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FILED
APR 13 11:00
CLERK OF DISTRICT COURT
BOISE, IDAHO

Attorneys for Trustee, Bernie R. Rakozy

UNITED STATES BANKRUPTCY COURT
DISTRICT OF IDAHO

In Re:

SAWTOOTH ENTERPRISES, INC. dba
BUCKIN' BAGEL,

Debtor.

Case No. 96-03050

NOTICE OF HEARING AND
MOTION FOR APPROVAL OF
COMPROMISE RE: ASSOCIATES
COMMERCIAL AND HAYDEN
BEVERAGE

NOTICE OF HEARING

YOU WILL PLEASE TAKE NOTICE that the Trustee will bring the Motion for Approval of Compromise Re: Associates Commercial and Hayden Beverage on for hearing before the Bankruptcy Court, Federal Building, 5th Floor, 550 Fort Street, Boise, Idaho on the **12th day of April, 1999, at the hour of 1:30 p.m.**, or as soon thereafter as counsel can be heard.

MOTION TO APPROVE COMPROMISE

Pursuant to Bankruptcy Rule 9019, the Trustee, Bernie R. Rakozy, moves the court for approval of a compromise between the estate and Associates Commercial Corporation ("Associates") whereby Associates will pay the estate \$887.15 in exchange for dismissal of a net preference claim in that amount. Trustee also moves for approval of a compromise between the estate and Hayden Beverage Company ("Hayden") whereby Hayden will pay the estate \$3,242.28 in settlement and compromise of a net preference claim of \$3,242.28 after deduction for new value

NOTICE OF HEARING AND MOTION FOR APPROVAL OF COMPROMISE RE: ASSOCIATES COMMERCIAL AND HAYDEN BEVERAGE - 1

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extended. In support of this motion, the Trustee alleges as follows:

ASSOCIATES COMMERCIAL CORPORATION

1. On or about November 27, 1996 the Debtor, Buckin' Bagel, filed a voluntary petition for bankruptcy pursuant to Chapter 11 which was converted to Chapter 7 on or about March 13, 1997.
2. Within 90 days of Debtor's bankruptcy petition, Associates received \$2,661.75 in transfers of an interest of the Debtor's property pursuant to 11 U.S.C. § 547(b). However, after credit for defenses pursuant to 11 U.S.C. § 547(c), the Trustee claims the result leaves a net preferential transfer of \$887.15.
3. Associates maintains that transfers by the Debtor were in payment of debts incurred by the Debtor in the ordinary course of business of the Debtor and Associates and were the result of new value to or for the benefit of the Debtor.
4. Trustee's counsel has determined that Associates made the payments on a secured vehicle loan. Only one payment of \$887.15 was made late. The other payments of \$1,774.60 were for current payments on secured debt.
5. The Trustee sued Associates for the preferential transfers in the adversary proceeding styled *Bernie R. Rakozy, Trustee v. American Forms & Labels, Inc. et al.*, Adversary No. 98-6330 the Trustee and Associates has agreed, subject to court approval, to settle this dispute for a payment of \$887.15 from Associates. The Trustee represents that the settlement is fair and reasonable under the circumstances and is in the best interest of the estate and creditors. The settlement will avoid further expense and legal fees in pursuing the claim. The settlement will further avoid the risk of a judgment in a lesser amount and the risk of non-collection even if the Trustee prevails.

HAYDEN BEVERAGE SERVICE

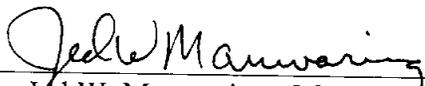
6. With regard to Hayden, the Trustee's position is that, within 90 days of the bankruptcy petition, Hayden received \$5,675.79 in transfers of an interest of the Debtor's property pursuant to 11 U.S.C. § 547(b). However, Hayden has produced new value invoices such that the preference claim is reduced to \$3,242.28 by new value setoffs as detailed in the attached table.

7. Hayden maintains that the new value and ordinary course of business defenses would completely offset any preferential transfers and the Trustee concludes that at least the new value defense would more likely than not prevail if taken to trial.

8. The Trustee sued Hayden for the \$5,675.79 in the adversary proceeding styled *Bernie R. Rakozy, Trustee v. American Forms & Labels, Inc. et al.*, Adversary No. 98-6330. The Trustee and Hayden have agreed, subject to court approval, to settle this dispute for a payment of \$3,242.28 from Hayden. The Trustee represents that the settlement is fair and reasonable under the circumstances and is in the best interest of the estate and creditors. The settlement will avoid further expense and legal fees in pursuing the claim. The settlement will further avoid the risk of a judgment in a lesser amount and the risk of non-collection even if Trustee prevails.

DATED this 12th day of March, 1999.

EVANS, KEANE LLP

By 
Jed W. Manwaring, Of the Firm
Attorneys for Trustee

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 12 day of March, 1999, a true and correct copy of the foregoing document was served by first-class mail, postage prepaid, and addressed to; by fax transmission to; by overnight delivery to; or by personally delivering to or leaving with a person in charge of the office as indicated below:

KIM A. DENNIS, V.P. and Asst. Gen. Counsel
Associates Commercial Corporation
c/o Prentice-Hall Corp. System
201 S. Main Street, Ste. 1800
Salt Lake City, UT 84111

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 Hand Delivery

Richard E. Grigg
HAYDEN BEVERAGE COMPANY
P.O. Box 15619
Boise, ID 83715

U.S. Mail
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BERNIE R. RAKOZY, TRUSTEE
P.O. Box 1738
Boise, ID 83701-1738

U.S. Mail
 FAX
 Overnight Delivery
 Hand Delivery

U.S. TRUSTEE
P.O. Box 110
Boise, ID 83701

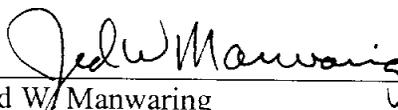
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BUCKIN' BAGEL
Sawtooth Enterprises, Inc.
200 1st Avenue
Ketchum, ID 83340

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Joseph M. Meier
Cosho, Humphrey, Greener & Welsh, P.A.
815 W. Washington
Boise, ID 83702-5590

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Jed W. Manwaring

**WOOD RIVER BEVERAGE, INC. d/b/a HAYDEN BEVERAGE CO.
NEW VALUE ANALYSIS**

TO: File 281-53 (Sawtooth)
 DATE: January 11, 1999
 RE: Hayden Beverage
 90 day preference period: August 28, 1996 - November 27, 1996

VENDOR	CHECK / INVOICE NO.	DATE OF CHECK \ INVOICE	AMOUNT OF CHECK	NEW VALUE INVOICE	COMMENTS
Hayden Beverage Co.	3115	9/9/96	\$2,123.60		Date = date paid from debtor's bank.
	742508	09/10/96		\$273.30	
	744879	09/18/96		\$474.17	
	3249	09/30/96	\$2,099.66		
	747220	09/25/96		\$122.40	
	749308	10/02/96		\$623.87	
	751720	10/09/96		\$245.52	
	753905	10/16/96		\$433.58	
	01055	10/22/96	\$900.00		
	755863	10/23/96		\$250.67	
	01138	11/12/96	\$552.53		
TOTAL CHECKS			\$5,675.79		
TOTAL NEW VALUE				\$2,423.51	
PREFERENCE CLAIM					\$3,252.28