean any claim that is defined in Section 507(a)(8) of the Bankruptcy Code.
- 8.01.33 Professionals shall mean all professional employed in this case pursuant to Section 327 or 1103 of the Bankruptcy Code.
- 8.01.34 Pro-Rata shall mean the proportion that the Allowed amount of such Claim bears to the aggregate amount of Claims in each respective Class.

- 8.01.35 Secured Claim shall mean a claim secured by a lien, security interest or other charge against or interest in property in which the Debtors have an interest, or which is subject to setoff under Section 553 of the Bankruptcy Code, to the extent of the value (determined in accordance with Section 506(a) of the Bankruptcy Code) of the interest of the Holder of such Claim in the Debtors' interest in such property or to the extent of the amount subject to such setoff, as the case may be.
- 8.01.37 Severability. If any provision in this Plan is determined to be unenforceable, the determination will in no way limit or affect the enforceability and operative effect of any other provision of this Plan.
- 8.01.38 Binding Effect. The rights and obligations of any entity named or referred to in this Plan will be binding upon, and will inure to the benefit of the successors or assigns of such entity.
- 8.01.39 Captions. The headings contained in this Plan are for convenience of reference only and do not affect the meaning or interpretation of this Plan.
- 8.01.40 Controlling Effect. Unless a rule of law or procedure is supplied by federal law (including the Code or the Federal Rules of Bankruptcy Procedure), the laws of the State of Texas govern this Plan and any agreements, documents, and instruments executed in connection with this Plan, except as otherwise provided in this Plan.

ARTICLE IX

DISCHARGE AND EFFECT OF CONFIRMATION

Legally Binding Effect. The provisions of this Plan shall bind all Creditors and Interest Holders, whether or not they accept this Plan. On and after the Effective Date, all holders of Claims shall be precluded and forever enjoined from asserting any (i) Claim against the Debtor based on any transaction or other activity of any kind that occurred prior to the Confirmation Date except as permitted under the Plan; and (ii) derivative claims, including claims against third parties asserting alter ego claims, fraudulent transfer claims, guaranty claims or any type of successor liability based on acts or omissions of the Debtor.

Limited Discharge of Debtor and Injunction. Pursuant to Section 1141(d) of the Bankruptcy Code, upon the Effective Date, the Debtor shall be discharged from any debt that arose before the date of such confirmation, and any debt of a kind specified in Section 502(g), 502(h) or 502(i) of the Bankruptcy Code, whether or not a proof of the Claim based on such debt is filed or deemed filed under Section 501 of this title; such Claim is allowed under Section 502 of this title; or the Holder of such Claim has accepted the Plan. The entry of the Confirmation Order will operate as a general resolution with prejudice, as of the Effective Date, of all pending Legal Proceedings, if any, against the Debtor and their assets and properties and any

proceedings not yet instituted against the Debtor or their assets, except as otherwise provided in the Plan. Except as otherwise expressly provided in the Plan or the Confirmation Order, all Persons who have held, may have held, hold, or may hold Claims against the Debtor are permanently enjoined on and after the Effective Date from (a) commencing or continuing in any manner any action or other proceeding of any kind against the Debtor or their property, with respect to any such Claim, (b) the enforcement, attachment, collection or recovery by any manner or means of any judgment, award, decree or order with respect to any such Claim against the Debtor or their property, (c) creating, perfecting, or enforcing any encumbrance of any kind against the Debtor or their property, with respect to such Claim, (d) asserting any right of subrogation of any kind against any obligation due to the Debtor or the property of the Debtor or the Estates with respect to any such Claim and (e) asserting any right of setoff or recoupment against the Debtor or the Estate except as specifically permitted by § 553 of the Bankruptcy Code. Unless otherwise provided in the Plan or by order of the Bankruptcy Court, all injunctions or automatic stays provided for in these cases pursuant to § 105, if any, or § 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date will remain in full force and effect until the Effective Date.

As long as Debtor complies with the Plan in regard to Cache, Cache shall be enjoined from collecting under the loan documents related to its claim from Debtor's principals.

Limited Protection of Certain Parties in Interest. Neither (a) the Debtor, or any of their respective employees, officers, directors, agents, representatives, affiliates, attorneys, financial advisors, or any other professional persons employed by the Debtor, nor (b) each Professional for the Debtor or any of their employees, officers, directors, agents, representatives, affiliates, attorneys, financial advisors, or any other professional persons employed by any of them, (the persons identified in (a) and (b), are collectively referred to as "Protected Persons"), shall have or incur any liability to any Person or Entity under any theory of liability for any act or omission occurring on or after the Petition Date in connection with or related to the Debtor, the Chapter 11 Cases, or the Estates, including, but not limited to, (i) formulating, preparing disseminating, implementing, confirming, consummating or administering this Plan (including soliciting acceptances or rejections thereof); or (ii) the Disclosure Statement or any contract, instrument, release or other agreement or document entered into or any action taken or omitted to be taken in connection with this Plan, except for acts constituting willful misconduct, gross negligence, or *ultra vires* activity and in all respects such Protected Persons shall be entitled to rely in good faith upon the advice of counsel. In any action, suit or Legal Proceeding by any Person contesting any action by, or non-action of any Protected Person as constituting willful misconduct, gross negligence, or *ultra vires* activity or not being in good faith, the reasonable attorneys' fees and costs of the prevailing party will be paid by the losing party and as a condition to going forward with such action, suit, or Legal Proceeding at the outset thereof, all parties thereto will be required to provide appropriate proof and assurances of their capacity to make such payments of reasonable attorneys' fees and costs in the event they fail to prevail.

Continuation of Anti-Discrimination Provisions of Bankruptcy Code. A Governmental Unit may not deny, revoke, suspend, or refuse to renew a license, permit, charter, franchise, or other similar grant to, condition such a grant to, or discriminate with respect to such a grant against, the Debtor, or another Person with whom the Debtor have been or are associated or affiliated, solely because of the commencement, continuation, or termination of the case or because of any provision of the Plan or the legal effect of the Plan, and the Confirmation Order will constitute an express injunction against any such discriminatory treatment by a Governmental Unit.

ARTICLE X **OTHER PROVISIONS**

DEFAULT

10.01. Default. Upon default by the Reorganized Debtor and unless otherwise specified in the Plan, creditors are required to provide written notice of such Default to the Reorganized Debtor and its counsel, The Smeberg Law Firm, PLLC by certified mail, return receipt requested, and by regular first class mail, and the Reorganized Debtor shall have thirty (30) days from the date of the notice to cure the default. Any defect in such default notice shall toll the running of the thirty (30) day cure period. Notice of default shall be given to the Reorganized Debtor and Ronald Smeberg. If the Reorganized Debtor fails to cure within the thirty (30) day cure period provided herein, creditors shall be allowed to foreclose their liens without further notice of hearing before the Court. The Reorganized Debtor shall be entitled to three (3) notices of default for each calendar year. On the fourth (4th) notice of default for a calendar year, creditors shall be allowed to foreclose their liens without further notice of hearing before the Court, or move to have the case converted to a case under Chapter 7.

10.03. Vesting of Estate Property and Effect of Default. On the Effective Date, title to all assets and properties dealt with by the Plan shall vest in the Debtor that held title to the asset or property, free and clear of all Claims and Interests other than any contractual secured claims granted under any lending agreement, on the condition that Reorganized Debtor comply 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 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.

Respectfully submitted,

BY: /s/ Juan Miranda

Name: Juan Miranda, President

GUERRA & SMEBERG, PLLC

BY: /s/ Ronald J. Smeberg

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