

Jed W. Manwaring
EVANS, KEANE LLP
1101 W. River Street, Suite 200
P. O. Box 959
Boise, Idaho 83701-0959
Telephone: (208) 384-1800
Facsimile: (208) 345-3514

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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:
TORREFAZIONE ITALIA

NOTICE OF HEARING

YOU WILL PLEASE TAKE NOTICE that the Trustee will bring the Motion for Approval of Compromise Re: Torrefazione Italia on for hearing before the Bankruptcy Court, Federal Building, 5th Floor, 550 Fort Street, Boise, Idaho on the 27th day of May, 1999, at the hour of 9:30 a.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 Torrefazione Italia ("Italia") whereby Italia will pay the estate \$2,700.57 in exchange for dismissal of a net preference claim in that amount after deduction for the ordinary course of business defense. In support of this motion, the Trustee alleges

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as follows:

TORREFAZIONE ITALIA

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, Italia received \$5,542.60 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 \$2,700.00.

3. Italia maintains that all transfers by the Debtor were in payment of debts incurred by the Debtor in the ordinary course of business of the Debtor. The Trustee contends that the ordinary course of business defense leaves a net preference claim of approximately \$2,700.00. Attached as Exhibit "A" is a table summary of the payment transactions.

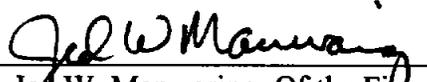
4. The Trustee sued Italia for the preferential transfers in the adversary proceeding styled *Bernie R. Rakozy, Trustee v. American Forms & Labels, Inc. et al.*, Adversary No. 98-6330. The Trustee and Italia have agreed, subject to court approval, to settle this dispute for a payment of \$2,700.57 from Italia.

5. 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.

DATED this 28 day of April, 1999.

EVANS, KEANE LLP

By


Jed W. Manwaring, Of the Firm
Attorneys for Trustee

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 28 day of April, 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:

Todd Barton
Carrington Coleman
200 Crescent Court, Suite 1500
Dallas, TX 75201-1848

U.S. Mail
 FAX
 Overnight Delivery
 Hand Delivery

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

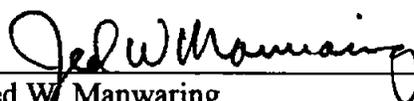
U.S. Mail
 FAX
 Overnight Delivery
 Hand Delivery

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

U.S. Mail
 FAX
 Overnight Delivery
 Hand Delivery

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

U.S. Mail
 FAX
 Overnight Delivery
 Hand Delivery


Jed W. Manwaring



**VENDOR PAYMENTS BY DATE
For TORREFAZIONE ITALIA**

In re: *Sawtooth Enterprises* 281-53

Date of Bankruptcy Filing: November 27, 1996 December 3, 1998

Converted: 3/13/97

90 days prior: August 28, 1996

VENDOR	BANK ACCOUNT NO.	CHECK NO.	DATE OF PAYMENT	AMOUNT OF PAYMENT	INVOICE NO. APPLIED TO	DATE OF INVOICE	ORIG. AMT OF INVOICE APPLIED TO
Torrefazione Italia							
	4267000323	01001	10/07/96	548.79	50009 50934	10/22/96 10/28/96	575.30 573.61
	4267000323	01002	10/07/96	1,216.40	44145 47099 49273 50009	8/28/96 9/29/96 10/15/96 10/22/96	1216.40 48.79 505.74 575.39
	4267000323	01019	10/08/96	804.20	048330 49273	10/04/96 10/15/96	304.20 505.74
	4267000323	01059	10/18/96	824.24	604146	11/1/96	1174.00
	4267000323	01088	10/23/96	1,075.36	000000	11/29/96	1124.94
	4267000323	01119	10/31/96	1,073.61	50934 00000 53433 53434 604146 604528	10/28/96 11/24/96 11/19/96 11/19/96 11/1/96 12/6/96	573.61 1124.94 165.00 82.80 1174.00 911.12
TOTAL				\$5,542.60			

