

UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF NEW YORK

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In re

DEBBIE-DAN PROPERTIES, INC.  
d/b/a Ramada Inn Niagara  
f/k/a Niagara Hotels, Inc.

Case No. 93-10760 K

Debtor

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Under 11 U.S.C. § 365(a) the Court has approved the Debtor's rejection of its executory contract with Yvonne Mangan, by which the Debtor was to provide banquet services. Ms. Mangan has requested the immediate return of her \$600.00.

The Court reserved decision pending a report as to whether Ms. Mangan's funds had been held in trust. It has been reported that the funds were co-mingled with general funds of the Debtor.

That being the case, the Court knows of no basis upon which to compel the Debtor to pay Ms. Mangan \$600.00 while all other creditors of the corporation await the fate of their claims.

Under 11 U.S.C. § 365(g)(1), Ms. Mangan now holds a claim against the Debtor's estate. Under 11 U.S.C. § 507(a)(6) that claim may be a "priority" claim as a "consumer deposit" claim - entitled to payment before any general unsecured claims are paid, if assets are sufficient to pay "priority" creditors.

A copy of this Order shall be mailed to Ms. Mangan's counsel together with a Proof of Claim form by which such claim may

be asserted.

Her request for an Order directing payment of \$600 is denied.

SO ORDERED.

Dated: Buffalo, New York  
June 3, 1993



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J.S.B.J.