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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: SYSCO**

NOTICE OF HEARING

YOU WILL PLEASE TAKE NOTICE that the Trustee will bring the Motion for Approval of Compromise Re: SYSCO on for hearing before the Bankruptcy Court, Federal Building, 5th Floor, 550 Fort Street, Boise, Idaho on the 20th day of July, 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 SYSCO Corporation ("SYSCO") whereby SYSCO will pay the estate \$4,210.56 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 as follows:

1. On or about November 27, 1996 the Debtor, Buckin' Bagel, filed a voluntary petition

103
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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, SYSCO received \$36,645.93, only some of which were transfers of an interest of the Debtor's property pursuant to 11 U.S.C. § 547(b). After credit for defenses pursuant to 11 U.S.C. § 547(c), the Trustee claims the result leaves a net preferential transfer of \$4,210.56. Payments of \$32,435.37 have been determined to be for contemporaneous invoices and deliveries.

3. SYSCO 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 \$4,210.56. Attached as Exhibit "A" is a table summary of the payment transactions.

4. The Trustee sued SYSCO 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 SYSCO have agreed, subject to court approval, to settle this dispute for a payment of \$4,210.56 from SYSCO.

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 23 day of June, 1999.

EVANS, KEANE LLP

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

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 23 day of June, 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:

Derrick J. O'Neill
Jones, Gledhill, Hess, Andrews,
Fuhrman, Bradbury & Eiden, P.A.
P. O. Box 1097
Boise, Idaho 83701

U.S. Mail
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BERNIE R. RAKOZY, TRUSTEE
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U.S. TRUSTEE
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BUCKIN' BAGEL
Sawtooth Enterprises, Inc.
200 1st Avenue
Ketchum, ID 83340

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 FAX
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Joseph M. Meier
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Jed W. Manwaring
Jed W. Manwaring

Sysco

In re: Sawtooth Enterprises

Date of Bankruptcy Filing: November 27, 1996

Converted: 3/13/97

90- day prior: August 28, 1996

SYSCO PREFERENCE ANALYSIS

281-53

VENDOR	ACCOUNT NO.	CHECK NO.	DATE OF PAYMENT	PREFERENCE PAYMENT	AMOUNT OF PAYMENT	INVOICE NO. PAID	DATE OF INVOICE	AMOUNT OF INVOICE
Sysco	46310009	no #	09/04/96		640.54	609040491	9/4/96	640.54
	88538228	529	09/06/96		455.35	609060605	9/6/96	507.35
	46310009	3111	09/20/96		3,105.14	609030427	9/3/96	3,271.08
	46310009	3163	09/12/96		3,233.11	609100483	9/10/96	3,277.41
	88538228	545	09/17/96		697.65	609179572	9/17/96	697.65
	46310009	3209	09/18/96		1,655.58	609180405	09/18/96	1,655.58
	46310009	3251	09/23/96	810.56				
	46310009	3254	09/25/96		3,207.02	609250432	09/25/96	3,207.02
	46310009	3258	09/27/96		702.38	609270573	9/27/96	702.38
	46310009	3308	10/02/96		3,207.77	610020373	10/02/96	3,207.77
	4267000323	01020	10/09/96		2,799.66	610090376	10/9/96	2,799.60
			10/9/96	400.00				
	4267000323	01038	10/16/96		2,395.76	610160391	10/16/96	2,395.76
			10/16/98	400.00				

EXHIBIT

"A"

VENDOR	ACCOUNT NO.	CHECK NO.	DATE OF PAYMENT	PREFERENCE PAYMENT	AMOUNT OF PAYMENT	INVOICE NO. PAID	DATE OF INVOICE	AMOUNT OF INVOICE
	4267000323	01087	10/23/96		2,478.94	610230308	10/23/96	2,478.94
			10/24/96	400.00				
	4267000323	01113	10/30/96		2,242.01	610300320	10/30/96	2,242.01
			10/30/96	400.00				
	4267000323	01153	11/06/96		2,468.00	611060312	11/06/96	2,468.00
			11/06/98	400.00				
	4267000323	01177	11/12/96		2,731.46	611130303	11/13/96	2,731.46
	4267000323	01186	11/18/96		415.00	611149508	11/14/96	415.00
			11/18/96	400.00				
			11/20/96	1,000.00				
TOTAL PREFERENCE				\$4,210.56				