UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

In Re:

ZIFF DAVIS MEDIA INC., et al

Case No. 08-10768 (BRL)
Chapter 11
Jointly Administered

Debtor.
_____/

RESPONSE OF THE STATE OF MICHIGAN, DEPARTMENT OF TREASURY TO THE DEBTOR'S SEVENTH OMNIBUS OBJECTION TO ITS CLAIMS

Now comes the State of Michigan, Department of Treasury by and through its attorneys, Michael A. Cox, Attorney General and Juandisha Harris, Assistant Attorney General and responds to the Debtor's Objection as follows:

1. Debtor, Ziff Davis Media, filed a petition for voluntary bankruptcy under Chapter 11 of the Bankruptcy Code on March 5, 2008.

2. The Michigan Department of Treasury filed three tax claims in this matter: a secured claim in the amount of $5,774.79 (claim #53), a priority claim in the amount of $1,189.70 (claim #52) and an unsecured claim in the amount of $281.25 (claim #54) for non-filed and unpaid withholding taxes for the periods of March 2005 through August 2007.

3. The Debtor objects to all three claims stating the debtor is not liable for the claims asserted.

4. The debtor failed to file withholding tax returns for the March 2005 through August 2007 tax periods. The State is authorized under statute to estimate any taxes due upon the failure of the taxpayer to submit the required tax returns. Under the Bankruptcy Code, the

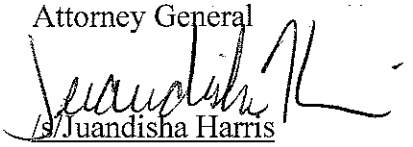
debtor is required to prove the lack of validity of the supporting figures to calculate Treasury's debt. This burden may not be shifted from the debtor to the creditor under the Code. Bankruptcy Rule 3001(f). See also, *Raleigh v. Illinois Department of Revenue*, 530 U.S. 15; 120 S.Ct. 1951; 147 L.E.Ed.2d 13 (2000).

5. Furthermore Treasury's claims are afforded *prima facie* validity. In re: Spohn, 61 Bankr. 264 (Bankr. W.D. Wisc. 1986); In re: Circle J Dairy, Inc., 112 Bankr. 297 (Bankr. W.D. Ark. 1989). Unless an objection is accompanied by sufficient evidence to overcome the *prima facie* validity accorded to the claims, the claims must be allowed. Id. The debtor in the instant case has not offered any evidence whatsoever in support of its objections to Treasury's claim. Therefore, the debtor's objection to the claims must be denied.

Based on the above, the Michigan Department of Treasury respectfully requests that the trustee's objection to Treasury's claims be denied until sufficient proof is provided indicating why the debtors are not required to pay the assessed taxes.

Respectfully submitted,

Michael A. Cox
Attorney General



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