UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE-WILMINGTON

In Re:	Case No. 18-10069-MFW
KIKO USA, INC.	Chapter 11
Debtor.	Hon. Mary F. Walrath

_____/

MICHIGAN DEPARTMENT OF TREASURY'S RESPONSE TO DEBTOR'S SECOND OMNIBUS OBJECTION TO CLAIMS (NON-SUBSTANTIVE) PURSUANT TO SECTION 502(b) OF THE BANKRUPTCY CODE, BANKRUPTCY RULES 3001, 3003, AND 3007, AND LOCAL RULE 3007-1

NOW COMES the State of Michigan Department of Treasury, by and through its attorneys, Bill Schuette, Attorney General, and Katherine C. Kerwin, Assistant Attorney General, and for its response to Debtor's Second Omnibus Objection to Claims (Non-Substantive) Pursuant to Section 502(b) of the Bankruptcy Code, Bankruptcy Rules 3001, 3003, and 3007, and Local Rule 3007-1 states as follows:

1. On July 6, 2018, State of Michigan Department of Treasury timely filed proof of claim #93 for a priority tax debt in the amount of $14,895.84 and an unsecured tax debt in the amount of $3,836.32. The claim was the result of estimated unpaid Michigan Sales Tax, Michigan Use Tax, and associated penalties and interest for the tax year 2015.
2. State of Michigan Department of Treasury properly attached supporting documentation to its claim in the form of sworn summaries.
3. State of Michigan Department of Treasury is authorized under statute to estimate any taxes due upon the failure of the taxpayer to submit required return(s). When State of Michigan Department of Treasury accepts and processes the tax return(s), it will make the necessary adjustments to its claim, if any.

4. Debtor filed an objection to State of Michigan Department of Treasury's claim on the basis that no documents were attached to support its claim. That is incorrect. Sworn summaries were attached to the proof of claim. Therefore, Debtor's objection should be overruled.

5. Upon information and belief based on discussions with Debtor's counsel, Debtor has substantive objections to State of Michigan Department of Treasury's claim. While Debtor has not filed a substantive objection to State of Michigan Department of Treasury's claim, Debtor's counsel and the undersigned are engaged in discussion regarding tax returns or other documents that may be required to resolve any substantive objections to State of Michigan Department of Treasury's claim.

WHEREFORE, the State of Michigan Department of Treasury respectfully requests that its claim be allowed as filed or amended, and further requests that Debtor's Second Omnibus Objection to Claims (Non-Substantive) Pursuant to Section 502(b) of the Bankruptcy Code, Bankruptcy Rules 3001, 3003, and 3007, and Local Rule 3007-1 as to the State of Michigan Department of Treasury is overruled. At such time that State of Michigan Department of Treasury accepts and processes the 2015 tax return(s), State of Michigan Department of Treasury will make adjustments and file an amended claim, if necessary. The State of Michigan Department of Treasury should not be penalized because of the Debtor's failure to timely file its tax returns.

Respectfully submitted,

BILL SCHUETTE
Attorney General

Date: August 29, 2018

/s/ Katherine C. Kerwin KCK
Katherine C. Kerwin (P73070)
Assistant Attorney General
Attorney for State of Michigan Department of Treasury
Cadillac Place, Ste. 10-200
3030 W. Grand Blvd.
Detroit, MI 48202
Phone: (313) 456-0140
E-mail: kerwink@michigan.gov