UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re:	)	Chapter 7
	)	
DISCOVERY ZONE, INC., et al.,	)	Case No. 99-0941(PJW)
	)	
Debtors.	)	Joint Administration
_____		)
	)	
MONTAGUE S. CLAYBROOK,	)	
Chapter 7 Trustee of Discovery	)	
Zone, Inc., DZ Party, Inc.,	)	
Discovery Zone (Puerto Rico),		)
Inc. and Discovery Zone		)
Licensing, Inc.,	)	
	)	
Plaintiff,	)	
	)	
v.	)	Adv. Proc. No. 01-1491 (PJW)
	)	
PIZZA HUT, INC.,	)	
	)	
Defendant.	)	

CORRECTION TO MEMORANDUM OPINION DATED OCTOBER 3, 2003

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Attached hereto is a corrected page 7 of the Court's Memorandum Opinion of October 3, 2003.

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Peter J. Walsh
United States Bankruptcy Judge

Dated: November 17, 2003

unsecured; and (3) the creditor must not have been fully compensated by the debtor as of the date the debtor filed the bankruptcy petition. 880 F.2d 679, 680 (3d Cir. 1989); In re Contempri Homes, 269 B.R. 124, 130 (Bankr. M.D. Pa. 2001) (citing id.). If the creditor satisfies these elements, a setoff is permitted in the amount of the new value and the recoverable amount is reduced. See Ross v. Phila. Housing Auth. (In re Ross), No. 97-0063, 1997 WL 331830, at *4 (Bankr. E.D. Pa. June 10, 1997) (citing N.Y. City Shoes, 880 F.2d at 680).

Section 547(c)(4) is supported by two policy considerations. First, the rule encourages third parties to continue doing business with the debtor by limiting their risk of loss and encouraging the retention of the payments they received. In re CCG 1355, Inc., 276 B.R. 377, 386 n.20 (Bankr. D.N.J. 2002) (citing In re Micro Innovations Corp., 185 F.3d 329, 332 (5th Cir. 1999)). Furthermore, the continued business transactions might even help prevent the debtor from ever filing bankruptcy. See id. Second, § 547(c)(4) codifies the concept that the estate, and consequently the other creditors, are not harmed by the transfers. Id. If the transfer is within this exception, it was made in exchange for new value and the new value augments the

estate in the same proportion as the value of the transfer; therefore, the estate does not suffer any injury. Id.

In this case, the only issue to be resolved is the second